



EXPRIVIA S.P.A. BOARD OF DIRECTORS' REPORT
ON THE PROPOSALS TO MODIFY THE ARTICLES OF
ASSOCIATION REFERRED TO IN POINT 4 OF THE
AGENDA OF THE ORDINARY AND EXTRAORDINARY
MEETING CALLED FOR 27 AND 28 APRIL 2007,
DRAWN UP IN ACCORDANCE WITH ART. 72, COMMA
1, AND ART. 92 OF CONSOB REGULATIONS No
11971 OF 14 MAY 1999 AND SUBSEQUENT
AMENDMENTS

Dear Shareholders,

This report, drawn up by your Company's Board of Directors in accordance with art. 72, comma 1, and art. 92, comma 1, of the Regulations approved with Consob resolution No 11971 of 14 May 1999, as subsequently amended, ("**Consob Regulations**") aims to illustrate and justify the proposal, contained in point 4 of the agenda of the ordinary and extraordinary Meeting of 27 April 2007, to modify certain provisions of the articles of association.

As is well-known, Decree Law No 6 of 17 January 2003 came into force on 1st January 2004 to reform the regulations governing joint stock companies and cooperatives, in enforcement of law No 366 of 3 October 2001 (hereinafter referred to as the "**Reform**").

Following the introduction of said Reform, the Government deemed it appropriate to make certain changes thereto and introduce regulations aimed at guaranteeing stricter coordination of the Reform with the Sole Banking Text (D.L. No 385 of 1st September 1993) and the Sole Finance Text (D.L. No 58 of 25 February 1998). Said amendments and coordination regulations are contained in D.L. No 37 of 6 February 2004 and D.L. No 310 of 28 December 2004, issued as a result of enabling act No 366 of 3 October 2001.

Moreover, the topic was the subject of further legislation with Law No 262 of 28 December 2005 (so-called "Savings Law"), further amended by D. Law No 303 of 29 December 2006 (so-called Pinza Decree), that explicitly states that the articles of association of listed companies conform with the new provisions introduced by both legislative measures by 30 June 2007.

As mentioned hereunder, the amendment to the articles of association the Board of Directors has submitted for your attention and approval is instrumental in completing the operation to conform said articles of association to the provisions of the Reform, in particular as regards those instruments used to simplify Board of Director governance process formalities and efficiency and allow the Company, if necessary, to adapt the articles of association to the new provisions of law governing Savings and the Pinza Decree, within the aforementioned term, in the boardroom rather than at an extraordinary meeting.

In accordance with that set out in Accompanying Document 3A, Schedule No 3, of the Consob Regulations (as amended by Consob Resolution No 14990 of 14 April 2005), the Board of Directors believes that, if approved by the Extraordinary Shareholders' Meeting, the changes made to the articles of association in force, intended to complete operations to adapt it to those provisions set out in the Reform and subsequent corrective decrees, are not such to attribute partners withdrawal rights, as neither influencing nor modifying those topics listed in comma 1, letter a) and g) of art. 2437 of the Civil Code.

The following illustrates the changes proposed and compares the current text with that proposed.

It is noted that, to facilitate the identification of those variations proposed, the words we propose be introduced are highlighted in bold in the proposed text (in the right-hand column of the table).

However, the whole version of the articles of association in force with the amendments proposed are in accompanying document 1 of this report.

The Articles of Association in force are those currently registered in the Molfetta (Bari) Company Register on 17 August 2006 at No 481202.

ARTICLE 16 – BOARD OF DIRECTORS

The amendments proposed as regards art 16 of the articles of association regard attributing the Board of Directors responsibility for some of those resolutions set out in art. 2365, comma two, of the Civil Code. Said resolutions are not so important as to justify they remain the responsibility of the extraordinary meeting, whilst assigning them to the Board of Directors would simplify those procedures necessary for their enforcement.

CURRENT VERSION	PROPOSED VERSION
<p>Article 16. Board of Directors powers, functions and pay</p>	<p>Article 16. Board of Directors powers, functions and pay</p>
<p>16.1 The Board of Directors is invested with the widest powers for the company's ordinary and extraordinary administration, without exception, with all rights necessary to achieve and enforce the corporate purpose.</p> <p>Therefore, it may take on any obligation and carry out any financial operation, without exception, as responsible for all that not explicitly reserved the Shareholders' Meeting.</p>	<p>16.1 The Board of Directors is invested with the widest powers for the company's ordinary and extraordinary administration, without exception, with all rights necessary to achieve and enforce the corporate purpose.</p> <p>Therefore, it may take on any obligation and carry out any financial operation, without exception, as responsible for all that not explicitly reserved the Shareholders' Meeting.</p> <p>Moreover, the Board of Directors is responsible for the following:</p> <ul style="list-style-type: none"> (i) merger decisions in those cases set out in articles 2505 and 2505-bis; (ii) adapting the articles of association to the provisions of law; (iii) transferring the company's registered office within Italy.

Molfetta, 26 March 2007

On behalf of the Board of Directors
The Chairman
 Prof. Francesco Gardin

This report is available from the company's registered office in Molfetta (BA), at Viale Adriano Olivetti s.n.c. and Borsa Italiana S.p.A. at Piazza Affari 6, Milan.

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ACCOMPANYING DOCUMENT 1

EXPRIVIA S.P.A.'S ARTICLES OF ASSOCIATION

CURRENT VERSION	PROPOSED VERSION
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Article 1	Article 1
<p>A joint stock company by the name of "EXPRIVIA S.P.A." has been set up.</p> <p>The company may be called by its alternative name of: "AIS S.P.A.", "AISOFW@RE S.P.A.", "ARTIFICIAL INTELLIGENCE SOFTWARE S.P.A."</p>	<p>UNCHANGED</p>

Article 2	Article 2
<p>The Company's corporate purpose is to supply products and services in the information technology and data processing sectors, as well as programs, studies and projects in the aforementioned field, even as third party agent and/or representative. The Company may produce and market <i>hardware</i>.</p> <p>The Company may carry out all commercial, industrial, financial, property and real estate operations the Board of Directors deems necessary or useful to achieve the corporate purpose, except for collecting savings amongst the public and exercising credit in accordance with Decree Law 385/1993 and subsequent amendments.</p> <p>The Company may take on, directly and/or indirectly, in Italy and/or abroad, shareholdings and/or shares in other companies and/or bodies having the same and/or similar corporate purpose to that of the company, as well as manage and transfer said shareholdings and/or shares. Moreover, it may give real and/or personal guarantees both for its own and third party bonds. Said activities shall not be carried out in relation to the public.</p> <p>In any case the Company is strictly forbidden from exercising professional investment services in relation to the public in accordance with Decree Law 58/1998, and subsequent amendments and any activity subject by law to special authorisations.</p>	<p>UNCHANGED</p>

CURRENT VERSION	PROPOSED VERSION
<p>Article 3</p> <p>The Company has its registered office in the Commune of Molfetta (BA).</p> <p>The Administrative Body may, in observance of the provisions of law, set up or eliminate secondary offices, branches, and/or agencies, both in Italy and abroad.</p> <p>The domicile of partners, for all relationships with the Company, is that resulting from the shareholders' register.</p>	<p>Article 3</p> <p>UNCHANGED</p>
<p>Article 4</p> <p>The Company term is fixed until 31 December 2054, but may be extended with Shareholders' meeting resolution.</p>	<p>Article 4</p> <p>UNCHANGED</p>
<p>Article 5</p> <p>The Company capital is fixed at Euro 17,642,488.24 (seventeen million six hundred and forty-two thousand four hundred and eighty-eight and twenty-four cents) divided into number 33,927,862 (thirty-three million nine hundred and twenty-seven thousand eight hundred and sixty-two) shares of Euro 0.52 (naught point five two cents) each.</p> <p>The company capital may be increased or reduced with extraordinary Shareholders' Meeting resolution in accordance with the law. Call options are excluded within the limit of ten percent of the existing company capital, provided that the issue price corresponds to the regulated market value of the shares and this is confirmed in an appropriate report of the company in charge of auditing the accounts in accordance with article 2441, comma four, second period, of the Civil Code.</p> <p>In accordance with that set out hereinabove, the extraordinary meeting of 3 August 2006 decided to increase the company capital by 1,716,000.00 (one million seven hundred and sixteen thousand) issuing No 3,300,000 (three million three thousand) new ordinary shares of the nominal value of Euro 0.52 (naught point five two cents) each to be offered to Exprivia S.p.A. Directors, Managers, Employees and Collaborators and those of its subsidiaries and affiliates.</p>	<p>Article 5</p> <p>UNCHANGED</p>

CURRENT VERSION	PROPOSED VERSION
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Article 6	Article 6
<p>Company shares may be transferred freely.</p> <p>Shares are registered and, in those cases permitted by the law and if entirely paid up, may be converted to the bearer or vice-versa, at the shareholder's cost.</p> <p>Shares are indivisible, have equal rights and entitle the shareholder to one vote per share. Art. 2347 of the Civil Code applies in the event of co-ownership.</p> <p>The Company shall have the right to issue shares of a different category as well as bonds, even convertible or with warrants, in accordance with the law.</p> <p>Partners shall pay for shares in accordance with the law and according to those methods and terms required.</p> <p>The Administration requests payments for shares at those terms and conditions deemed most convenient. Interest, at the annual legal rate, shall be applied to all late payments made by partners, notwithstanding that set out in art. 2344 of the Civil Code.</p> <p>The company may obtain finance from partners, either free of charge or for a valuable consideration, in accordance with the law in force and in particular those laws governing collection of savings amongst the public.</p>	<p>UNCHANGED</p>

CURRENT VERSION	PROPOSED VERSION
<p>Article 7</p> <p>Meetings regularly set up represent all partners and their resolutions, reached in accordance with the law and these articles of association, bind all partners even if they have not taken part or disagree. Meetings are ordinary or extraordinary in accordance with the law. They may be held at the Company's registered office or other location, provided that in Italy, designated by the Board of Directors in the relative notice.</p> <p>Ordinary meetings shall be called at least once a year, within 120 days of closing the financial year or within 180 days, if the company has to draw up a consolidated balance sheet or if required by the company structure or corporate purpose. Ordinary and extraordinary meetings are called every time the Board of Directors deems it appropriate and in those cases set out in the law.</p> <p>Moreover, meetings may be called, prior written communication to the Chairman of the Board of Directors, by the Board of Auditors, or two Regular Auditors.</p>	<p>Article 7</p> <p>UNCHANGED</p>
<p>Article 8</p> <p>Meetings are called by directors or the management committee with notice indicating the day, time and location of the meeting and list of subjects to be discussed, published on the Official Gazette of the Republic or at least one newspaper indicated amongst the following: «Finanza e Mercati, Il Sole 24 ore, La Repubblica, MF», at least 15 days before that fixed for the Meeting, save other term set out in the special laws regulating companies with shares on regulated markets.</p> <p>Failing formal convocation, meetings are deemed regularly set up when the entire company capital is represented and the majority of members of the administrative and controlling bodies take part. However, in this case participants may object to discussing any topic on the agenda they feel they are not sufficiently informed of; moreover all resolutions reached shall be communicated immediately to those members of the administrative and controlling bodies not present.</p>	<p>Article 8</p> <p>UNCHANGED</p>

CURRENT VERSION	PROPOSED VERSION
<p>Article 9</p> <p>Shareholders that have deposited their ordinary shares or the relative certification at the company's registered office or those banks indicated in the notice at least two days before that fixed for the meeting have the right to take part in meetings.</p> <p>All partners having the right to take part in meetings may be represented by written proxy issued in accordance with the law.</p>	<p>Article 9</p> <p>UNCHANGED</p>
<p>Article 10</p> <p>Meetings are chaired by the Chairman of the Board of Directors and, in his/her absence, the Vice Chairman and a Managing Director, if appointed; in their absence, person, even a non partner, designated by the majority of those present at the Meeting.</p> <p>The Chairman of the Meeting appoints a Secretary, even a non partner. If necessary the Meeting may also appoint, on the Chairman's proposal, two Scrutinizers.</p> <p>The Chairman of the Meeting shall ascertain the Meeting has been regularly set up, verify the identity and legitimacy of those present, run the Meeting in accordance with the relative Regulations and pronounce the results of the voting.</p>	<p>Article 10</p> <p>UNCHANGED</p>
<p>Article 11</p> <p>Ordinary and extraordinary Meetings are regularly set up and deliberate validly with those presences and majorities set out in the law.</p> <p>That set out in art. 23 hereof is applied when appointing members of the Board of Auditors.</p>	<p>Article 11</p> <p>UNCHANGED</p>
<p>Article 12</p> <p>Meeting resolutions shall be recorded in minutes signed by the Chairman and Secretary.</p> <p>Said minutes shall be drawn up by a Notary in those cases set out in the law or if deemed appropriate by the Board of Directors or the Chairman.</p>	<p>Article 12</p> <p>UNCHANGED</p>
<p>Article 13</p> <p>Ordinary Meetings may appoint one or more Managing Directors to whom those provisions regulating director responsibilities (art. 2396 Civil Code) shall be applied according to those duties assigned.</p>	<p>Article 13</p> <p>UNCHANGED</p>

CURRENT VERSION	PROPOSED VERSION
<p>Article 14</p> <p>The Company is managed by the Board of Directors consisting of from three to seven members, even non partners, in accordance with that deliberated by the Meeting.</p> <p>Directors remain in office for the term fixed on their appointment and however for not more than three years; said term expires on the balance sheet approval date of the last year of their appointment and they may be re-elected.</p> <p>The entire Board of Directors shall fall from office if the majority of its members no longer exists for whatever reason. A Meeting shall be called immediately to appoint a new Board in accordance with art. 2386 of the Civil Code.</p>	<p>Article 14</p> <p>UNCHANGED</p>
<p>Article 15</p> <p>The Board shall elect a Chairman and possibly a Vice Chairman amongst its members should the Meeting fail to do so.</p>	<p>Article 15</p> <p>UNCHANGED</p>
<p>Article 16</p> <p>The Board of Directors is invested with the widest powers for the company's ordinary and extraordinary administration, without exception, with all rights necessary to achieve and enforce the corporate purpose.</p> <p>Therefore, it may take on any obligation and carry out any financial operation, without exception, as responsible for all that not explicitly reserved the Shareholders' Meeting.</p>	<p>Article 16</p> <p>The Board of Directors is invested with the widest powers for the company's ordinary and extraordinary administration, without exception, with all rights necessary to achieve and enforce the corporate purpose.</p> <p>Therefore, it may take on any obligation and carry out any financial operation, without exception, as responsible for all that not explicitly reserved the Shareholders' Meeting.</p> <p>Moreover, the Board of Directors is responsible for the following:</p> <ul style="list-style-type: none"> (i) merger decisions in those cases set out in articles 2505 and 2505-bis; (ii) adapting the articles of association to the provisions of law; (iii) transferring the company's registered office within Italy.

CURRENT VERSION	PROPOSED VERSION
<p>Article 17</p> <p>The Board may appoint an Executive Committee and/or one or more Managing Directors.</p> <p>The Board may delegate all those powers that, by law, may be attributed to the Chairman, to the Vice Chairman, Managing Directors, executive Committee and one or more Directors.</p> <p>The Board may appoint one or more Managing Directors, if the Meeting has not already done so, as well as Special Attorneys for certain operations or categories of operations determining their duties, functions and powers in accordance with the law.</p> <p>The Chairman, Vice Chairman, Managing Directors and Executive Committee may issue, even third parties, special powers of attorney for categories of operations of ordinary administration, as well as certain operations of extraordinary administration.</p>	<p>Article 17</p> <p>UNCHANGED</p>
<p>Article 18</p> <p>The Chairman, Vice Chairman and Managing Directors, if appointed, shall represent the Company before third parties and in judgement, with the power to take legal and administrative action for any degree of judgement and even for revocation or cassation proceedings.</p> <p>The Chairman, Vice Chairman and Managing Directors shall sign separately on behalf of the company.</p>	<p>Article 18</p> <p>UNCHANGED</p>

CURRENT VERSION	PROPOSED VERSION
<p>Article 19</p> <p>Meetings shall be called by the Chairman or person acting on their behalf, even on the written request of two directors, by means of registered letter, fax or telegram to be sent at least seven days before the meeting.</p> <p>In cases of emergency, meetings may also be called by fax or telegram, to be sent at least two working days before that of the meeting.</p> <p>Moreover, Board meetings may also be called by the Board of Auditors or two regular Auditors prior written communication to the Chairman of the Board of Directors.</p> <p>Notices shall contain the relative agenda.</p> <p>Meetings not called in accordance with the hereinabove provisions shall still be valid if all Directors and members of the Board of Directors are present.</p> <p>Board meetings are held at the Company's registered office or other location, in Italy or the European Union, designated in the relative notice.</p> <p>Board meetings called by the Board of Auditors or its members shall be held solely at the company's registered office.</p> <p>Meetings may be held via teleconference or videoconference, provided that all participants may be identified, are able to follow the discussion and intervene in real time when dealing with the relative topics on the agenda; in this case, Board meetings shall be deemed to be held in the location where the Chairman and Secretary are found, so that the relative minutes may be drawn up and signed.</p> <p>Board of Directors' meetings are chaired by the Chairman or, in his/her absence, the Vice Chairman, a Managing Director or the eldest Director.</p>	<p>Article 19</p> <p>UNCHANGED</p>

CURRENT VERSION	PROPOSED VERSION
<p>Article 20</p> <p>Board meeting resolutions are deemed valid with the majority of Directors in office present.</p> <p>Resolutions are adopted with the absolute majority of votes of those present. In the event of parity the Chairman's vote stands.</p> <p>Board of Director resolutions are recorded as minutes drawn up in appropriate registers authenticated with the Chairman's and Secretary's signatures.</p>	<p>Article 20</p> <p>UNCHANGED</p>
<p>Article 21</p> <p>The Board of Directors reports to the Board of Auditors, immediately or at least every quarter, those activities and operations of most economic and financial importance carried out by the company or its subsidiaries even through the Chairman or Managing Directors; in particular it reports on any operations with a potential conflict of interest.</p> <p>Said information is provided during board meetings or when deemed appropriate, with written note to the Chairman of the Board of Auditors.</p>	<p>Article 21</p> <p>UNCHANGED</p>

CURRENT VERSION	PROPOSED VERSION
<p>Article 22</p> <p>Directors have the right to be refunded those expenses sustained in exercising their functions.</p> <p>General Meetings may assign the Board a fixed sum, in the form of a one-off or periodic payment, possibly proportionate to company results. Said payment shall be shared amongst Directors as decided by the Board.</p> <p>Moreover, the Meeting may decide to set up an appropriate severance pay Fund for members of the Administrative Body proportionate to their annual pay for managing the company. Reference shall be made to that set out in articles 16 and 70 of DPR No 917 of 22 December 1986 and subsequent amendments for the relative tax and adjustments.</p> <p>Payments to Directors invested with special duties shall be fixed by the Board of Directors having consulted the Board of Auditors.</p>	<p>Article 22</p> <p>UNCHANGED</p>
<p>Article 23</p> <p>The Board of auditors consists of three regular Auditors and two substitutes appointed by the Meeting. Said individuals may be re-elected. Their functions, duties and term in office are those set out in the law.</p> <p>Auditors remain in office for three financial years expiring on approval of the balance sheet relating to their last year in office. Their pay is determined by the Meeting according to Professional Association tariffs.</p> <p>Auditors in those incompatible situations set out in the law, that is, those lacking the required respectability and professionalism laid down in the law and/or secondary enforcement regulations, shall not be elected and, if elected, shall fall from office. Moreover, auditors holding the post of regular auditor in over ten Italian companies listed on regulated Italian markets shall not be appointed.</p> <p>The Board of Auditors is appointed according to lists presented by partners according to those procedures specified hereunder in order to assure the minority the appointment of a regular and a substitute Auditor.</p> <p>Therefore, lists consisting of two sections are presented: one to appoint regular Auditors and the other to appoint substitute Auditors.</p> <p>Said lists shall indicate a minimum number of candidates equal to the number of candidates to be elected, listed in progressive order.</p>	<p>Article 23</p> <p>UNCHANGED</p>

Candidates may only present themselves in one list penalty ineligibility.

Shareholders registered in the Shareholders' register at least 15 days before that fixed for the first general meeting and that on their own, or together with other shareholders, represent at least 8% (eight percent) of the shares having the right to vote in Ordinary Meetings have the right to submit a list. Each shareholder may concur to present a list: their support is not borne in mind in the event of a breach.

Lists, signed by those submitting them, shall be deposited at the Company's registered office at least ten days before that fixed for the first General Meeting.

The declarations with which all candidates accept their candidacy and attest the inexistence of reasons not to be elected, as well as the existence of those requirements set out in the laws in force shall be deposited, together with the lists, within the aforementioned term.

Lists submitted without observing those provisions set out hereinabove shall be deemed as not presented.

All those with a right to vote may only vote for one list.

The first two candidates of the list that have obtained the highest number of votes and that in second place shall be elected Regular Auditors. The first candidate of the list that has obtained the highest number of votes and that in second place shall be elected Substitute Auditors.

In the event of a draw between two or more lists, the eldest candidates shall be elected: that with the highest number of votes shall be elected Chairman; in the event of a draw between two or more lists the eldest candidate shall be elected Chairman.

In the event of a Regular Auditor's death, withdrawal or dismissal, the substitute belonging to the same list shall take their place.

The meeting called to appoint those regular and substitute auditors necessary to integrate the Board in accordance with art. 2401 of the Civil Code shall choose amongst the names of the same list of the Auditor to be replaced.

For the purposes hereof, partners belonging to the same group, meaning by this all subsidiary and parent companies, under common control, or linked in accordance with art. 2359 of the Civil Code shall be considered sole partners and therefore may only present one list.

<p>Article 24</p> <p>Financial years close on 31 December of each year.</p> <p>At the end of each year, the Board shall see to drawing up the balance sheet, consisting of the asset and liability statement, profit and loss account and supplementary note, within the terms and in accordance with the provisions of law. The balance sheet shall enclose a Board of Directors' management report and Board of Auditors' report.</p>	<p>Article 24</p> <p>UNCHANGED</p>
<p>Article 25</p> <p>Board meetings shall appoint, on approving the balance sheet and prior obtaining the Board of Auditors' approval, an auditing company registered on the special register, held by CONSOB, of authorised accounting companies to audit the balance sheet and consolidated balance sheet, determining their fee.</p>	<p>Article 25</p> <p>UNCHANGED</p>
<p>Article 26</p> <p>The year's net profit shall be shared as follows:</p> <ul style="list-style-type: none"> a) - 5% (five percent) to the legal reserve, until this has reached a fifth of the Company Capital; b) - the remaining amount available to the Meeting to be assigned to shareholders as dividends or other disposition. <p>Dividends shall be paid within those terms and at those banks designated by the Board of Directors.</p> <p>The Company may distribute partners advances on dividends in accordance with the law in those cases set out in art. 2433-bis of the Civil Code.</p> <p>Dividends not collected within five years of them becoming payable shall be prescribed in favour of the Company.</p>	<p>Article 26</p> <p>UNCHANGED</p>

CURRENT VERSION	PROPOSED VERSION
Article 27	Article 27
In the event of the Company being wound up, the shareholders' meeting shall determine, in accordance with the law, the liquidation methods and appoint one or more receivers.	UNCHANGED
Article 28	Article 28
Reference is made to the Law for all that not provided for herein.	UNCHANGED

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