



Shareholders' Meeting of April 28, 2016

REPORT ON SECOND MATTER ON THE AGENDA

2. Appointment of the Board of Directors and establishment of the number of members and remuneration. Appointment of the Chairman of the Board of Directors.

Dear Shareholders,

with the Shareholders' Meeting for the approval of the Financial Statements at December 31, 2015, the mandate of the Board of Directors concludes. You are therefore called to resolve upon the matter.

The appointment of the Board of Directors takes place, in accordance with Article 13 of the By-Laws, on the basis of slates presented by Shareholders, in which the candidates, numbering not more than fifteen, should be listed by progressive numbering.

The slates, signed by the presenting shareholders and accompanied by exhaustive disclosure concerning the personal and professional background of the candidates, should be filed at the registered office of the Company, or by fax to +390112617354, or to the certified e-mail address basicnet@legalmail.it, by the twenty-fifth day before the day of the Shareholders' Meeting, therefore April 3, 2016.

According to the deadlines and means set out above, together with each slate, declarations in which the individual candidates accept their candidature must be filed at the company's registered office, stating in good faith, the inexistence of reasons for ineligibility and incompatibility, as well as the fulfillment of the requirements for the respective positions, including any declarations confirming their independence, in addition to information on directorships held in other companies.

At least one member of the Board of Directors, or two if the Board of Directors is comprised of more than seven members, should be considered independent in accordance with law. Each slate should include at least one candidate considered independent.

The slates should be drawn up so as to ensure that the resulting Board of Directors complies with the regulatory-established minimum gender quotas. In accordance with Law No. 120 of July 12, 2011, at least one-third of elected members, rounded upwards, are reserved for the under-represented gender.

Only Shareholders which, individually or together with others, hold shares with voting rights comprising at least 4.5% of the share capital (as established by Consob motion No. 19499 of January 28, 2016) have the right to present slates. Shareholders should request their filing intermediaries to send to the e-mail address basicnet@pecserviziottoli.it, at the latest by the deadline for the publication of the slates by the Issuer, therefore by April 7, 2016, a communication, with efficacy at the slate presentation date, declaring the ownership of a number of shares, with voting rights, required for the presentation of the slate.

Each Shareholder, in addition to shareholders belonging to the same group, in accordance with Article 2359 of the Civil Code and the parties belonging to, also through subsidiaries, a shareholder agreement in accordance with Article 122 of Legislative Decree No. 58 of February 24, 1998, may not present, nor through nominees of trust companies, more than one slate. In the case of violation no consideration is taken of the vote of the Shareholder for any slate presented.

Slates presented that do not comply with all of the above formalities are considered as not presented.

Each candidate can be presented only on one slate at the risk of being declared ineligible. Each Shareholder may vote for only one such list.

Finally, Shareholders presenting a "minority slate" should comply with the recommendations of Consob under Communication No. DEM/9017893 - Appointment of members of the Administration and Control Boards - of February 26, 2009.

The procedure for electing the Directors shall be as follows:

- a. from the slate which obtained the highest number of votes, based on the progressive order with which they are listed in the slate, all the members necessary are elected to fill the number of Directors established for the Shareholders' Meeting, while ensuring the gender balance provisions are complied with, except one;
- b. from the slate which obtained at the Shareholders' Meeting the second highest number of votes one member is elected of the Board of Directors as the first candidate on this slate.

Consideration is not taken of the slates which have not obtained at least the number of votes required by the Company By-Laws for the presentation of slates.

Should two slates receive the same number of votes, a second vote of the entire Shareholders' Meeting is taken to decide between them with the candidate being elected through a simple majority of the votes.

In the case of presentation of only one slate, or in the case of no slate presented, the Shareholders' Meeting deliberates by statutory majority.

The Shareholders' Meeting is therefore called to:

- set the number of Board members between a minimum of five and a maximum of fifteen, as established by Article 13 of the By-Laws;
- set the remuneration of the Board of Directors in accordance with Article 2389 of the Civil Code, establishing the right for the Chairman and certain senior directors, yet to be appointed, to receive also termination benefits;
- establish that the remuneration of the Chairman and of senior directors, including the extent of termination benefits (as per Article 105, paragraphs 4 and 17, paragraph 1 letter c) of the Income Tax Law) is set, in accordance with Article 2389 of the Civil Code and Article 15 of the By-Laws, by the Board of Directors, on the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors;
- appoint, for a fresh mandate, the Directors, from among those proposed and communicated according to the terms and means established by the By-Laws;
- appoint the Chairman of the Board of Directors;

We invite you in addition to permit the Directors to be elected not to be bound by a non-competitive clause, as per Article 2390 of the Civil Code, in consideration of the fact that Directors may cover similar roles in Group companies operating in the same sector.

Turin, March 18, 2016

for the Board of Directors

The Chairman

Signed by Mr. Marco Daniele Boglione