



Shareholders' Meeting of April 28, 2016

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**REPORT ON THIRD MATTER ON THE AGENDA**

### **3 Appointment of the Board of Statutory Auditors and its Chairman and establishment of remuneration.**

Dear Shareholders,

the mandate of the Board of Statutory Auditors concludes with the Shareholders' Meeting for the approval of the Financial Statements at December 31, 2015. The Shareholders' Meeting therefore appoints the new Board of Statutory Auditors and its Chairman.

Therefore, we highlight that, in accordance with Article 17 of the By-Laws:

- the Board of Statutory Auditors should comprise three Standing members and two Alternate members, while departing Statutory Auditors may be re-elected. The Standing and Alternate Auditors are appointed for a period of three years, which concludes on the date of the Shareholders' Meeting called for the approval of the financial statements relating to the final year in office;
- the appointment of the Board of Statutory Auditors will take place according to the presentation of slates by Shareholders, in which the candidates are listed by progressive numbering. The slate is composed of two sections: one for the candidates for the office of Standing Auditor and the other for candidates for the office of Alternate Auditor.

The slates should be drawn up so as to ensure that the resulting Board of Statutory Auditors 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.

The slates, signed by the presenting shareholders, 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](mailto:basicnet@legalmail.it), by the twenty-fifth day before the day of the Shareholders' Meeting, therefore April 3, 2016.

The slates should be accompanied by exhaustive disclosure on the personal and professional background of the candidates, with indication of the presenting shareholders and the overall share capital holding, in addition to the declaration of shareholders other than those who hold, also jointly, a controlling or relative majority holding, declaring the absence of connecting relationships as per the applicable regulations, with these latter, or where in existence, the reasons why such are considered relevant.

According to the deadlines and means set out above, together with each slate, a declaration in which the individual candidates accept their candidature, must be filed, stating in good faith, the inexistence of reasons for ineligibility and incompatibility, as well as the existence of the requisites for the respective positions, in addition to information on directorships held in other companies.

Each candidate can be presented only on one slate at the risk of being declared ineligible.

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@pecserviziottitoli.it](mailto:basicnet@pecserviziottitoli.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.

Where only one slate is filed by April 3, or only related slates in accordance with the applicable regulation, further slates may be presented until the third subsequent day. In this case, the minimum percentage for the presentation of slates will be reduced to 2.25% of the share capital.

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

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.

Each Shareholder may vote for only one slate.

The procedure for electing Statutory Auditors is as follows:

- a. from the slate which obtained the highest number of votes in the shareholders' meeting, based on the progressive order on the slate, 2 standing members and 1 alternate member are elected;
- b. from the slate which obtained the second highest number of votes at the shareholders' meeting, the remaining standing members and the other alternate member are elected, based on the progressive order on the slate.

The Chairman of the Board of Statutory Auditors is the first candidate indicated on the slate that obtained the second highest number of votes.

In the case of parity of votes between slates, the candidates from the slate having a higher equity investment are elected or, subordinately, with the greater number of shareholders.

In the case of presentation of only one slate, all candidates will be taken from that slate, with the Chairman the first listed on the slate.

The Shareholders' Meeting is therefore called to:

- appoint the Board of Statutory Auditors and its Chairman;
- establish the relative remuneration.

Turin, March 18, 2016

for the Board of Directors

**The Chairman**

Signed by Mr. Marco Daniele Boglione