

**Shareholders' Meeting of 28 April 2016
Explanatory Report by the Board of Directors**

Extraordinary part

- 1) **Proposal to modify the Articles of Association by introduction of the increase in voting rights within the meaning of article 127-*quinquies* of Legislative Decree [D.Lgs.] 58/1998. Introduction of new articles 5-bis, 5-ter and 5-quater of the Articles of Association; related and subsequent resolutions;**
- 2) **Proposal to modify article 12 of the Articles of Association; related and subsequent resolutions.**

Dear Shareholders,

The Board of Directors of SABAF S.p.A. ("Sabaf" or also the "Company") has called you to an Extraordinary Meeting in order to propose to you the following modifications to Sabaf's currently applicable Articles of Association, illustrated in the present Report, drafted in accordance with articles 125-*ter* of Legislative Decree 58/1998 (Unified Finance Act ["TUF"]) and 72 of Consob Regulation no. 11971/1999 (the "Consob Regulation") and respectively contained in paragraphs 1) and 2) of the same and which will be the subject of a separate decision by the Meeting:

- 1) Proposal to modify the Articles of Association by introduction of the increase in voting rights within the meaning of article 127-*quinquies* of Legislative Decree [D.Lgs.] 58/1998. Introduction of new articles 5-*bis*, 5-*ter* and 5-*quater* of the Articles of Association; related and subsequent resolutions;
- 2) Proposal to modify article 12 of the Articles of Association; related and subsequent resolutions.

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- 1) **Proposal to modify the Articles of Association by introduction of the increase in voting rights within the meaning of article 127-*quinquies* of Legislative Decree [D.Lgs.] 58/1998. Introduction of new articles 5-*bis*, 5-*ter* and 5-*quater* of the Articles of Association; related and subsequent resolutions**

Dear Shareholders,

The Board of Directors intends to submit to the Extraordinary Meeting the modifications to the Articles of Association illustrated hereinafter, aimed at introducing into your company's Articles of Association the institution of the "increase in voting", governed by article 127-*quinquies*, TUF. This provision was introduced by article 20, paragraph 1-*bis*, of Legislative Decree 91/2014 converted by law 116/2014.

In exercise of the power granted by article 127-*quinquies*, paragraph 2, TUF, Consob has issued the provisions for implementing the institution of the increase in voting rights, subsequently integrating and modifying the Consob Regulation. Consob has, *inter alia*, regulated in detail the content of the list of shareholders who request to benefit from the increase in voting (article 143-*quater*, Consob Regulation) and has, likewise, regulated the effects of the increase in voting on the regulations of the takeover bid.

Finally, with deed of 24 February 2015, the Consob-Banca d'Italia Joint Regulation governing the centralised management and liquidation services, warranty systems and related management companies, a

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provision of 22 February 2008 has also been updated with the introduction of article 23-*bis* “Increase in voting”, which regulates communications between intermediary and issuer on the occasion, *inter alia*, of the entry in the list of shareholders who request the benefit of the increase in voting rights, the maturation of the increase and the possible nullification of the same benefit.

The legislator’s objective with the introduction of the regulation related to the increased voting is to incentivise medium-long term investment and thus stability of the shareholder structure. Reaching this objective is considered to be capable of being supported, also recognising an increased voting to the “stable” shareholder, or rather to the shareholder that it had given proof of faithfulness to the Company through the maintenance for an adequate period of time of its own share ownership.

Sabaf’s Board of Directors considers it appropriate that the Company avails itself of this legislative innovation, within the limits illustrated hereinafter, with the intention to favour – through the benefiting incentive of the increase – the involvement of the shareholders, also minority shareholders, which have given proof of faithfulness.

The Board of Directors considers that the modifications to the Articles of Association illustrated in the present report make it possible to use the ample space required by the autonomy under the Articles of Association of the legislative regulation that has introduced the increased voting in a balanced and measured manner and with respect for the interests of all of the other shareholders.

It should be noted that, based on the provision of article 127-*quinquies*, paragraph 6, TUF, the resolution to modify the Articles of Association having as its objective the introduction of the increase in voting rights – to be assumed with the increases provided for the extraordinary meeting of the applicable regulation and the regulation of the Articles of Association – does not attribute to the shareholders the right of termination within the meaning of article 2437 of the Italian Civil Code.

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1. Illustration of the proposed modifications

Art. 5-*bis* Increase in voting rights

PROPOSED TEXT
<p style="text-align: center;">5 – <i>bis</i>) INCREASE IN VOTING RIGHTS</p> <p>1. The holder of ordinary shares, where the prerequisites and conditions of the current rules and regulations and of these Articles of Association are met, has, in relation to the shares held continuously for at least twenty-four months, and from the date referred to in the following paragraph, two votes per share.</p> <p>2. The increase in voting is obtained upon entry in the specific list referred to in article 5-<i>quater</i> of the Articles of Association (“Special List”):</p> <p>a) subsequent to the holder’s application, accompanied by a communication certifying the share ownership – which may also concern part of the shares owned by the holder – released by the intermediary with whom the shares are deposited in accordance with currently applicable regulations, certifying the legitimation of the entry in the Special List; the above-mentioned application, in the case of subjects other than physical persons, must specify whether the subject is subject to the direct or indirect control of third parties and the data identifying the possible parent, in accordance with applicable regulations;</p> <p>b) upon expiry of the period of twenty-four months of uninterrupted ownership from entry in the Special List (the “Period), attested by the appropriate communication issued by the intermediary and therefore upon the continuous existence of the entry for this period;</p> <p>c) with effect from the fifth open market day of the calendar month following the expiry of the period specified in letter b) above.</p> <p>3. Once the increase in voting is already matured, or, if not matured, the period of ownership necessary</p>

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for the maturation of the increased voting, are kept:

- a) In the case of succession due to death in favour of the heir and/or legatee;
 - b) In the case of merger or demerger of the holder of the shares in favour of the company resulting from the merger or benefitting from the demerger, notwithstanding the provisions specified in paragraph 7 below;
 - c) In the case of transfer from one portfolio to another of the UCITS managed by one and the same subject;
 - d) In the case of pledging or usufruct constraints with preservation of the voting right to the pledgee or the bare owner.
4. The increase in voting rights is extended to the shares (the “New Shares”):
- (i) Converted shares with a free capital increase in accordance with article 2442 of the Italian Civil Code attributable to the holder in relation to the shares for which the increase in voting has already been matured (the “Original Shares”);
 - (ii) Attributable in exchange for the Original Shares in the case of merger or demerger, provided that the draft merger or demerger provides for this and under the terms provided for there;
 - (iii) Shares signed by the holder of the Original Shares in the exercise of the option right attributable in relation to these shares.
5. In the cases referred to in paragraph 4, the New Shares acquire the increase in voting from the time of the entry in the Special List, without the need for further expiry of the period.
6. In the cases provided for by paragraph 4 above, where the increase in voting for the Original Shares is not yet matured, but is in the course of being matured, the increase in voting will be attributable to the New Shares for which the entry in the Special List has taken place from the time of completion of the holding period calculated from the time of entry in the Special List of the Original Shares.
7. The increase in voting is nullified for the shares (i) subject to assignment on whatever grounds, against payment or free of charge, or pledging, the object of usufruct and other constraints which attribute the voting right to a third party, (ii) held by companies or entities (the “Participants”) which hold participations to a greater extent than the threshold specified in article 120, paragraph 2 of Legislative Decree 58/1998 in the case of assignment on whatever grounds, against payment or free of charge, of the control (namely the subject matter of article 2359, first paragraph no. 1, of the Italian Civil Code), directly or indirectly in the same Participants, it being noted that the subject matters set forth in paragraph three above do not constitute a relevant assignment for the purpose of the foregoing.
8. The increase in voting is nullified in the case of a waiver by the holder in whole or in part of the same increase in voting communicated by the intermediary upon the request of the holder in accordance with currently applicable regulations. The waiver is in any case irrevocable and the increase in voting may be acquired again with a new entry in the Special List and the expiry of the entire period.
9. The subject entered in the Special List consents to the intermediary indicating, and is itself obliged to communicate without undue delay, however by the date referred to in article 5 - quater paragraph 3 (record date), any circumstance and matter which nullifies, in accordance with currently applicable provisions and the provisions of the Articles of Association, the prerequisites for the increase in voting or has an impact on the holding of the same.

The new article 5-*bis* of the Articles of Association regulates the prerequisites and the conditions which legitimise the acquisition or the maintenance for the shareholder of the increase in voting rights.

In particular, it is provided that, having recourse to any other prerequisite by law or under the Articles of Association, the holder of ordinary shares entered in the Special List has two votes for each ordinary share held continuously for at least twenty-four months.

It has therefore been decided to set the increase at the greatest extent permitted by article 127-

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quinquies of the TUF, namely two votes for each ordinary share held, while with reference to the continuous period of holding the shares and entry in the Special List the minimum term of twenty-four months has been opted for as provided for by the provision referred to.

It is proposed, in accordance with the provisions of the law, that the maturation of the period of holding the share after whose expiry the acquisition of the increased voting occurs, both subordinated to the entry in a timely manner by the Company in the special list referred to in article 5-quater of the Articles of Association (the “Special List”) subsequent to the application by the interested party, accompanied by a communication by the intermediary on whose account the shares are registered certifying to the ownership of the same for anyone who wishes to allow the period required for the acquisition of the increased voting to expire.

The application must specify whether the requesting subject who is not a physical person is subjected to the direct or indirect control of third parties and the data identifying the possible controller; this is a result of the obstructive relevance regarding the increase in voting which can be had, as will be explained, by the transfer of control of the subject that the increase in voting is maturing or has matured.

The increase in voting is acquired on the fifth open market day of the month following the day on which the continuous twenty-four month period is completed. This allows for the validity date of the increase to be unified with the updating of the Special List (see article 5-quater of the Articles of Association) and with the date by which the company is obliged to communicate to the public and Consob the variations that have taken place in the composition of the share capital (which, with the increase in voting, must also refer to the number of available votes).

Paragraphs three and four of article 5-*bis* regulate the cases in which the increase in voting is maintained notwithstanding the verification of carry-over events. Thus, the Articles of Association comply with the law providing that the increased voting is not nullified in the case of succession a mortis causa. By analogy, the increase in voting is preserved in the cases of merger and demerger of the shareholder who owns shares in favour of the company resulting from the merger or benefitting from the demerger. In these cases, there is a change in the ownership of the holder of increased voting, but the new holder avails itself of the increase in voting already acquired from the person from whom it derives its rights or from the period of maturation which has already elapsed, even though not completed.

Besides the cases expressly regulated by the law, for the purpose of incentivising the “faithfulness” also of the institutional investors, based on the assumption that the management company is legally responsible for the ownership of the various Undertakings for Collective Investment in Transferable Securities (UCITS) managed in the light of the prerogatives attributed by articles 35-decies and 36 of the TUF, it is provided that the increase is not nullified in the case of transfer from one portfolio to another of the UCITS managed by one and the same subject.

The text proposed also provides for the extension of the increase in the following cases.

In the first place, the increase is extended to the newly issued ordinary shares (the “New Shares”) allocated in the context of a capital increase free of charge, in accordance with article 2442 of the Civil Code, and attributable to the holder in relation to the shares for which the increase in voting has already matured (the “Original Shares”).

In the second place, in the case of an increased payment of share capital, the increase is extended to the New Shares subscribed to by the holder of the Original Shares in the exercise of the option right attributable in relation to the above-mentioned shares.

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Finally, on condition that it is provided for in the draft merger or demerger and under the terms regulated therein, the increase in voting is extended also to the New Shares attributable in exchange for the Original Shares in the case of merger or demerger.

In relation to the three above-mentioned cases of extension of the increase in voting, it is specified that: (i) if the Original Shares have already matured the increase in voting, the New Shares also acquire the increase from the time of the entry in the Special List, without the expiry of the twenty-four month period in relation to the New Shares occurring for this purpose; (ii) if the increase in voting for the Original Shares was still in the course of maturation, the New Shares are entered in the Special List from the time of entry of the Original Shares and, therefore, the increase in voting is attributable to the New Shares from the time of the completion of the period of the holding of the Original Shares, calculated from the time of the entry in the Special List of the Original Shares.

In addition, article 5-bis regulates the subject matters which concern the nullification of the increase in voting already acquired or which impede the continuation of that possession which, once the twenty-fourth month is reached, legitimises the acquisition of the increased voting.

Such subject matters concern in particular the assignment on whatever grounds, against payment or free of charge (except of course the above-mentioned carry-over events which do not determine this effect) or the establishment of usufruct, pledging or other constraints even though the voting right is not maintained by the holder. Indeed, if it is true that in the increased voting there is a premium of faithfulness, it is logical that this is nullified, impeding the increase, when even only the voting is transferred to third parties.

In conformity with the provisions of the law, the increase is nullified (and thus the completed period of possession is annulled) in the case of assignment on whatever grounds, against payment or free of charge, of the participation controlled directly or indirectly in one shareholder – who is holder of participations with increased voting (or for which in the course of the maturation of the period that legitimises the increased voting) – greater than the threshold provided by paragraph two of article 120 TUF. In keeping with the provisions for direct assignment, it is specified that the transfer of control by succession, merger or demerger is not relevant.

In addition, the increase in voting is nullified by waiver, which must be considered irrevocable, and which may concern also only part of the shares for which the increase is matured or in the course of maturation. In the case of a waiver, given its irrevocability, the increase for the shares with reference to which it has been expressed may be re-acquired through a new entry in the Special List and with the complete expiry of the period.

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Article 5-ter Effects of the increase in voting rights

PROPOSED TEXT

5 – ter) EFFECTS OF THE INCREASE IN VOTING RIGHTS
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| <ol style="list-style-type: none">1. The beneficial owner, upon the increase in voting, will be legitimised to make use thereof by producing the specific communication in the forms provided for by the applicable regulations and by the present Articles of Association and after assessment by the Company of the non-existence of impeding circumstances.2. The legitimisation and the assessment by the Company is done with reference to the date mentioned in article 9 of the Articles of Association.3. The increase in voting referred to in article 5-bis is computed for any meeting resolution and therefore also for the determination of quorum for meetings and resolutions which make reference to |
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proportional shares of the capital.

4. The increase does not have an effect on the rights, different from the voting, attributable and exercisable on the strength of the possession of fixed proportional shares of the capital and thus also, among other things, for the fixing of the proportional shares of the capital requested for the presentation of lists for the election of the executive bodies, for the exercise of the action of responsibility in accordance with article 2393-bis of the Civil Code, and for the calculation of proportional shares requested for the appeal, on whatever grounds and for whatever reason, of meeting resolutions.

The new article 5-*ter* of the Articles of Association regulates the effects of the increase in voting rights.

For the legitimisation of the increased voting the sole communication of the intermediary will not be sufficient, but the assessment by the Company based on the results of the Special List and any notice of which it is in possession will also be necessary.

For the date which can be used as a reference for the assessment of the legitimisation of the voting, reference is made to article 9 of the Articles of Association, with which the *record date* is considered to operate also regarding the increased voting.

As regards the effects of the increase in voting, the Articles of Association are in line with the provided solution in accordance with the law in the sense that the increase in voting is computed for all of the meeting resolutions and therefore also for the determination of the quorum for constitutions of meetings and resolutions which make reference to the proportional shares of the capital. However, the increase does not have an effect on the rights, different from the voting, attributable and exercisable on the strength of the possession of fixed proportional shares of the capital and thus also, among other things, for the fixing of the proportional shares of the capital required for the presentation of lists for the election of the executive bodies, for the exercise of the action of responsibility in accordance with article 2393-bis of the Civil Code, and for the calculation of proportional shares requested for the appeal, on whatever grounds and for whatever reason, of meeting resolutions.

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Article 5-*quater*) Special List

PROPOSED TEXT

5 – <i>quater</i>) SPECIAL LIST
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| <ol style="list-style-type: none">1. The company institutes and has, with the forms provided for the maintenance of the share register, the Special List in which the subjects who have requested the increase in voting are entered upon their request.2. The Special List contains the information referred to in the applicable regulations and the present Articles of Association.3. The Special List is updated by the fifth open market day of each calendar month and in each case by the so-called record date provided by the currently applicable regulations (to the state at the end of the accounting day of the seventh open market day preceding the date set for the meeting).4. The Company proceeds immediately to cancel the Special List beyond which subsequent to the communication by the intermediary effected in the cases provided by article 5-bis, paragraphs 7 and 8, also officially where it had notice of the verification of facts which comprise the loss of the increase in voting or however the nullification of the prerequisites for its acquisition.5. In the list referred to in the present article, the provisions related to the shareholders' register and |
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any other related provision apply, if they are compatible, also as regards the publicity of the information and the right of inspection of the shareholders, as well as the provisions which the Board of Directors will make public with possible own regulation related to increased voting.

The new article 5-quater of the Articles of Association regulates the Special List, which, in accordance with article 127-*quinquies* TUF, must be instituted by every issuer that intends to benefit from the increase in voting and the entry in which it is a condition of obtaining the increase in voting itself.

The Special List is comparable to the shareholders' register. Hence, the provision of the application of the list, besides the specific provisions laid down therefor, of the provisions related to the publicity of the information and the currently applicable rights of inspection for the shareholders' register.

As regards the content of the Special List, the regulation under the Articles of Association makes reference to the applicable provisions. In this regard, it is recalled that the new article 143-ter of the Issuers' Regulation regulates its minimum content. It must contain at least: (i) the data identifying the shareholders who have requested the entry with the related date of the request and the number of the shares for which the entry is requested, (ii) the indication of transfers and constraints that do not nullify the continuous possession, given that those who vice-versa impact on the requirements of the increase will determine the cancellation of the Special List. In addition, according to the cited provision, the data identifying the shareholders who have obtained the increase in voting must be indicated with the related date of the request and the number of shares for which the increase has been obtained. The transfers and constraints with the specification of those that impact on the permanence of the increase comprising the cancellation will also be indicated.

The Special List is periodically updated by the Company, in accordance with the provisions of article 143-ter of the Issuers' Regulation a) based on communications originating from the intermediaries and b) based on the communications of the shareholders: indeed, the shareholders are required to communicate any relevant fact for the purposes of the prerequisites for the maturation or the exercise of the increased voting.

For simplification purposes, the updating of the Special List is carried out by the Company by the fifth open market day from the end of each calendar month during which the circumstances that comprise an update have been communicated or ascertained. The term is thus to coincide with that for the fruition of the increase in voting once the period is completed and with that provided by the currently applicable regulations for communication to the public by the issuers of the amount of the shares that constitute the share capital (it is now understood also as the sum total of the votes attributable to the shares). The Company's Board of Directors may adopt a regulation for the management of the Special List for the purpose of further detailing a method of entry, maintaining and updating of the Special List, ensuring the publication of the same on the Company's website.

2. Effect of the introduction of the increased voting

With reference to the possible impact of the increase in voting right on the ownership structure of SABAF, it is indicated that on the date of the present report the Company's share capital is held at 50.722% by Giuseppe Saleri S.p.a., controlling shareholder of the Company.

The Board of Directors is aware that, on the date of 21 January 2016, Giuseppe Saleri S.p.a. S.p.A. has signed with Quaestio Capital Management S.G.R. S.p.A., for the account of the fund Italian Growth Fund, a sub-fund for open-ended investments Quamvis S.C.A., SICAV-FIS (i) a preliminary

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sale and purchase contract of participations whose execution is subject to the conditions precedent of obtaining the consent of the banks to the cancellation of the pledges which impact on the shares that are the subject matter of the sale and purchase. This contract also provides that if the execution of the sale and purchase of the shares is not done by 31 March 2016, the same will be understood to be cancelled. In this regard, it is specified that in the case in which the sale and purchase contract is executed, Giuseppe Saleri S.p.a. will come to hold 30.722% of the Company's share capital; (ii) a shareholders' agreement whose essential information within the meaning of article 130 of the Issuers' Regulation is available to the public on the Company's website at the address www.sabaf.it.

In the case in which Giuseppe Saleri S.p.a.: (i) is entered in the Special List for the entire participation held; (ii) at the end of continuous twenty-four months of holding the matured shares the increase in relation to all of the ordinary shares originally entered (and on condition that the shareholder Giuseppe Saleri S.p.a. does not lose the right to increase for all or part of the shares); and (iii) no other shareholder requests this increase, the percentage of voting rights attributable to Giuseppe Saleri S.p.a. S.p.A. would be equal to 67.305% on the share capital and, in the case in which the preliminary sale and purchase contract is executed as referred to in the preceding paragraph, would instead be equal to 47.004% on the share capital.

3. Valuation of the Company's adoption of the modifications to the Articles of Association

The Board of Directors has commenced the valuations regarding the introduction of the increase in voting in the meeting of 10 November 2015, continued in the meeting of 11 February 2016, involving for in-depth study also the control and risks committee. The Board of Directors had received a report on the modifications to the TUF introduced by the Inter-ministerial Legislative Decree no. 91 of 24 June 2014, converted into law no. 116 of 11 August 2014, and in particular on article 127-*quinquies* of the TUF. The Board of Directors has positively evaluated the insertion into the Articles of Association of the increased voting as a useful instrument for the benefit of the "faithful" shareholders which incentivises the medium-long term investments. The Board of Directors has in particular also considered the tendency in the main advanced countries towards the introduction of instruments that allow, also through significant deviations from the principle "one share – one vote", the incentivization of the medium-long term investment of the investors and thus the stability of the shareholder structure.

The Company is therefore interested in having a shareholder structure aligned with the same Company's medium-long term interests, which permanently shares and accompanies the same in the development of its own activities, thus consolidating the link with the *stakeholders*.

In the meeting of 22 March 2016 the Board of Directors, with the presence of all the members of the Board of Directors and of all of the members of the Board of Statutory Auditors, has positively evaluated the corporate interest in the adoption of the increased voting and the further modifications of the Articles of Association proposed here. The Board resolution has been unanimously adopted by the shareholders present and, therefore, also with the favourable voting of all the independent members.

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Proposal for Resolution

In light of the foregoing, the Board of Directors invites you to adopt the following resolutions:

“The Extraordinary Meeting of SABAF S.p.A.:

- having heard the Chairman’s comments;
- having noted the Board of Directors’ explanatory report and the proposals formulated therein;

resolves:

A) to introduce articles 5-*bis*, 5-*ter* and 5-*quater* into the Articles of Association of SABAF S.p.A. as follows, thus adopting the text of the Articles of Association appended to the present minutes:

“Art. 5-bis Increase in voting rights

1. The holder of ordinary shares, where the prerequisites and the conditions of the current rules and regulations and of these Articles of Association are met, has, in relation to the shares held continuously for at least twenty-four months, and from the date referred to in the following paragraph, two votes per share.
2. The increase in voting is obtained upon entry in the specific list referred to in article 5-*quater* of the Articles of Association (“Special List”).
 - a) subsequent to the holder’s application, accompanied by a communication certifying the share ownership – which may also concern part of the shares owned by the holder – released by the intermediary with whom the shares are deposited in accordance with currently applicable regulations, certifying the legitimation of the entry in the Special List; the above-mentioned application, in the case of subjects other than physical persons, must specify whether the subject is subject to the direct or indirect control of third parties and the data identifying the possible parent, in accordance with applicable regulations;
 - b) upon expiry of the period of twenty-four months of uninterrupted ownership from the entry in the Special List (the “Period”) attested also by appropriate communication issued by the intermediary and therefore with the continuous existence of the entry for this period;
 - c) with effect from the fifth open market day of the calendar month following the expiry of the period specified in letter b) above.
3. Once the increase in voting is already matured, or, if not matured, the period of ownership necessary for the maturation of the increased voting, are kept:
 - e) In the case of succession due to the death in favour of the heir and/or legatee;
 - f) In the case of merger or demerger of the holder of the shares in favour of the company resulting from the merger or benefitting from the demerger, notwithstanding the provisions specified in paragraph 7 below;
 - g) In the case of transfer from one portfolio to another of the UCITS managed by one and the same subject;
 - h) In the case of pledging or usufruct constraints with preservation of the voting right to the pledgee or the bare owner.
4. The increase in voting rights is extended to the shares (the “New Shares”):
 - (iv) Converted shares with a free capital increase in accordance with article 2442 of the Italian Civil Code attributable to the holder in relation to the shares for which the increase in voting has already been matured (the “Original Shares”);
 - (v) Attributable in exchange for the Original Shares in the case of merger or demerger, provided that the draft merger or demerger provides for it and under the terms provided for there;

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(vi) Shares signed by the holder of the Original Shares in the exercise of the option right attributable in relation to these shares.

5. In the cases referred to in paragraph 4, the new Shares acquire the increase in voting from the time of the entry in the Special List, without the need for further expiry of the period.

6. In the cases provided for by paragraph 4 above, where the increase in voting for the Original Shares is not yet matured, but is in the course of being matured, the increase in voting will be attributable to the New Shares for which the entry into the Special List has taken place from the time of completion of the holding period calculated from the time of entry in the Special List of the Original Shares.

7. The increase in voting is nullified for the shares (i) subject to assignment on whatever grounds, against payment or free of charge, or pledging, the object of usufruct and other constraints which attribute the voting right to a third party, (ii) held by companies or entities (the "Participants") which hold participations to a greater extent than the threshold specified in article 120, paragraph 2 of Legislative Decree 58/1998 in the case of assignment on whatever grounds, against payment or free of charge, of the control (namely the subject matter of article 2359, first paragraph no. 1, of the Italian Civil Code), directly or indirectly in the same Participants, it being noted that the subject matters set forth in paragraph three above do not constitute a relevant assignment for the purpose of the foregoing.

8. The increase in voting is nullified in the case of a waiver by the holder in whole or in part of the same increase in voting communicated by the intermediary upon the request of the holder in accordance with currently applicable regulations. The waiver is in any case irrevocable and the increase in voting may be acquired again with a new entry in the Special List and the expiry of the entire period.

9. The subject entered in the Special List consents to the intermediary indicating, and is itself obliged to communicate, without undue delay, however by the date referred to in article 5 - *quater* paragraph 3 (*record date*), any circumstance and matter which nullifies, in accordance with currently applicable provisions and the provisions of the Articles of Association, the prerequisites for the increase in voting or has an impact on the holding of the same.

Article 5-ter Effects of the increase in voting rights

1. The beneficial owner, upon the increase in voting, will be legitimised to make use thereof by producing the specific communication in the forms provided by the applicable regulations and by the present Articles of Association and after assessment by the Company of the non-existence of impeding circumstances.

2. The legitimisation and the assessment by the Company is done with reference to the date mentioned in article 9 of the Articles of Association.

3. The increase in voting referred to in article 5-*bis* is computed for any meeting resolution and therefore also for the determination of quorum for meetings and resolutions which make reference to proportional shares of the capital.

4. The increase does not have an effect on the rights, different from the voting, attributable and exercisable on the strength of the possession of fixed proportional shares of the capital and thus also, among other things, for the fixing of the proportional shares of the capital requested for the presentation of lists for the election of the executive bodies, for the exercise of the action of responsibility in accordance with article 2393-*bis* of the Civil Code, and for the calculation of proportional shares requested for the appeal, on whatever grounds and for whatever reason, of meeting resolutions.

Article 5-*quater* Special List

1. The company institutes and has, with the forms provided for the maintenance of the share register, the Special List in which the subjects who have requested the increase in voting are entered upon their request.

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2. The Special List contains the information referred to in the applicable regulations and the present Articles of Association.

3. The Special List is updated by the fifth open market day of each calendar month and in each case by the so-called *record date* provided by the currently applicable regulations (to the state at the end of the accounting day of the seventh open market day preceding the date set for the meeting).

4. The Company proceeds immediately to cancel the Special List beyond which subsequent to the communication by the intermediary effected in the cases provided by article 5-*bis*, paragraphs 7 and 8, also officially where it had notice of the verification of facts which comprise the loss of the increase in voting or however the nullification of the prerequisites for its acquisition.

5. In the list referred to in the present article, the provisions related to the shareholders' register and any other related provision apply, if they are compatible, also as regards the publicity of the information and the right of inspection of the shareholders, as well as the provisions which the Board of Directors will make public with possible own regulation related to increased voting.

B) The Company's Board of Directors may adopt a regulation for the management of the Special List for the purpose of further detailing a method of entry, maintaining and updating of the Special List, ensuring the the publication of the same on the Company's website.

C) to give a mandate to the Chairman and the CEO, separately between them, and also through holders of special statutory powers [*procuratori*], with the widest possible powers, taking all necessary steps for the execution of the resolutions for modifying the Articles of Association adopted today and for compliance with all legal formalities, with power to make formal and substantial additions, modifications and suppressions which become necessary or however are also requested as part of the entry in the pertinent Commercial Register.

Ospitaletto, 19 April 2016
On behalf of the Board of Directors
The Chairman
Giuseppe Saleri