

Report of the Board of Directors of Nice S.p.A. prepared pursuant to article 125-ter of Legislative Decree 58/1998 and articles 84-ter and 73 of the regulation adopted by Consob resolution no. 11971 of 1999, for the purposes of the Ordinary Shareholders' Meeting, called at the Company's administrative offices in Oderzo (TV), Via Callalta 1 for 24 April 2018 at 5:00 pm on first call and for 26 April 2018 at the same time and place on second call

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ORDINARY SECTION

- (1) *Financial Statements as at 31 December 2017, Directors' Report on Operations, Board of Statutory Auditors' Report and Independent Auditors' Report; related and resulting resolutions.*

Dear Shareholders,

the draft financial statements as at 31 December 2017, which we submit for your approval, show a net income of Euro 7,478,393.98, allowing us to propose the distribution of a dividend of Euro 0.1 for each of the 110,664,000 ordinary shares outstanding as at 31 December 2017 (net of treasury shares held by Nice S.p.A. at 31 December 2017), for a total amount of Euro 11,066,400.00. The ex date will be 30 April 2018 and the dividend will be paid as from 3 May 2018. The record date will be 2 May 2018.

We also submit for your inspection the consolidated financial statements of Nice as at 31 December 2017 which, while not subject to approval by the Shareholders Meeting, is part of the additional information provided with the financial statements of Nice S.p.A.

In that regard, we are pleased to inform you that, as commented in the Report on Operations, the consolidated revenues of 2017 are Euro 324,957,191.14, compared to Euro 309,062,009.82 in 2016, an increase of 5,1 %.

Therefore, and for broader disclosure, referring also to the financial statements at 31 December 2017 and its Report on Operations that you are called to approve, we submit for your approval the following

draft resolution

“The Shareholders' Meeting of Nice S.p.A., having noted the Report on Operations of the Board of Directors, the Board of Statutory Auditors' Report and the Independent Auditors Report and having reviewed the Financial Statements as at 31 December 2017,

resolves

- (1) to approve the financial statements as at 31 December 2017, which recorded a net income of Euro 7,478,393.98, as presented by the Board of Directors, both taken as a whole and with regard to individual items, as well as the associated Report on Operations prepared by the Board of Directors;
- (2) distribute to Shareholders a gross dividend of Nice S.p.A equal to Euro 0,1 for each of the 110,664,000 outstanding shares (net of the treasury shares held by Nice as at 31 December 2017), for a total amount of Euro 11,066,400.00, using the following items:
 - net income equal to 7,478,393.98
 - Extraordinary Reserve equal to 3,588,006.02;

- (3) to allocate the current amount of the exchange rate gains reserve equal to Euro 1,227,067.00 to extraordinary reserve since there are no longer grounds for maintaining this reserve.
- (4) to pay the dividend of Euro 0.1, gross of any withholding taxes of law, for each of the 110,664,000 ordinary shares outstanding as at 31 December 2017; the ex date will be 30 April 2018 and the dividend will be paid as from 3 May 2018; the record date will be 2 May 2018. The payment will be made through the authorised intermediaries with which the shares are registered in the Monte Titoli System.
- (5) to authorise the Chairman of the Board of Directors, should the number of treasury shares change before the ex-dividend date:
 - to allocate the dividend amount of any shares purchased to the “Extraordinary Reserve”;
 - to reduce the Extraordinary Reserve item by the dividend amount from any treasury shares sold.

* * *

- (2) ***Resolution on the first section of the report on remuneration pursuant to article 123-ter, paragraph six, of Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented.***

Dear Shareholders,

We submit for your inspection the Report on Remuneration, prepared pursuant to art. 123-ter of the Italian Consolidated Law on Finance and 84-*quater* of the Issuers’ Regulations. Note that the Report on Remuneration is divided into two sections, which respectively describe: (i) the Company’s policy on remuneration of members of the Board of Directors and directors with strategic responsibilities for at least the next year, and the procedures used for the adoption and implementation of this policy; and (ii) each of the items that make up the remuneration of the members of the administrative and control bodies and of directors with strategic responsibilities, as well as the remuneration paid to them in any capacity in the reporting period.

Therefore, and referring to the Report on Remuneration for broader disclosure, we submit, in line with the provisions of art. 123-ter, paragraph six, of the Consolidated Law on Finance, for your approval the following

draft resolution

“The Shareholders’ Meeting of Nice SpA,

- having noted the Report on Remuneration prepared by the Board of Directors and drawn up pursuant to art. 123-ter of the Consolidated Law on Finance and 84-*quater* of the Issuers’ Regulations,
- having examined in particular the “first section” on the Company’s policy on remuneration of members of the Board of Directors and directors with

strategic responsibilities, and on procedures used for the adoption and implementation of this policy,

- having regard to the Corporate Governance Code for listed companies, to which the Company subscribes,

resolves

favourably on the first section of the Report on Remuneration, drawn up pursuant to art. 123-ter of the Italian Consolidated Law on Finance and 84-quater of the Issuers' Regulations.”

- (3) *Authorisation to purchase and dispose of treasury shares, subject to revocation of the resolution adopted by the Shareholders' Meeting on 26 April 2017, as not used; related and resulting resolutions.*

(Report pursuant to article 73 of the regulation adopted by Consob resolution 11971 of 1999)

Dear Shareholders,

The Shareholders' Meeting of 26 April 2017 had authorised the Company to buy treasury shares for a period of 18 months from the date of the resolution, as well as to arrange their disposal without time limits.

During the financial year 2017 and until today, the Company has not undertaken to purchase the treasury shares. Therefore, the Company at present owns 5,336,000 treasury shares, representing 4.6% of Company share capital.

Since the term of validity of the above authorisation will expire on 26 October 2018, we propose, in order to avoid convening a special shareholders' meeting near the deadline and considering that the proposal is in line with the practice of most listed companies, the usefulness of proceeding to a new authorisation for the purchase and disposal of treasury shares pursuant to articles 2357 and following of the Italian Civil Code, subject to the revocation of the authorisation passed by the previous resolution of shareholders' meeting, as not used.

The following are the reasons and methods of purchase and disposal of treasury shares for which we ask request authorisation.

- (A) **Reasons why authorisation is required for the purchase and disposal of treasury shares**

Authorisation is required, in line with the objectives laid down in article 5, paragraph 2, of Regulation (EU) No. 596/2014 of the European Parliament of 16 April 2014, to avail of treasury shares to be used in the context of future stock option plans for executive directors and/or employees, including managers and partners of the Company and its subsidiaries, or to service any bond issues convertible into Company shares.

Authorisation shall likewise be required to take action to stabilise the Company's share price in the face of market contingencies, in compliance with the provisions of article 5, paragraph 4, of Regulation (EU) No. 596/2014 of the European Parliament of 16 April 2014. The purchase of treasury shares may also be used for efficient use of company liquidity.

It is also proposed to the Shareholders' Meeting that the Board of Directors be authorised also to avail of shares eventually acquired since this facility is deemed an important tool for management and strategic flexibility.

(B) Maximum number and par value of shares subject to authorisation

The purchase for which authorisation is requested refers to the ordinary shares of the Company whose maximum number, within the limits laid down in article 2357, paragraph 3 of the Italian Civil Code, shall not have a total par value, including any shares held to date by the Company and its subsidiaries, amounting to more than one fifth of the total share capital. Subsidiaries of Nice will be given instructions for the timely communication of any purchases of Nice shares so as to ensure compliance with the above limit of 20% of the total share capital of the Company.

The fee paid or received for the buying and selling of treasury shares will be recognised directly in equity on the basis of international accounting standard "IAS 32" and this recognition will in any case take place in the forms provided for by regulations from time to time in force.

(C) Duration of the authorisation

The proposal provides that the shares may be purchased within a period of 18 months from the date on which the Shareholders' Meeting has adopted the related resolution, while authorisation for disposal is requested without time limits.

(D) Fee for purchase and disposal of shares

The shares may be purchased at a price that shall not be more than 20% lower or higher than the closing price per share for the previous day for any individual purchase transaction and in any case at a price no more than the higher of the price of the last independent trade and the highest current independent bid price in the trading venue where the purchase is carried out, even when the shares are traded on different trading venues.

The shares can be sold at a price that shall not be 20% lower or higher than the closing price per share for the previous day for each single transaction. These price limits shall not apply if the sale of shares is to employees, including managers, executive directors and partners of Nice and its subsidiaries, within the scope of the stock option plans as incentives specifically targeting them.

(E) Methods for carrying out the purchase and disposal of shares

The purchase of treasury shares shall take place in compliance with current provisions of the law for listed companies, and therefore in accordance with the provisions of articles 144-*bis* of the Issuers' Regulation, 132 of the Italian Consolidated Law on Finance and in accordance with the methods set out by Italian Stock Market

Regulation and any other applicable laws, including Regulation (EU) no. 596/2014 of the European Parliament of 16 April 2014 and the relevant European and national implementation rules and, therefore, through the following methods:

- (i) takeover bid or public exchange offer;
- (ii) on regulated markets or multilateral trading systems according to the operating procedures established in the organisation and management rules of such markets, which do not permit the direct matching of proposals to buy with predetermined proposals to sell;
- (iii) purchase and sale of derivative instruments traded on regulated markets or multilateral trading systems that involve the physical delivery of the underlying shares, provided that the organisation and management rules of the market provide for procedures that comply with those set forth in article 144-*bis*, paragraph 1, letter c) of the Issuers' Regulation;
- (iv) granting to shareholders, in proportion to the shares held, of a put option to be exercised within the period of time established in the Shareholders' Meeting resolution authorising the buyback programme;
- (v) in the conduct of systematic internalisation activity in non-discriminatory manner and that imply automatic and non-discretionary execution of transactions based on pre-set parameters;
- (vi) in the manner established by the market practice permitted by Consob pursuant to article 13 of Regulation (EU) no. 596/2014 of the European Parliament of 16 April 2014;
- (vii) under the conditions indicated in article 5 of Regulation (EU) no. 596/2014 of the European Parliament of 16 April 2014.

The portfolio treasury shares may be sold, possibly even before the completion of purchases, where permitted by the applicable European and national provisions, on one or more occasions, in regulated and/or unregulated markets, i.e. out of the market, including through public and/or shareholder offers, institutional placement, placement of purchase bonuses and/or warrants or as payment for acquisitions or public exchange offers.

The resolution for the purchase and disposal of treasury shares, taken by the ordinary Shareholders' Meeting of 26 April 2017, shall be deemed correspondingly revoked for the unused portion, as from the date of the Shareholders' Meeting.

Therefore, we submit for your approval the following

draft resolution

“The Shareholders' Meeting of Nice SpA, having noted the proposal of the Board of Directors and taking into account the provisions of Articles 2357 and following of the Italian Civil Code,

resolves

1. to revoke approval for the part not executed, as from the date of this Shareholders' Meeting, of the resolution on the authorisation to acquire and dispose of treasury shares adopted by the Ordinary Shareholders Meeting of 26 April 2017;
2. to authorise the Board of Directors, pursuant to article 2357 of the Italian Civil Code, to purchase treasury shares of the Company based on the quantity, price, terms and methods described below:
 - the purchase may take place on one or more occasions, within 18 months from the date of the Shareholders' Meeting resolution, and within the limits of available reserves and distributable income as resulting from the last approved financial statements. They will be recognised in accordance with the provisions of the law and applicable accounting standards;
 - the purchase price of each share shall be no more than 20% lower or higher than the closing price per share for the previous day for any individual transaction and in any case must not exceed the higher price between the last independent trade and the offer price of the highest current independent bid price in the trading venue where the purchase is made, even when the shares are traded in different trading venues;
 - the maximum number of shares purchased may not have a total par value, including any shares owned by subsidiaries, in excess of one fifth of the share capital, taking into account also the shares held by subsidiaries;
 - the purchase of treasury shares shall take place in compliance with current provisions of the law for listed companies, and therefore in accordance with the provisions of articles 144-*bis* of the Issuers' Regulation, 132 of the Italian Consolidated Law on Finance and in accordance with the methods set out by Italian Stock Market Regulation and any other applicable laws, including Regulation (EU) No. 596/2014 of the European Parliament of 16 April 2014 and the relevant European and national implementation rules and, therefore, through the following methods:
 - (i) takeover bid or public exchange offer;
 - (ii) on regulated markets or multilateral trading systems according to the operating procedures established in the organisation and management rules of such markets, which do not permit the direct matching of proposals to buy with predetermined proposals to sell;
 - (iii) purchase and sale of derivative instruments traded on regulated markets or multilateral trading systems that involve the physical delivery of the underlying shares, provided that the organisation and management rules of the market provide for procedures that comply with those set forth in article 144-*bis*, paragraph 1, letter c) of the Issuers' Regulation;

- (iv) granting to shareholders, in proportion to the shares held, of a put option to be exercised within the period of time established in the Shareholders' Meeting resolution authorising the buyback programme;
 - (v) in the conduct of systematic internalisation activity in non-discriminatory manner and that imply automatic and non-discretionary execution of transactions based on pre-set parameters;
 - (vi) in the manner established by the market practice permitted by Consob pursuant to article 13 of Regulation (EU) no. 596/2014 of the European Parliament of 16 April 2014;
 - (vii) under the conditions indicated in article 5 of Regulation (EU) no. 596/2014 of the European Parliament of 16 April 2014;
3. to authorise the Board of Directors, in accordance with article 2357-ter, paragraph 1, of the Civil Code, to sell all and/or part of the portfolio treasury shares, with no time constraints, possibly even before having completed purchases, where permitted by applicable EU and national provisions; the shares may be sold on one or more occasions, also by means of public and/or Shareholder offer, on the regulated and/or over the counter markets, or out of the market, also by means of public and/or Shareholder offer, institutional placement, placement of purchase bonuses and/or warrants, or as payment for acquisitions or public exchange offers at a price that shall not be 20% lower or higher than the closing price per share recorded in the Stock Exchange during the day preceding every single transaction. These price limits shall not apply if the sale of shares is to employees, including managers, executive directors and partners of Nice and its subsidiaries, within the scope of the stock option plans as incentives specifically targeting them;
 4. to authorise the Board of Directors to make, pursuant to article 2357-ter, paragraph 3, of the Civil Code, all accounting entries necessary or appropriate, relating to transactions involving treasury shares, in accordance with current law and applicable accounting standards;
 5. the Board of Directors, and therefore its Chief Executive Officer, shall have all the powers required to carry out the purchases and sales, and in any case to implement the resolutions above, including through attorneys appointed as needed, in compliance with any requirements of the relevant authorities.”
- (4) ***Appointment of the Board of Statutory Auditors and its Chairman for the three-year term that will end with the approval of the financial statements at 31 December 2020; determination of the relevant compensation; related and consequent resolutions.***

Dear Shareholders,

We wish to point out that at the time of approval of the financial statements as at 31 December 2017, the mandate conferred to the Board of Statutory Auditors currently in office shall expire.

We therefore request that you proceed, pursuant to article 2364, first paragraph, point 2) Civil Code and the applicable provisions of the Articles of Association, with appointment for the three-year period ending with the approval of the financial statements as at 31 December 2020, of three statutory auditors and two alternate auditors, as well as the appointment of the Chairman of the Board of Statutory Auditors and the determination of their respective annual emoluments.

In this regard, we wish to remind you that:

- the appointment of the Board of Statutory Auditors shall take place on the basis of lists of candidates submitted by shareholders who, in accordance with the Articles of Association and the statutory and regulatory provisions in force, represent at least 2.5% of the share capital, subject to the discipline even regulatory, *pro tempore* in force regarding gender balance;
- each candidate may appear on only one list under penalty of ineligibility;
- outgoing auditors may be re-elected;
- the presentation of the lists of candidates for the office of member of the Board of Statutory Auditors as well as the appointment of the same must be carried out in compliance with the provisions of article 20 of the Articles of Association and the current provisions of the law. In particular, each list that (considering both sections) has at least three candidates must contain a number of candidates of the less represented gender that is at least equal to the minimum required by current laws and regulations. The submitted lists that do not conform to the provisions above shall be considered as if they were not submitted;
- the Chair of the Board of Statutory Auditors, pursuant to the law and Articles of Association, shall be the first candidate on the second list according to the number of votes and that are not related, even indirectly, as per the current legislative and regulatory provisions, with the shareholders who presented, contributed to present, or voted the first list according to the number of votes.
- pursuant to article 2400, last paragraph, of the Civil Code, at the time of appointment of the members of the Board of Statutory Auditors and before accepting the appointment, the Shareholders' Meeting is notified of the administration and control positions held by each of them at the other companies;
- if only one list is presented or if no lists are presented, the Shareholders' Meeting shall pass resolutions according to and with legal majority, without observing the procedure envisaged above.

We also report to Shareholders who intend to make proposals for the appointments of the Board of Statutory Auditors that:

- candidates for the office of member of the Board of Statutory Auditors must meet the independence requirements set forth in article 148, third paragraph, of the Consolidated Finance Act and envisaged by current provisions of law and regulations;
- the lists must be filed at the registered office of the Company, in Oderzo (TV), Via Pezza Alta 13, or by certified e-mail to be sent to the following certified e-mail address accounting@pec.nicegroup.com , at least 25 days before the date set for the Shareholders' Meeting on first call (i.e. by 30 March 2018) and must be accompanied by:
 1. information on the identity of the shareholders who presented the list and the percentage of shareholdings held by them overall;
 2. the declarations with which the individual candidates accept the candidacy and certify, under their own responsibility, the absence of causes of ineligibility and incompatibility, including the limitation of the number of offices in accordance with the applicable legislative and regulatory provisions, as well as the existence of the requirements prescribed for the respective offices;
 3. the curriculum vitae with comprehensive information regarding the personal and professional qualifications of each candidate, with an indication of administration and control positions held in other companies;

it is recalled that, if a list is presented by shareholders other than those who hold, even jointly, a controlling or relative majority interest in the Company's share capital, said list shall be accompanied by a statement from the shareholders that present it, stating the absence of connections with one or more reference shareholders, as defined by current regulations;

- the lists will be published by the Company at least 21 days before the date set for the Shareholders' Meeting, in accordance with the provisions of the Articles of Association and article 144-*octies* of the Issuers' Regulation.

Lastly, it is recalled that, pursuant to article 144-*sexies*, fifth paragraph of the Issuers' Regulation, in the event that at the end of the twenty-fifth day preceding the Shareholders' Meeting only one list has been filed for the appointment of the members of the Board of Statutory Auditors, or only lists presented by shareholders who, according to the provisions of the fourth paragraph of article 144-*sexies* of the Issuers' Regulation, are connected to each other pursuant to article 144-*quinquies* of the Issuers' Regulation, lists may be presented on the third day following said date and the shareholding required for the presentation of the lists (2.5% of the share capital) is reduced to half.

We also invite you to determine - pursuant to article 2364, first paragraph, point 3), of the Civil Code and the applicable provisions of the Articles of Association - the total annual remuneration due to the Statutory Auditors. In this regard, it is noted that the total remuneration currently payable to the Chairman of the Board of Statutory Auditors envisages a gross fixed remuneration of Euro 20,000 on an annual basis and the total remuneration currently payable to each other statutory auditor provides for a

gross fixed remuneration of Euro 10,000 on an annual basis. For further details on the remuneration policy currently envisaged, reference is made to the Remuneration Report that will be published as required by law.

Providing the foregoing, the Shareholders' Meeting must therefore:

- 1) appoint the Board of Statutory Auditors for the years 2018-2020, i.e. until the approval of the financial statements as at 31 December 2020;
- 2) appoint the Chairman of the Board of Statutory Auditors; and
- 3) determine the remuneration of the Board of Statutory Auditors.

* * *

Oderzo, 14 March 2018

Chairman of the Board of Directors

Lauro Buoro