

SHAREHOLDERS' MEETING OF 28 MAY 2019

**REPORTS OF THE BOARD OF DIRECTORS ON THE ITEMS 1, 2, 3, 4, 7, 8
OF THE AGENDA**

REPORT OF THE BOARD OF DIRECTORS ON THE FIRST ITEM ON THE AGENDA

Poste Italiane S.p.A. Financial Statements for the year ended 31 December 2018. Reports of the Board of Directors, the Board of Statutory Auditors, and the Audit Firm. Related resolutions. Presentation of the consolidated financial statements for the year ended 31 December 2018.

Dear Shareholders,

A special file, that will be made available to the public at the Company's registered office and on its website within the time period established by the law, to which we therefore refer you, contains the proposed financial statements of Poste Italiane S.p.A. for the year ended 31 December 2018 – including the separate Accounts of BancoPosta's Ring-Fenced Capital (established by the Company with effect from 2 May 2011 by a resolution of the extraordinary shareholders' meeting held on 14 April 2011, and whose functioning is governed by special rules available at www.posteitaliane.it) – showing net income for the year of 583.7 million euro, as well as the Poste Group's consolidated financial statements for the year ended 31 December 2018 (showing a net result for the year attributable to the Group amounting to 1,398.7 million euro), which the Board of Directors approved on 19 March 2019.

Considering the foregoing, we submit the following

Proposal

The present Shareholders' Meeting of Poste Italiane S.p.A.:

- having examined the proposed financial statements of Poste Italiane S.p.A. for the year ended 31 December 2018, with the related reports of the Board of Directors, the Board of Statutory Auditors, and the External Auditor;
- having acknowledged the "consolidated non-financial declaration", prepared in accordance with Legislative Decree n. 254/16 and included in the Report on

operations for the year ended 31 December 2018, with the report of the External Auditor;

- having acknowledged the consolidated financial statements for the year ended 31 December 2018, with the related reports of the Board of Directors and the External Auditor;

resolves

to approve the financial statements of Poste Italiane S.p.A. for the year ended 31 December 2018, including the separate Accounts of BancoPosta's Ring-Fenced Capital.

REPORT OF THE BOARD OF DIRECTORS ON THE SECOND ITEM ON THE AGENDA

Allocation of net income for the year.

Dear Shareholders,

We remind you that the dividend policy – which was approved by the Board of Directors at its meeting on 26 February 2018 and communicated to the public at the presentation of the strategic plan 2018-2022 – provides (i) an amount of the dividend for the year 2017 equal to 0.42 euro per share, and (ii) an increase by 5% per annum up to 2020, and a minimum payout of 60% from 2021 onward.

Considering that the Poste Italiane Group's net consolidated income for 2018 amounts to 1,398,753 thousand euro (entirely attributable to the Group), in accordance with the dividend policy referred to above, we propose the distribution of a dividend amounting to 0.441 euro per share (a total of about 573.7 million euro), to be paid in June 2019 in accordance with the dates communicated to the market on 30 January 2019, when the corporate calendar of events for the year 2019 was released, and precisely: (i) 26 June 2019 as the payment date, (ii) 24 June 2019 as the "ex dividend" date, and (iii) 25 June 2019 as the record date (i.e., the date of entitlement to the aforesaid dividend).

In light of all the foregoing, and considering that:

- the legal reserve exceeds the maximum of one-fifth of the share capital (as required by article 2430, paragraph 1, of the Italian Civil Code); and
- as provided for by article 8.3 of the Rules for BancoPosta's Ring-fenced Capital (the text of which is available on the Company's website www.posteitaliane.it), given the absence of contributions by third parties to BancoPosta's Ring-fenced Capital, Shareholders' Meetings resolve – including upon proposal by the Board of Directors – on the allocation of the Company's net income for the year, and specifically: (i) the part regarding BancoPosta's Ring-fenced Capital, as shown in the related report, taking into

account its specific rules and, in particular, the necessity of complying with the capital requirements of prudential supervision, and thus (ii) the remaining part, including the part of the net income referred to under (i) not allocated to the ring-fenced capital; we submit for your approval the following

Proposal

The present Shareholders' Meeting of Poste Italiane S.p.A., having examined the report of the Board of Directors,

resolves

1. to allocate the net income of BancoPosta's Ring-fenced Capital of 596,808,586 euro to the disposal of the Company;
2. to allocate Poste Italiane S.p.A.'s net income for 2018, amounting to 583,766,266 euro, as follows:
 - 2.1) to the distribution to the Shareholders, as a dividend, the amount of 0.441 euro for each ordinary shares in circulation on 24 June 2019, the day scheduled as the ex-dividend date, excluding treasury shares on that date;
 - 2.2) the remaining amount after the distribution to the Shareholders, to the available reserve named "Retained Earnings";
3. to pay the aforesaid dividend for 2018 of 0.441 euro per ordinary share – before withholding tax, if any – from 26 June 2019, with the "ex-dividend" date of coupon n. 4 falling on 24 June 2019 and the record date (i.e., the date of entitlement to the payment of the aforesaid dividend pursuant to article 83-*terdecies* of Legislative Decree n. 58 of 24 February 1998 and article 2.6.6, paragraph 2, of the Regulations of the markets organized and managed by Borsa Italiana S.p.A.) falling on 25 June 2019.

REPORT OF THE BOARD OF DIRECTORS ON THE THIRD ITEM ON THE AGENDA

Appointment of the Board of Statutory Auditors.

Dear Shareholders,

You have been convened to discuss and resolve on the appointment of the Board of Statutory Auditors, whose term expires when the financial statements for 2018 are approved.

In this regard, we remind you that, in accordance with the provisions of article 25 of the corporate Bylaws, as well as the regulations in force:

- the Board of Statutory Auditors consists of three regular Auditors, in addition to whose appointment the Shareholders' Meeting also elects three substitute Auditors. The Statutory Auditors thus appointed remain in office for three years (with their term expiring on the day when a Shareholders' Meeting is called to approve the financial statements for the third year of their term) and may be re-elected when their term expires;
- both the regular Statutory Auditors and the substitute Statutory Auditors are appointed by a Shareholders' Meeting on the basis of slates presented by the Shareholders;
- the slates of candidates may be presented only by Shareholders who, alone or together with other Shareholders, possess at least 1% of the share capital, with the possession of the minimum stake in the Company's share capital necessary for the presentation of slates being determined by examining the Shareholder's recorded shares the day on which the slates are filed at the Company;
- the slates must be divided into two sections – one for candidates for the office of regular Statutory Auditor and the other for candidates for the office of substitute Statutory Auditor – in which the candidates (who may not exceed the number of members of the body to be elected) must be listed in numerical order;

- the first of the candidates in each section must be a certified public accountant with at least three years of experience performing statutory external audits;
- in accordance with the regulations regarding gender balance, the slates must also include candidates of different genders in both the first two places of the section regarding regular Statutory Auditors and the first two places of the section regarding substitute Statutory Auditors;
- no Shareholder may present or vote for more than one slate, even through third parties or trust companies. Shareholders belonging to the same group and those who have made a shareholders' agreement regarding the Company's shares may not present or vote for more than one slate, even through third parties or trust companies. A candidate may be presented on only one slate, on pain of ineligibility;
- two regular Statutory Auditors and two substitute Statutory Auditors are drawn – in the numerical order in which they are listed – from the slate that obtains the most votes, while the remaining regular Statutory Auditor and the remaining substitute Statutory Auditor are drawn from the other slates, in accordance with the regulations in force and according to the method described in article 14.4, letter b), of the corporate Bylaws, to be applied distinctly to each of the sections into which the other slates are divided;
- the chairmanship of the Board of Statutory Auditors is attributed to the regular Statutory Auditor elected in the way prescribed by article 14.4, letter b), of the corporate Bylaws (i.e., to the regular Statutory Auditor drawn from the minority slates, as required by article 148, paragraph 2-*bis* of the Unified Law on Finance, which was approved by Legislative Decree n. 58 of 24 February 1998); in the event the Chairman is substituted, the office is assumed by the substitute Statutory Auditor elected in the way prescribed by article 14.4, letter b) of the corporate Bylaws;
- in the event one of the Statutory Auditors drawn from the slate that obtains the most votes is substituted, his or her place is taken by the first of the substitute Statutory Auditors drawn from the same slate. In the event that the substitution made in such a way does not result in a Board of Statutory Auditors in keeping with the regulations in

force regarding gender balance, the place is taken by the second of the substitute Statutory Auditors drawn from the same slate. In the event it subsequently becomes necessary to substitute the other regular Statutory Auditor drawn from the list that obtains the most votes, his or her place is taken by the other substitute Statutory Auditor drawn from the same slate.

We also remind you that the candidates for the office of Statutory Auditor must possess the requisites of integrity and professional competence required of the statutory auditors of companies with listed shares by the Minister of Justice's Decree n. 162 of 30 March 2000, as supplemented by the provisions of article 25.1 of the corporate Bylaws, as well as any additional requisites under the law and regulations in force and the Supervisory Regulation of Banca d'Italia applicable to the Company.

As far as the situations of ineligibility and the limits to the number of offices on boards of directors and boards of statutory auditors that may be held by members of the Board of Statutory Auditors are concerned, the provisions referred to in, respectively, the following apply:

- (i) article 148, paragraph 3, of the Unified Finance Law and article 148-*bis* of the Unified Law on Finance;
- (ii) articles 144-*duodecies* ff. of the Consob's Issuer Regulations (adopted with Resolution n. 11971 of 14 May 1999), as well as
- (iii) the additional provisions of the law and regulations applicable to the Company.

The slates must be filed at Poste Italiane S.p.A.'s registered office through delivery by hand of the related documentation to the offices of the *Corporate Affairs/Affari Societari* Function, at 175 Viale Europa – 00144 Rome (from Monday to Friday from 10 a.m. to 5 p.m.) or through the section of the Company's website dedicated to the present Shareholders' Meeting or via fax to +39 06 59585733 or electronically to affari.societari@pec.posteitaliane.it by the twenty-fifth day preceding the date of the Shareholders' Meeting (i.e., by 3 May 2019). When the slates are filed, information must also be provided that allows the Shareholders' making the related presentation to be identified.

The slates must also be accompanied by:

- a declaration by the Shareholders presenting them specifying the percentage of the share capital constituted overall by the stake they possess. The notice certifying their possession of the aforesaid stake may reach the Company even subsequently to the filing of the slates, but not later than twenty-one days before the date of the Shareholders' Meeting (i.e., by 7 May 2019);
- a declaration by Shareholders other than those who, even jointly, have a controlling or relative-majority equity interest in the Company, certifying the absence of relations of affiliation (as specified by the provisions of article 144-*quinquies* of the Consob's Issuer Regulations) with the latter. It should be noted in this regard that, according to the notices referred to in article 120 of the Unified Law on Finance, the Company is subject to the *de jure* control of the Ministry of the Economy and Finance, because the latter owns a total of 64.26% of its capital, (i) 29.26% directly, and (ii) 35.00% indirectly through CDP, which is also controlled by the Ministry, even though it does not in any way manage or coordinate the Company according to the provisions of article 19, paragraph 6 of Decree Law n. 78/2009, converted with Law n. 102/2009, which clarified that the rules contained in the Italian Civil Code regarding the management and coordination of companies does not apply to the Italian Government. In making the aforesaid declaration, we request the Shareholders concerned to take into account the recommendations expressed by the Consob in its Directive DEM/9017893 of 26 February 2009; and
- exhaustive information on the personal and professional characteristics of the candidates, as well as a declaration by the candidates themselves certifying their possession of the requisites provided for by the law and their acceptance of the candidacy. Considering that, pursuant to article 2400, last paragraph, of the Italian Civil Code, at the time of the appointment and before they accept their office, the Shareholders' Meeting must be informed of the offices on the boards of directors and boards of statutory auditors of other companies held by the Statutory Auditors, and also considering the regulations provided for by article 148-*bis* of the Unified Law on Finance, we request you to furnish a special declaration in this regard as part of

the résumés, and urge you to ensure that it is up to date when the Shareholders' Meeting takes place.

Together with the aforesaid accompanying documentation, the slates will be available to the public by the Company at least twenty-one days before the date of the Shareholders' Meeting (i.e., by 7 May 2019) at its registered office and in the section of its website dedicated to the Shareholders' Meeting.

It should be noted that, pursuant to article 144-*sexies*, paragraph 5, of the Consob's Issuer Regulations, in the event that, on the date of the deadline provided for filing the slates, only one slate has been filed – or only slates presented by Shareholders who have relations of affiliation (as specified by the provisions of article 144-*quinquies* of the Consob's Issuer Regulations) have been filed – slates may be presented until the third day after the aforesaid deadline (i.e., until 6 May 2019). In this case, slates may be presented by Shareholders who, alone or together with other Shareholders, possess at least 0.5% of the share capital.

Dear Shareholders, you are therefore requested to vote for one of the slates that will be presented, filed, and made available to the public in accordance with the aforesaid provisions of the law and the bylaws.

REPORT OF THE BOARD OF DIRECTORS ON THE FOURTH ITEM ON THE AGENDA

Determination of the remuneration of the regular members of the Board of Statutory Auditors.

Dear Shareholders,

You have been convened to discuss and resolve on the amount of the remuneration to be paid the regular members of the Board of Statutory Auditors who will be appointed by the present Shareholders' Meeting in a separate, preceding item on the agenda.

In effect, in accordance with the provisions of article 2402 of the Italian Civil Code and article 25.1 of the corporate Bylaws, when the Board of Statutory Auditors is appointed, the Shareholders' Meeting determines the annual remuneration of the regular Auditors for their entire term of office.

We remind you that the ordinary Shareholders' Meeting of 24 May 2016 set the gross annual remuneration of the Board of Statutory Auditors whose term is expiring at 80,000 euro for the Chairman and 70,000 euro for the other regular Auditors.

Regarding the remuneration of the Board of Statutory Auditors, it should be noted that Article 8.C.4 of the Corporate Governance Code of listed companies ("Corporate Governance Code") recommends that the remuneration "*shall be proportionate to the commitment required from each of them, to the importance of his/her role as well as to the size and business sector of the company*".

The Board of Directors refrains from formulating specific proposals on this item on the agenda and therefore invites the Shareholders' Meeting to determine the remuneration due to the regular members of the Board of Statutory Auditors on the basis of proposals presented by Shareholders.

Shareholders are recommended to submit such proposals suitably in advance of the date of the Shareholders' Meeting, in line with what suggested by the commentary on Article 9 of the Corporate Governance Code.

REPORT OF THE BOARD OF DIRECTORS ON THE SEVENTH ITEM OF THE AGENDA**Additional fees for the year 2018 regarding the external audit assignment.**

Shareholders,

This point concerns the supplement to the fee for the assignment to perform the statutory audit of the accounts entrusted to PricewaterhouseCoopers S.p.A for the financial year 2018.

The Board of Directors therefore submits for the approval of this Meeting the reasoned proposal formulated by the Board of Statutory Auditors pursuant to Article 13(1) of Legislative Decree No 39 of 27 January 2010 concerning the supplement to the fee paid to PricewaterhouseCoopers S.p.A for financial year 2018 set out below.

“Dear Shareholders,

in accordance with the resolution passed by the General Meeting of 14 April 2011, based on a reasoned proposal by the Board of Statutory Auditors, the Company has appointed the audit firm PricewaterhouseCoopers S.p.A (hereinafter also PwC), pursuant to articles 13 and 17 of Legislative Decree 39/2010 (according to the text in force at the time), to audit the company and consolidated financial statements of Poste Italiane for the period from 2011 to 2019, including the abbreviated six-monthly consolidated report of Poste Italiane Group and the accounting separation activities of Poste Italiane S.p.A..

On 1 January 2019, the new “IFRS 16 – Leases” standard came into effect, conforming to Regulation (EU) No. 2017/1986 of the European Commission of 31 October 2017, which replaces IAS 17 and has introduced substantial changes in terms of how leasing arrangements are audited, assessed and reported in the financial statements, and providing additional information on leasing contracts and operating leasing.

Under the new accounting standard, with regard to the contracts in question, a lease is defined as a contract that conveys the right to use an asset (the “right-of-use asset”) – for a period of time – in exchange for consideration, in the form of lease payments or “rentals”,

at their current value, which are recorded in the financial statements as a financial liability. The value of the right-of-use asset is depreciated on a straight-line basis, while the value of the financial liability is increased by the interest accrued and reduced as a result of the lease payments.

Considering the operations performed by Poste Italiane Group, the introduction of the said accounting standard has a significant economic and financial impact, as well as on the process of production of financial information, given the extremely large number of leased assets. The above mentioned changes, relating to the application of the IFRS 16 standard, entail (i) a significant amount of so-called «one-off» activities, to be carried out by the audit firm during the year ending on 31.12.2018, which envisage the analysis and understanding of the identified approaches and the auditing of the procedural plants and support systems implemented by Poste Italiane, as well as the activities for testing (current and past) contracts and transactions under way at the date of the transaction, and (ii) the development of new additional audit activities also in the following years.

Therefore, on 10 January 2019, Poste Italiane received from the said audit firm a proposal for supplementing the 9-year audit appointment, for 2018, containing a description of the subject matter, the nature of the appointment and the additional activities, as well as the related adjustment of the consideration, as per the following table.

Professional class	Professional mix	Discounted hourly fee	Hours	Fees
Partner	10	190.80	121	23,087
Executive	10	128.63	121	15,564
Expert auditor	47	46.34	569	26,367
Assistant	33	25.08	399	10,007
Rounding				(25)
Total			1,210	75,000

The consideration adjustment proposed by PwC totals 75,000 euros (plus VAT).

The additional engagement, as per article 13, paragraph 1, of Legislative Decree 39/2010, must be approved by the General Meeting of shareholders, based on a reasoned proposal of the Board of Statutory Auditors.

For its preliminary investigation purposes, the Board of Statutory Auditors, has therefore:

- examined the proposal received from PwC, with the related quantification of the number of hours and mix of professional roles employed; the consideration being determined based on the same average hourly rate (equal to about 62 euros/hours) as the original 9-year contract;*
- met with the Company's Financial Reporting Officer and AFC Administration & Budget Officer, to further investigate the reasonableness of the additional activities envisaged by PwC, in terms of the description of the relevant activities and quantification of the time required, in hours;*
- satisfied itself, on the basis of the opinion received, at the time, from the Legal Affairs Officer, as to the fact that the engagement for the additional audit activities is consistent with the original 9-year audit contract, given that the original contract envisaged the possibility of changes, as a result of the extra services requested or deemed necessary by Poste;*
- satisfied itself, on the basis of the opinion received, at the time, by the Procurement Officer, as to the fact that the engagement in question is compatible with the public procurement regulations and internal procurement procedures (taking into account the fact that PwC is the only supplier that may be engaged in this capacity);*
- received from PwC, on 27 February 2019, confirmation of conformity with the principle of independence referred to in paragraph 6 of Regulation (EU) No. 537/2014.*

In relation to the said activities, the Board of Statutory Auditors believes that the request for supplementing the audit activities is consistent with the audit appointment under way, also considering the additional audit activities required as a result of the new regulations, and is also appropriate, in relation to the professional commitment required and consistent with the exiting rates.

Now therefore, and consistently with the terms of the proposal to supplement the 9-year audit appointment by the audit firm, the Board of Directors hereby proposes to the General

Meeting to approve the “appointment for additional audit activities, in relation to the company and consolidated financial statements of Poste Italiane S.p.A., for 2018, of PWC (registered with the special list provided by article 161 of Legislative Decree 58/98 – in short, the “TUF”) based in Milan, Via Monte Rosa 91, for a total net consideration of 75,000 euros, plus VAT.”

REPORT OF THE BOARD OF DIRECTORS ON THE EIGHT ITEM OF THE AGENDA**Appointment of the Independent Auditors for the nine-year period 2020-2028 and determination of the remuneration.**

Shareholders,

This point concerns the appointment of the independent auditors for the nine-year period 2020-2028 and determination of the remuneration.

The Board of Directors therefore submits for the approval of this Meeting the reasoned proposal formulated by the Board of Statutory Auditors pursuant to Article 13(1) of Legislative Decree No 39 of 27 January 2010 concerning the appointment of the independent auditors for the nine-year period 2020-2028 and determination of the remuneration set out below.

“Dear Shareholders,

the General Meeting of shareholders called to approve the financial statements at 31 December 2019 will also mark the expiry of the appointment, for the period from 2011 to 2019, of the audit firm PricewaterhouseCoopers S.p.A (hereinafter “PwC”), on 14 April 2011, to audit the company and consolidated financial statements of Poste Italiane S.p.A. (hereinafter “Poste” or the “Parent Company” or the “Company”), including the abbreviated six-monthly consolidated report of Poste Italiane Group (hereinafter the “Group”) and the accounting separation activities of Poste.

In the light of the applicable regulations – as recently amended by Regulation (EU) No. 537/2014 (hereinafter the “EU Regulation”) and Legislative Decree 135/2016 – it will no longer be possible to renew the appointment of, nor re-engage, PwC, except after at least four years from the prior appointment.

In order to ensure a smooth transition between the current and the future audit firm, this Board of Statutory Auditors (hereinafter also the “Board”), in its capacity as “Internal Control and Audit Committee”, pursuant to paragraph 1, letter f), of article 19 of Legislative

Decree 39/2010, agrees with the proposal, by the competent management authorities of Poste, to bring forward the procedure for the selection and appointment of a new audit firm for the next 9-year period, from 2020 to 2028, in order to allow the General Meeting to decide on and approve, in good time, the new engagement. This step, besides being allowed by Italian law, is also consistent with the decisions taken by other national and international companies and with the applicable regulations governing incompatibility and independence, in particular with a view to preventing any circumstances of incompatibility, in relation to the prohibited non-audit services (article 5, paragraph 1, of the EU Regulation), several of which (letter e) of the said article 5) to be assessed for the 12 months prior to the inception of the appointment (in this specific case, from 1 January 2019).

Therefore, in June 2018, the Company kicked off the preliminary activities for the selection and appointment of a new audit firm, for the period from 2020 to 2028, in accordance with the applicable regulations, a more detailed description of which is provided below, sharing the relevant process with the Board. In this preliminary phase, inter alia, the Board has addressed and investigated several aspects of the process, including the determination of the type of tender process, the identification of the services relating to the tender and the proposal to appoint a single Group-wide audit firm. The preliminary investigation has been carried out with the involvement of all the subsidiaries, which include Public-Interest Entities (PIEs), within the meaning of the national regulations (Poste Vita S.p.A., Poste Assicura S.p.A.), and an Entity subject to an intermediate regime (PostePay S.p.A.).

An interdisciplinary Working Group (hereinafter the “WG”) was set up for the planning, coordination and implementation of the audit firm appointment activities, whose membership comprises the Company’s Financial Reporting Officer and representatives of the AFC Administration & Budgeting function and the Procurement, Corporate Affairs and Legal Affairs functions.

Consistently with the current regulatory framework, the Board of Statutory Auditors, pursuant to paragraph 2 of article 16 of the EU Regulation, has prepared the following recommendation (hereinafter also the “Recommendation”), in accordance with the applicable regulations.

Regulatory framework

The Community regulations governing the auditing of accounts has recently been modified by the two following instruments:

- *Directive 2006/43/EC, as amended by Directive 2014/56/EU on statutory audits of annual accounts and consolidated accounts, transposed into Italian Legislative Decree 39/2010, as amended by Legislative Decree 135/2016; and*
- *Regulation (EU) No. 537/2014 on specific requirements regarding statutory audit of public-interest entities, which entered into effect on 17 June 2016.*

In particular, article 16, paragraph 2, of the EU Regulation has strengthened the role of the Board of Statutory Auditors, acting as an “Internal Control and Audit Committee”, being tasked to submit a justified recommendation to enable the General Meeting to make a more considered and informed decision: “The audit committee shall submit a recommendation to the administrative or supervisory body of the audited entity for the appointment of statutory auditors or audit firms.”

Pursuant to paragraph 1 of article 19 of Legislative Decree 39/2010: “In the case of public-interest entities, the internal control and audit committee is tasked with: ... f) the responsibility for the procedure aimed at selecting the statutory auditors or audit firm and to recommend the statutory auditors or audit firm to be designated pursuant to article 16 of the EU Regulation”, and, pursuant to paragraph 2 of the said Legislative Decree “The internal control and audit committee shall be identified with: a) the board of statutory auditors”.

The purpose of the new regulation is to further harmonise the provisions originally introduced by Directive 2006/43/EC, across the European Union, to ensure a greater transparency and predictability of the obligations applying to the entities tasked with auditing a company’s accounts, and to increase their independence and objectivity in the performance of their duties, also with a view to increasing the trust of the public in the annual and consolidated accounts of the entities.

The Recommendation sets out the stages of the selection procedure prepared by the Company, according to the criteria found in article 16 of the EU Regulation, for which the

Board of Statutory Auditors has assumed responsibility pursuant to article 16, paragraph 3, of the said Regulation.

Preliminary activities to the selection procedure

The Board of Statutory Auditors has, first and foremost, shared the type of tender identified by the Company for the purposes of the selection procedure, namely, a restricted European tender procedure consisting of two stages: i) the first, beginning with the publication of the prequalification notice in the Official Journal (Gazzetta Ufficiale), aimed at identifying the audit firms eligible and qualified to take part in the tender procedure; ii) the second step is to identify – based on a tender among the participating companies – the company deemed most suited to occupy the position. Therefore, the tender procedure is consistent with the applicable regulatory positions, including Legislative Decree 50/2016, as amended (the so-called “Public Procurement Code”).

Regarding the services referred to in the tender procedure, the Board has recommended to include all the other audit-related services among the activities to be awarded, which, due to their specific characteristics (nature, recurrence, regulatory requirements) may be envisaged in advance and which it is deemed expedient/necessary to award to the said audit firm.

Regarding the decision to perform a single tender procedure for selecting a single Group-wide audit firm for the 9-year period between 2020 and 2028, through the publication of a single call for tenders for the purpose of awarding the auditing services contract relating to Poste and its subsidiaries, and also including the consolidated financial statements of Poste Group and of Poste Vita group, also involving as the contracting authorities all the subsidiaries controlled by the Parent Company, on 20 July 2018 the Board notified to the Internal Control Bodies of the Group companies its intention to manage the tender procedure in a centralised manner, taking on the role of coordinating entity and receiving a positive response from the Boards of Statutory Auditors of all the subsidiaries, in particular the PIEs Poste Vita and Poste Assicura.

This solution, which does not contrast with article 16, paragraph 3, of the EU Regulation, considering that the contractor will be selected, in any case, through a competitive procedure – albeit within the Group as a whole – will foster and enhance the effectiveness

and efficiency of the intra-group auditing process and also reduce the relevant costs and bureaucratic formalities.

Finally, the Board, without prejudice to the decision to select the audit firm through a tendering procedure, and in consideration of the complex organisation of Poste, preventively agreed with the WG the characteristics that the applicants must possess in order to effectively perform the auditing activities of Poste Italiane Group.

The pre-selection stage

The Board of Statutory Auditors agrees with the prequalification criteria, as identified within the WG, on the basis of the size, characteristics and complexity of Poste Italiane Group, and considers them to be clear, objective and aimed at ensuring a transparent and traceable procedure, with regard to both the activities carried out and the decisions taken.

Regarding the professional and technical requirements of the applicants, the following selection criteria have been envisaged:

- having performed professional auditing engagements – in the 2015-2017 3-year period*
 - with regard to the consolidated financial statements of at least 2 companies included, at 31 December 2017, in the FTSE MIB 40 Index, either directly or through other members of the network to which they belong;*
- possessing – or undertaking to set up, in the event of a successful tender and, in any case, before entering into the Framework Agreement – operational facilities in Rome, where the head office and operating units of the Group are based.*

Furthermore, the following subjective requirements have been identified:

- registration with a Chamber of Commerce (C.C.I.A.A.) in Italy, or equivalent organisation in the case of applicants based in an EU-member State;*
- absence of grounds for disqualification referred to in article 80 of Legislative Decree 50/2016, as referred to in article 133, paragraph 1, of the said Decree;*
- registration with the list of approved auditing firms – Registro dei revisori legali dei conti – kept by the Italian Ministry of Economy and Finance, pursuant to Legislative Decree 39/2010, as amended;*

- *absence of any circumstances, within the applicants or the network to which the applicant belongs, such as to affect and impair the independence of the firm or give rise to any situations of incompatibility or (actual or potential) conflict of interest, as referred to in article 12 of Legislative Decree 135/16 and in accordance with Legislative Decree 39/2010 and with the applicable (national and EU) regulations governing the auditing of accounts, or the commitment to resolve any such issues;*
- *commitment to terminate any engagements regarding the delivery of non-audit services, which, under article 5 of the EU Regulation, are strictly prohibited for the audit firm, or any member of the network to which the audit firm belongs.*

The above mentioned criteria have been included in the prequalification notice by the Company, on 3 August 2018, in agreement with the Board of Statutory Auditors.

The draft prequalification notice also describes the nature of the services to be provided:

- *the legal auditing of the accounts of Poste Italiane Group in the 9 financial from 2020 to 2028 (including the auditing of the annual consolidated accounts, of the annual separate accounts and of the consolidated financial report);*
- *additional services strictly related to the legal auditing of the Group members' accounts, such as, given by way of example only and without limitation:*
 - ✓ *attesting documents or opinions which the appointed audit firm is required to issue by law (accounting separation of postal services, interim dividends);*
 - ✓ *auditing services relating to the issuing of attesting documents or comfort letters (EMTN Programme);*
 - ✓ *attesting documents relating to the auditing of separate assets (former ISAE 3000), or as provided by any special regulations applying to the Insurance and Banking sectors;*
 - ✓ *auditing services aimed at issuing attesting documents for tax purposes required by law (statements of conformity);*
 - ✓ *auditing procedures requested by regulatory bodies or otherwise foreseeable as being of a recurrent nature.*

Finally, the prequalification notice encloses the formats relating to the following documents to be submitted by the applicants:

- the tender application;
- a declaration to the effect that the applicant possesses the professional, technical and subjective qualifications mentioned above; in particular, the applicant must (i) declare that it is not:
 - ✓ engaged in the provision of any prohibited non-audit services from 2019, or which would be prohibited from 2020;
 - ✓ affected by any circumstances of incompatibility, no later than 1 September 2019.

Analysis and evaluation of the responses received in relation to the prequalification notice

The following entities examined the prequalification notice documents: BDO SpA, Crowe AS, Deloitte & Touche SpA, Ernst & Young SpA, KPMG SpA, Mazars SpA, PwC Advisory SpA, of which the following submitted an application for participating in the selection process, namely Deloitte & Touche SpA, Ernst & Young SpA and KPMG SpA.

Based on the assessment of the conformity and completeness of the documents produced by the said applicants, in accordance with the prequalification notice, the companies shortlisted and invited to submit a tender for the auditing services of the Group's accounts were Ernst & Young SpA, Deloitte & Touche SpA and KPMG SpA.

In order to rule out the existence or subsequent arising of any circumstances of incompatibility, the Board of Statutory Auditors made sure that Poste carried out the relevant checks on the three prequalified companies, with regard to both the contracts under way and the contracts in the process of being awarded, with a focus on any engagements for the delivery of services prohibited from 2019 and from 2020. To this end, the Company examined the declarations received, in the prequalification stage, from the qualified applicants, sharing the information with the functions to which the relevant services will be provided, which functions were also pre-alerted as to the need of suspending the provision thereof from 1 January 2019 and of the possible early termination of the contract under way with the successful tenderer. Furthermore, the Company – with regard to any incompatible contracts and activities requiring a resolution within 1 January 2020 – determined the expression, by each prequalified company, of the commitment to

resolve the relevant incompatibility issues by 1 September 2019, in the event of the awarding of the contract.

The Board also made sure that Poste would continue to monitor both the contracts under way and those in the process of being awarded, as well as any extensions of contracts expiring on 31 December 2018, in order to rule out the existence or arising of any circumstances of incompatibility.

Invitations to tender and tenders

The Board of Statutory Auditors has agreed to the criteria determined by the WG for evaluating the tenders, according to which the contract would be awarded based on the choice of the tender offering the best value for money, pursuant to article 95 of Legislative Decree 50/2016 (the “Public Procurement Code”), envisaging a maximum of 70 points for the technical offer and 30 points for the financial offer. The Board of Statutory Auditors has agreed to the criteria for evaluating the technical offer, which have been notified to the Boards of Statutory Auditors of the subsidiaries, and especially to the PIEs Poste Vita and Poste Assicura.

Regarding the financial offer, it has been decided to assign the maximum score (30 points) to the company offering the best price compared to the basic contract value, with a lower score being assigned to the other companies, indexed on the basis of the difference between the relevant bid and the price offered by the company with the highest score.

The technical offer was broken down based on the following 3 macro-areas of evaluation:

- 1 – Quality of the work team, based on specific experience (maximum score of 35 points): the score is assigned depending on the quality of the work team, which is assessed by comparing the prior professional experience, as stated in the CVs of the team members (partner, executive manager and non-executive manager) and the business sectors of the audited legal entities;
- 2 – Number of hours envisaged and professional mix (maximum score of 20 points): a premium score assigned on the basis of the number of hours envisaged for the services and the best mix of professionals. The score will be assigned by converting into hours the expertise of the three top roles (partner, executive manager and non-executive

manager), multiplying the hours offered by the categories partner, executive manager and non-executive manager by 2, 1.5 and 1, respectively; minimum effort thresholds have also been provided, compared to the total hours employed for the services offered to each Group company;

- 3 – Operating approach (audit plan) by the audit firm and general characteristics of the company/competences (maximum score of 20 points): this component aims to assess the level of technicality, the understanding of the significant accounting issues of Poste Group, the degree of automation and strategies of the tenderer. In order to minimise the margin of discretion applied in awarding the score, the tenders committee must issue its judgment based on a predefined valuation scale, determined on the basis of the contents of a special document submitted by the tenderer and reporting the objectives, approach, information on the identification of the principal risk areas and the determination of the level of significance of Poste Italiane and the Group, the use of audit-supporting technologies, the team membership and the relevant timelines.

The Board of Statutory Auditors has examined the contents of the Technical Specifications – as proposed by the WG – requesting its integration/reformulation as follows:

- (i) the request for information on the IT tools that the tenderer intends to use for performing its services, with a view to controlling, on an ex post basis, the implementation by the future audit firm of the services included in its tender;
- (ii) the provision that – in the event it becomes necessary to request further services, during the 9-year term – the authorisation procedure for formalising the agreement meets the applicable regulations and with the Guidelines for the “Engagement of Audit Firms”, issued on 15 March 2017 to adapt the EU Regulation, and that the extra services be priced according to the average hourly rate of the 2020-28 audit contract;
- (iii) the provision of restrictive clauses for adjusting the rates in connection with any extraordinary and/or unforeseeable circumstances that give rise to considerable expenses, for the contractor, due to the additional services associated with the ordinary risks naturally related to the nature of the engagement.

Finally, the Board has recommended to raise the awareness of the tender committee about the importance of carefully assessing any anomalies in the tenders.

Downstream from the agreement of the evaluation criteria for the tenders and the Technical Specifications, the Company, on 26 October 2018, sent out invitations to tender, indicating the relevant contract awarding procedures and criteria. The tenders of the three qualified companies were received within 19 November 2018.

Appointment of the tender commission and evaluation of the tenders

On 3 December 2018, consistently with the applicable regulatory provisions, including Legislative Decree 50/2016, as amended (i.e. the “Public Procurement Code”), and in accordance with the criteria established by the Internal Regulation and the General Procedure for works, services and supply contracts, the tender commission appointed to assess and examine, in detail, the tenders received, in accordance with the relevant evaluation criteria (committee consisting of two members appointed by lot and three designated members, of which one must be an expert of the subject-matter of the contract).

In a preliminary capacity, based on the documents received, it has been confirmed that the tenderers belong to international networks with significant operations in Italy, offering services featuring high quality and professional standards.

In connection with the evaluation of the tenders, with the support of the competent Officer and of the WG, thorough investigations were carried out on the declarations by the tenderers and supplementary information collected, also for the purpose of assessing all the possible present and future risks of objectiveness and independence.

The examination of the tenders and of the additional information received have highlighted, inter alia, that:

- the audit procedures, as set out in the tenders, generally appears suited to the extent and complexity of the appointment;*
- the tenders feature a specific and justified declaration about the commitment to prove the possession of the independence requirements provided by the law, especially with regard to articles 10 and 17 of Legislative Decree 39/2010, in accordance with the applicable regulations;*

- the tenderers appear to possess the organisation and technical and professional skills, suited to the extent and complexity of the engagement, pursuant to article 10 bis, 10 ter, 10 quater and 10 quinquies of Legislative Decree 39/2010 and the requirements referred to in the EU Regulation.

From a quantitative point of view, the overall costs indicated in the tenders received, in respect of the auditing of the account of the Group and the related services, are specified in the table below (economic conditions):

Company	Offer (€/K)	Number of annual hours of work
Deloitte & Touche S.p.A.	32,040	50,110
EY S.p.A.	34,200	56,000
KPMG	32,328	52,000

In the light of the findings of the preliminary investigation, the WG, under the supervision of the Board of Statutory Auditors, has examined in detail, and comparatively, for each evaluation profile, the distinctive and qualifying aspects of each company, also in the light of the EU Regulation effective from 17 June 2016, and aimed at improving the integrity, independence, objectiveness, responsibility, transparency and reliability of the audit firm engaged to the audit the PIEs.

At the completion of the selection process, as described above, and taking into account the outcome, in particular, of the qualitative and quantitative weighting procedure, on 27 February 2019, the Company issued its “Report on the conclusion of the tender procedure”, pursuant to article 16, paragraph 3, letter e) of the EU Regulation, containing the grounds for its preference of the tender submitted by Deloitte & Touche S.p.A., as the one with the highest technical and financial score and the successful outcome of the adequacy evaluation.

In particular, the tender submitted by Deloitte & Touche S.p.A. was preferred because of its better knowledge of the accounts of the Company and the Group, the use of audit support technology, its nationwide operations, the membership of the working team, which boasts a good professional standing with a past record of auditing experiences and promptness.

Consistently with the Company's evaluations, the Board, in validating this judgment, also verified whether, during the selection procedure, the requirements set out in article 17 of the EU Regulation had been met, as well as that the conformity of the selection procedure with the said "Guidelines for the engagement of audit firms" issued by Poste. The Board also represents that the said recommendation has not been influenced by third parties, and that none of the clauses of the type referred to in paragraph 6 of article 16 of the EU Regulation have been applied, since the selection process has been carried out in accordance with article 16, paragraph 3, of the EU Regulation.

Given all of the above, the Board of Statutory Auditors of Poste,

- considering the findings of the procedure for selecting a single Group-wide audit firm, on the basis of the comparative and comprehensive examination of the tenders received, with a special focus on the requirement of independence, and on the technical, qualitative and financial aspects thereof,
- taking into account that article 16, paragraph 2, of the EU Regulation provides that the justified recommendation of the Board of Statutory Auditors must contain at least two possible alternatives, to allow the possibility of exercising an option, and
- considering that the said article 16, paragraph 2, of the EU Regulation requires that the Board of Statutory Auditors express a duly justified preference, hereby

RECOMMENDS

for all the above-mentioned reasons, the following two audit firm engagement alternatives, namely Deloitte & Touche S.p.A. and KPMG S.p.A., whose proposals are shown, in summary, in the attached table;

EXPRESSES

a preference for Deloitte & Touche S.p.A. and, subordinately, for KPMG S.p.A., based on the scores obtained by the different tenders, as a result of the relevant evaluation procedure;

PROPOSES TO THE GENERAL MEETING

to engage the audit firm as follows, for the 9-year term from 2020 to 2028, in accordance with the above-mentioned conditions and prices, to audit the accounts of Poste Italiane Group for the 2020-2028 period,

- preferentially, Deloitte & Touche S.p.A.;

- *subordinately (in the event the proposal of Deloitte & Touche S.p.A. is rejected), KPMG S.p.A.”*

Declaration pursuant to article 16, paragraph 2 of the EU Regulation 537/2014

The Board of Statutory Auditors, pursuant to article 16, paragraph 2, of the EU Regulation, hereby represents that this Recommendation has not been influenced by third parties and that no clause has been stipulated by the Company and a third party, as referred to in paragraph 6 of article 16 of the said Regulation, aimed at restricting the choice by the general meeting of shareholders.