



Directors' Report on the items on the Agenda of the Ordinary Shareholders' Meeting

*called for 28 April 2020 (first call) and, if necessary,
on 29 April 2020 (second call)*



**Servizi
Italia**

SERVIZI ITALIA S.P.A.
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Dear Shareholders,

the Board of Directors of Servizi Italia S.p.A. (the "**Company**") make available to you this Report, prepared in accordance with Article 125-ter, paragraph 1, of Legislative Decree No. 58/1998, as subsequently amended and supplemented ("**CFA**"), Articles 73 and 84-ter of the Regulations adopted by Consob with Resolution No. 11971/99 as subsequently amended and supplemented ("**Issuers' Regulations**"), as well as Annex 3A, Schedule 4 of the Issuers' Regulations, in order to illustrate the items set out in points 1, 2, 3, 4 and 5 on the agenda of the Ordinary Shareholders' Meeting, called at the registered office, Via San Pietro 59/b, 43019, Castellina di Soragna (PR), for **28 April 2020 at 10:30 a.m.** on first call and, if necessary, on second call on 29 April 2020, same place and time.

With reference to the first item on the agenda of the Shareholders' Meeting:

1. Separate Financial Statements as at 31 December 2019; Report on Operations of the Board of Directors; Reports of the Board of Statutory Auditors and Independent Auditors; allocation of profit for the year; related and consequent resolutions; presentation of the Consolidated Financial Statements as at 31 December 2019.

Dear Shareholders,

We remind you that the "Annual Financial Report as at 31 December 2019", which will be made available to the public by 30 March 2020 at Company's registered office, on eMarket Storage authorized storage system www.emarkestorage.com and on Company's website www.servizitaliagroup.com (Corporate Governance > Shareholders' Meeting > 2020), contains the draft of the separate and consolidated financial statements as at 31 December 2019, together with the Management Report, the attestation as per Art. 154-bis, paragraph 5 of the CFA and the Reports of the Independent Auditors and the Board of Statutory Auditors. Within the same time limit and in the same manner, any additional documentation required by current legislation will be made available to the public.

With reference to the second item on the agenda of the Shareholders' Meeting:

Remuneration policy pursuant to article 123-ter of Legislative Decree no. 58 of 24 February 1998; Report on remuneration policy and remuneration paid pursuant to article 123-ter of Legislative Decree no. 58 of 24 February 1998; related and consequent resolutions.

Dear Shareholders,

We inform you that any comment relating to the second item on the agenda is largely contained in the Report on remuneration policy and compensation paid drafted by the Board of Directors in accordance with Art. 123-ter of the CFA, which will be made available to the public by 30 March 2020 at Company's registered office, on the authorized eMarket Storage system www.emarkestorage.com, as well as on Company's website www.servizitaliagroup.com, section: Corporate Governance > Shareholders' Meeting > 2020.

The Report on remuneration policy and compensation paid consists of two sections: (i) the first one dedicated to the clear and comprehensible illustration of the remuneration policy for members of the Board of Directors and executives with strategic responsibilities with reference to at least the financial

year 2020 and, without prejudice to the provisions of art. 2402 of the Italian Civil Code, the members of the control body, as well as the procedures used for the adoption and implementation of this policy; (ii) the second aimed at providing, in a clear and comprehensible manner, an adequate representation of each of the items that make up the remuneration of management and control bodies and of executives with strategic responsibilities, as well as at describing the remuneration paid in 2019.

It should be noted that, pursuant to the current art. 123-ter of the CFA (as amended by Legislative Decree no. 49 of 10 May 2019), the Shareholders' Meeting is required to vote both on the remuneration policy illustrated in "Section One" and "Section Two" of the Report on remuneration policy and compensation paid.

Pursuant to Article 123-ter, paragraph 3-ter of the CFA, the resolution on the remuneration policy illustrated in Section One will be binding. The resolution on Section Two of the Report will not be binding, in accordance with the provisions of Article 123-ter, paragraph 6 of the CFA.

Proposals for resolution of the Board of Directors

If you agree with the contents of the Report on remuneration policy and compensation paid, we propose that you approve:

1) the following proposal for a resolution on the remuneration policy illustrated in Section One of the Report on Remuneration Policy and Remuneration paid:

"The Ordinary Shareholders' Meeting:

- *Having regard to articles 123-ter of Legislative Decree no. 58 of 24 February 1998 and 84-quater of Regulation no. 11971/99 adopted by Consob resolution no. 11971/99;*
- *having taken note of the remuneration policy illustrated in the first section of the Report on remuneration policy and remuneration paid prepared by the Board of Directors pursuant to Article 123-ter of Legislative Decree no. 58 of 24 February 1998;*
- *considering that, pursuant to Article 123-ter, paragraph 3-ter of Legislative Decree no. 58 of 24 February 1998, this resolution will be binding on the Board of Directors;*

resolves

to approve the remuneration policy of Servizi Italia S.p.A. illustrated in the first section of the Report on remuneration policy and remuneration paid prepared by the Board of Directors pursuant to Article 123-ter of Legislative Decree no. 58 of 24 February 1998".

2) the following proposal for a resolution on Section Two of the Report on remuneration policy and compensation paid:

"The Ordinary Shareholders' Meeting:

- *Having regard to articles 123-ter of Legislative Decree no. 58 of 24 February 1998 and 84-quater of Regulation no. 11971/99 adopted by Consob resolution no. 11971/99;*
- *having taken note of the second section of the Report on remuneration policy and remuneration paid prepared by the Board of Directors pursuant to Article 123-ter of Legislative Decree no. 58 of 24 February 1998;*
- *considering that, pursuant to Article 123-ter, paragraph 6 of Legislative Decree no. 58 of 24 February 1998, this resolution will not be binding on the Board of Directors;*

resolves

to express a favorable opinion on the second section of the Report on remuneration policy and remuneration paid drawn up by the Board of Directors of Servizi Italia S.p.A. pursuant to Article 123-ter of Legislative Decree no. 58 of 24 February 1998.

With reference to the third item on the agenda of the Shareholders' Meeting:

Authorization to purchase and avail of treasury shares and to perform transactions on them, subject to revocation of the previous resolution, for any unused portion; related and consequent resolutions.

Dear Shareholders,

We remind you that, by resolution passed on 30 May 2019, you authorized the purchase of treasury shares up to a maximum of 20% of the share capital of that time and for a maximum period of 18 months from the date of the resolution. The effects of the aforementioned resolution will expire during the 2020 financial year, specifically on 30 November 2020.

The reasons that led to ask the Shareholders' Meeting in May 2019 the authorization to purchase and avail treasury shares are still valid today. For this reason, we consider it useful, on the occasion of next Shareholders' Meeting, to propose to issue a new authorization to purchase and avail treasury shares, for a period of 18 months starting from the date of the relative resolution, subject to revocation of the authorization granted by the resolution passed by the Shareholders' Meeting on 30 May 2019, for any unused portion.

Below are reasons, methods and terms that we wish to submit for the renewal by the Shareholders' Meeting of the authorization to purchase and avail treasury shares.

1) Reasons why the authorization to purchase and avail of treasury shares is required

Authorization to purchase and avail treasury shares is requested from the Shareholders' Meeting in order to comply with a need for strategic and operational flexibility:

- provide the Company with the funds necessary for payment in the context of corporate and/or financial transactions of an extraordinary nature, in order to use the treasury shares in portfolio as a means of payment (or possibly as a guarantee) in transactions of an extraordinary nature such as, by way of example and not limited to: mergers and disposals, receiving the funds necessary for acquisition projects, and/or in the context of exchange and/or disposal of share packages and/or for the conclusion of commercial and/or strategic alliances or for other uses deemed to be of financial and/or management interest for the Company;
- use treasury shares, either purchased or already in the portfolio, in exchange for the exercise of rights, including conversion rights, deriving from financial instruments issued by the Company;
- dispose of treasury shares in relation to compensation plans based on financial instruments pursuant to art. 114-bis of the CFA approved by the Shareholders' Meeting and/or programs for free assignment of shares to Shareholders;
- intervene in the market, directly or through intermediaries, in compliance with the provisions in force, in an attempt to improve the liquidity of the security by carrying out activities to support it, without prejudice to the equal treatment of Shareholders, especially in case of excessive volatility;
- to invest, directly or through intermediaries, in an optimal form and in a medium and long-term perspective, Company's cash and cash equivalents, also with a view to establish long-term equity investments and regularize the share price trend, always in compliance with the provisions in force.

2) Maximum amount, category and nominal value of the shares to which the authorization relates

As of today, the Company's share capital is represented by 31,809,451 ordinary shares, all with a nominal value of Euro 1 each.

In this regard, it is proposed that the Shareholders' Meeting authorizes, pursuant to art. 2357 et seq. of the Italian Civil Code, the purchase, in one or more instalments, of a number of ordinary shares not exceeding one fifth of the share capital, taking into account the treasury shares already in portfolio. Considering that 20% of the share capital is represented by 6,361,890 ordinary shares and that at the date of approval of this report the Company already holds 1,091,528 treasury shares, equal to approximately 3.43% of the share capital, the Company has the right to purchase additional maximum 5,270,362 ordinary shares corresponding to approximately 16,57% of the share capital.

The authorization submitted to the Shareholders' Meeting also includes the right to subsequently dispose all or part of the treasury shares in portfolio, in whole or in part, and even on several occasions, even before exhausting the maximum quantity of shares that may be purchased.

3) Further useful information for the purpose of a complete assessment of compliance with the provision set forth in Article 2357, paragraph 3 of the Italian Civil Code.

It should be noted that none of the subsidiaries of the Company holds Servizi Italia S.p.A. shares and that in any case, at any time, the maximum number of own shares held, also taking into account any shares that may be held by the subsidiaries, shall never exceed one fifth of the share capital. The above limit refers to all treasury shares in Company's portfolio, including, therefore, purchases made as part of previous resolutions and shares of the Company held by its subsidiaries.

In this regard, subsidiaries will be given specific instructions to promptly report any acquisition of treasury shares pursuant to Article 2359-bis of the Italian Civil Code.

The number of treasury shares that may be purchased within the limits of Article 2357, paragraphs 1 and 3 of the Italian Civil Code will also be determined on the basis of the purchase price, to the extent that it can be found in the distributable profits and available reserves resulting from the latest regularly approved financial statements.

The Board of Directors, when making any authorized purchase, must verify compliance with the provisions of Article 2357, paragraphs 1 and 3 of the Italian Civil Code.

The Board of Directors highlights the need to form, at the same time of purchase, an unavailable reserve for an amount equal to the treasury shares recorded as assets in the balance sheet, pursuant to article 2357-ter, paragraph 3 of the Italian Civil Code (the "**Reserve for Treasury Shares in Portfolio**"), withdrawing this amount from the extraordinary reserve available. In case of subsequent transfer, exchange, contribution, cancellation or write-down of the book value of the treasury shares purchased, the Reserve for Treasury Shares in Portfolio will revert to the extraordinary reserve available, for a value equal to the book value of the treasury shares transferred, exchanged, transferred, bestowed or written down.

4) Duration for which authorization is requested

Authorization to purchase is required for the maximum duration allowed by Article 2357, paragraph 2 of the Italian Civil Code, i.e. for a period of 18 months from the date on which the Shareholders' Meeting adopts the relevant authorization resolution.

With regard to the disposal of treasury shares already in portfolio and those that will be purchased in accordance with the purposes described above, it is proposed that the Shareholders' Meeting should not set a time limit, in view of the fact that there are currently no regulatory constraints in this regard and the opportunity to have maximum flexibility, including time limits, for the disposal of the same,

leaving the Board of Directors the right to proceed with authorized transactions once or more and at any time.

5) Minimum and maximum fees and market valuations on the basis of which they have been determined

5.1) The purchase of treasury shares must be made on the market, in compliance with the applicable laws and regulations:

- at a minimum purchase price not less than 20% below the weighted average official share price recorded by Borsa Italiana S.p.A. in the 3 days prior to each individual transaction (or to the announcement of the transaction, depending on the technical methods identified by the Board of Directors);
- at a maximum purchase price not exceeding 20% of the weighted average official share price recorded by Borsa Italiana S.p.A. in the 3 days prior to each individual transaction (or to the announcement of the transaction, depending on the technical methods identified by the Board of Directors).

For purchases made on the market, however, in terms of purchase prices, the additional conditions set out in Article 3 of Delegated Regulation (EU) 2016/1052 shall apply. In particular, with regard to the definition of volumes and unit prices, purchases will be made in accordance to the conditions laid down in that Article, i.e:

- no shares will be purchased at a higher price than the higher price of the last independent transaction or the highest current independent bid on the purchase market;

- daily purchase quantities will not exceed 25% of the average daily trading volume of Servizi Italia S.p.A. shares. The daily volume will be calculated on the basis of the average daily trading volume over any of the following periods:

(a) during the month preceding the month of the communication to the market of the average daily volume of shares to be purchased. This volume will be fixed and will apply for the duration of the program;

(b) during the 20 trading days prior to the date of purchase, when the volume is not indicated in the program.

The treasury shares in the portfolio can be disposed as follows:

a) by sale on the stock exchange or on the block, including by private treaty. In these cases the following limits will be observed:

- the minimum disposal price must not be 20% lower than the weighted average of the official share prices recorded by Borsa Italiana S.p.A. in the 3 days prior to each individual transaction and, in any case, in compliance with laws and regulations in force;
- the maximum disposal price may not be 20% higher than the weighted average of the official share prices recorded by Borsa Italiana S.p.A. in the 3 days prior to each individual transaction and, in any case, in compliance with the laws and regulations in force;

b) as consideration for the purchase of shareholdings or companies; in these cases, such disposition transactions may be carried out at a consideration that may not be less than 15% of the arithmetic average of the official price recorded by the security in the 90 days prior to the date of disposal;

c) the price of the sale, if the sale is made against receipt of a cash consideration, may not be lower than 90% of the weighted average purchase price and, in any case, may not be lower than the lowest purchase price.

These price limits may be waived both in case of exchange or transfer of treasury shares (or the provision of guarantees on the same) in a context of implementation of transactions related to

industrial and/or commercial projects and/or in any case of interest to the Issuer or the Group, and in case of assignment and/or transfer, for consideration or free of charge, of shares or options in relation to (i) compensation plans based on financial instruments in accordance with art. 114-bis of the CFA (in favor, inter alia, of directors, employees, collaborators, agents, consultants of the Company), and/or (ii) the issue of financial instruments convertible into shares and/or (iii) programs for the free assignment of shares to Shareholders and/or (iv) a public offer for sale or exchange.

Disposal transactions will be accounted in accordance with the applicable legal provisions and accounting principles.

6) Methods by which purchases and arrangements will be performed

Purchase transactions will, in any case, be carried out in compliance with articles 2357 et seq. of the Civil Code, art. 5 of EU Regulation no. 596/2014 ("*Market Abuse Regulation*", hereinafter "**MAR**"), art. 132 of the CFA, art. 144-bis of the Issuers' Regulations, the accepted market practices and the guidelines adopted by the Supervisory Authority and therefore, among others: (i) by means of a public takeover bid or exchange, or (ii) on the market or, where applicable, on MTFs, in accordance with the operating procedures established by the market management company which do not allow direct matching of bids and offers to trade with predetermined bids and offers to sell, or (iii) by purchasing and availing, in accordance with applicable regulatory requirements, of derivative instruments traded on regulated markets or, where applicable, on multilateral trading facilities that provide for the physical delivery of the underlying shares, or (iv) by granting Shareholders, in proportion to the shares held by them, a put option to be exercised within the terms identified by the Board of Directors within a maximum period of 18 (eighteen) months from the date on which the Shareholders' Meeting adopts the corresponding resolution, or (v) in accordance with the procedures established by market practices permitted by Consob pursuant to art. 13 of the MAR and/or the guidelines adopted by the Supervisory Authority, and in any case in such a way as to ensure equal treatment between Shareholders and compliance with any applicable standards, including European standards (including, in particular, the regulatory technical standards adopted in implementation of the MAR).

The purchase of treasury shares may be made using methods other than those indicated above where permitted in compliance with the regulations in force from time to time and/or the guidelines of the Supervisory Authority, taking into account the need to respect in any case the principle of Shareholders' equal treatment.

Shares that will be acquired in execution of the Shareholders' Meeting authorization may be disposed and, in this context, also bestowed, even before the quantity of the purchases covered by this authorization has been exhausted, in one or more occasions, without time limits, in the manner deemed most appropriate by the Company, including, by way of example, sale on the stock exchange and/or off the stock exchange and/or on the block market, with an institutional placement, as consideration for shareholdings and/or companies, as well as for the conclusion of agreements with strategic partners and in any case under any other form of provision allowed by the relevant regulations in force, including the public offer for sale or exchange and the assignment and/or sale, for consideration or free of charge, of shares or options based on the same in relation to (i) compensation plans based on financial instruments within the meaning of art. 114-bis of the CFA, (ii) the issue of financial instruments convertible into shares and (iii) programs for the free assignment of shares to Shareholders.

7) Increase in the purchase of treasury shares to the reduction in share capital

It should be noted that the request for authorization to purchase treasury shares is not, at the moment, aimed at operations to reduce the share capital by cancelling treasury shares purchased in accordance with the purposes set out in paragraph 2 of Article 5 of the MAR.

The trading of treasury shares, within the framework of buyback programs, must comply with the conditions set out in article 5 of the MAR, the delegated Regulation (EU) 2016/1052 and/or be carried out in compliance with the market practices accepted by Consob pursuant to art. 13 of the MAR and/or the guidelines of the Supervisory Authority, so as to benefit, where appropriate, from the protection provided by the MAR or accepted market practices.

The buy-back program will be coordinated by an investment entity which will make the trading decisions regarding the timing of the purchase of the shares of Servizi Italia S.p.A. in full independence, within the limits granted by the authorization submitted for approval to the Shareholders' Meeting.

Proposal for a resolution of the Board of Directors

In light of the above, if you agree with the proposal of the Board of Directors, we invite you to take the following resolutions:

"The Ordinary Shareholders' Meeting:

- *noted and approved the Illustrative Report of the Board of Directors;*
 - *Having regard to the provisions of Articles 2357 and 2357-ter of the Italian Civil Code, Article 132 of Legislative Decree no. 58 of 24 February 1998, Article 144-bis of the Consob Regulation adopted with Resolution no. 11971/99 and subsequent amendments, as well as Article 5 of EU Regulation no. 596/2014 and Chapter II of Delegated Regulation 2016/1052;*
 - *having noted that, at the date of approval of this resolution, Servizi Italia S.p.A. holds 1,091,528 ordinary Servizi Italia shares, equal to 3.43% of the share capital, and that the subsidiaries do not hold shares in Servizi Italia S.p.A.;*
 - *Having regard to the financial statements for the year ended 31 December 2019;*
resolves
- a) *to revoke the previous authorization to repurchase treasury shares taken on 30 May 2019, in so far as it was not used;*
- b) *to authorize the Board of Directors to purchase treasury shares with a unit value of Euro 1 within the maximum limit provided for by art. 2357 of the Italian Civil Code corresponding to 20% of the share capital, equal to a maximum of 6,361,890 shares, establishing that:*
- *purchases may be made at any time, in one or more occasions, within 18 months from today's meeting;*
 - *the repurchase program may be coordinated by an investment entity that will make the trading decisions regarding the timing of the purchase of the shares of Servizi Italia S.p.A. in full independence;*
 - *purchases may be made in accordance with the provisions of Article 5 of EU Regulation no. 596/2014, Article 132 of Legislative Decree no. 58 of 24 February 1998, Article 144-bis of the Regulation adopted by Consob resolution no. 11971/99, accepted market practices and/or guidelines adopted by the Supervisory Authority: (i) by means of a takeover bid or exchange, (ii) on the market or, where applicable, on MTFs, in accordance with the operating procedures established by the market management company, (iii) by buying and selling, in accordance with the regulatory provisions in force from time to time, derivatives traded on regulated markets or, where applicable, MTFs providing for the physical delivery of the underlying shares; (iv) through the assignment to the Shareholders, in proportion to the shares held by them, of a put option to be exercised within the terms identified by the Board of Directors within a maximum period of 18 (eighteen) months from today's date; (v) in accordance with the procedures established by market practices accepted by Consob pursuant to art.*

13 of EU Reg. no. 596/2014; (vi) by the different methods allowed by the regulations in force from time to time and/or by the guidelines of the Supervisory Authority;

- the purchase price of each share may not be 20% higher or 20% lower than the weighted average official share price recorded by Borsa Italiana S.p.A. in the 3 days prior to each individual purchase transaction (or to the announcement of the transaction, depending on the technical procedures identified by the Board of Directors);
 - purchases must be made within the limits of distributable profits and available reserves resulting from the latest approved financial statements;
 - for purchases made on the market, the additional conditions set out in art. 3 of Delegated Regulation (EU) 2016/1052 will be applied:
 - no shares will be purchased at a price higher than the highest price of the last independent transaction or the highest current independent bid on the purchase market;
 - daily purchase quantities will not exceed 25% of the average daily trading volume of Servizi Italia S.p.A. shares;
 - the average daily trading volume will be calculated on the basis of the average daily trading volume:
 - ✓ during the month preceding the month of the communication to the market of the average daily volume of shares to be purchased. This volume will be fixed and will apply for the duration of the program;
 - ✓ in the 20 trading days prior to the date of purchase, when the volume is not indicated in the schedule;
- c) to authorize the Board of Directors, pursuant to art. 2357-ter of the Italian Civil Code, to dispose, at any time, in whole or in part, in one or more occasions and even before the purchases have been exhausted, of the treasury shares purchased on the basis of this resolution, establishing that:
- the sale may take place in the manner deemed most appropriate in the interest of the Company including, by way of example, the sale on the stock exchange and/or on the block market, with an institutional placement, and off the stock exchange as consideration for shareholdings or companies, as well as for the conclusion of agreements with strategic partners and in any case under any other form of provision permitted by the applicable laws in force, with the prescription that:
 - in case of disposal on the stock exchange and/or the blocks, the transfer price of each share may not be 20% lower or higher than the weighted average of the official share prices recorded by Borsa Italiana S.p.A. in the 3 days prior to each individual transaction;
 - in case of disposition made for the purchase of shareholdings or companies, the price per share may not be less than 15% of the arithmetic average of the official share prices recorded by Borsa Italiana S.p.A. in the 90 days prior to the date of disposal;
 - the price of sale, if the sale is made against receipt of a cash consideration, may not be lower than 90% of the weighted average purchase price and in any case may not be lower than the lowest purchase price;
 - the aforesaid price limits may be waived both in case of exchange or transfer of treasury shares (or provision of guarantees on the same) in the context of the implementation of transactions connected with industrial and/or commercial projects and/or in any case of interest to the Issuer or the Group, and in case of assignment and/or transfer, for consideration or free of charge, of shares or options based on the same in relation to (i) compensation plans based on financial instruments pursuant to art. 114-bis of the CFA (in favor, inter alia, of directors, employees, collaborators, agents, consultants of the Company), and/or (ii) the issue of financial instruments convertible into shares and/or (iii) programs for free assignment of shares to Shareholders and/or (iv) a public offer for sale or exchange;

- *authorization to dispose own shares, even before the purchases are exhausted, is given without time limit;*
- d) *to grant the Board of Directors all powers necessary to implement the above resolutions, including through special attorneys or specialized intermediaries, in compliance with any requests made by the competent Authorities.*

With reference to the 4th item on the agenda of the Shareholders' Meeting:

Integration of the Board of Directors through the appointment of a Director; determination of the term of office; related and consequent resolutions.

Dear Shareholders,

We remind you that the Ordinary Shareholders' Meeting of 20 April 2018 appointed the Board of Directors of the Company, setting the number of members of the Board at 11 (eleven) and setting the term of office at 3 (three) financial years, which will therefore expire with the Shareholders' Meeting called to approve the financial statements as at 31 December 2020. In compliance with the provisions of Article 17.10 of the Articles of Association and Article 2389, paragraph 3, of the Italian Civil Code, the Shareholders' Meeting of 20 April 2018 also resolved to grant the Board of Directors, in overall terms for each year of office (2018-2019-2020), a gross annual emolument for a maximum of Euro 1.315 thousand, consisting of a fixed annual portion for Euro 915 thousand and a maximum annual variable portion for Euro 400 thousand, the latter allocated to the delegated body, also resolving an indemnity for the termination of the office of the Chief Executive Officer.

Following the resignation with immediate effect of the CEO, Mr. Enea Righi, on 7 January 2020, which was promptly communicated to the market, the Board of Directors, having consulted the Nominations and Remuneration Committee, assigned management powers to an Executive Committee, composed by the Chairman Roberto Olivi, the Vice Chairman Ilaria Eugeni and the Director Michele Magagna, assisted by the Chief Operating Officer Andrea Gozzi. It is recalled that Mr. Righi was taken from the majority list submitted by the controlling shareholder Aurum S.p.A. to the Ordinary Shareholders' Meeting of 20 April 2018.

It should be noted that the Board of Directors, in view of the close call of this Shareholders' Meeting for the approval of the financial statements for the 2019 financial year, and taking into account that the current composition of the Board of Directors is in any case in compliance with the regulations currently applicable on gender diversity and guarantees the presence of the necessary number of independent Directors required by law, also regulatory, in force and applicable to STAR issuers and the Articles of Association, and that the Executive Committee ensures constant monitoring of operations and continuous improvement of company efficiency, has decided to postpone the decision on the integration of the Board of Directors through the appointment of a Director at this Shareholders' Meeting.

In this regard, it should be noted that the list voting mechanism will not be applied and the Shareholders' Meeting called to integrate the Board of Directors pursuant to art. 2386 of the Italian Civil Code and art. 15.6 of the Articles of Association will resolve with the majorities required by law, in compliance with the criteria for the composition of the Board of Directors provided for by law, including regulations, in force from time to time and by art. 15 of the Articles of Association, respecting where possible the principles provided for in art. 15.5 of the Articles of Association and the principle of minority representation.

It should be noted that Article 15.5 of the Articles of Association provides that, should a Director cease to be a Director during the financial year, the replacement shall be identified among the candidates belonging to the same list as the outgoing Director, taking care to ensure the presence on the Board of Directors of the necessary number of independent members provided by the regulations in force from time to time and of members belonging to the less represented gender in compliance with Article 15.1 of the Articles of Association. If for any reason there are no names available and eligible, the replacement will be identified without restriction in the choice and taking care to ensure the presence on the Board of Directors of the necessary number of Directors belonging to the less represented gender and independent Directors.

It should be noted that, in compliance with Article 15.1 of the Articles of Association and the regulations, including those applicable to date, within the current Board of Directors of the Company there must be (i) at least three Directors meeting the independence requirements set forth in Articles 147-ter, paragraph 4 and 148, paragraph 3 of the CFA, and (ii) at least four Directors belonging to the less represented gender (since the regulatory changes introduced by Law no. 160 of 27 December 2019 will apply to the Board of Directors of the Company as from the subsequent renewal of this body).

Without prejudice to the fact that candidacies may also be presented during the Shareholders' Meeting, in order to facilitate the proceedings of the Shareholders' Meeting, Shareholders are invited to present their proposals for candidacy for the office of Director at Company's registered office, well in advance: (i) information relating to the identity of the submitting Shareholders, with an indication of the percentage of the total shareholding held, as proven by suitable documentation issued by an authorized intermediary in accordance with the law; (ii) declarations in which each candidate accepts the candidature and attests, under his own responsibility, that there are no grounds for ineligibility and incompatibility provided for by law, as well as the existence of the requisites prescribed by law and the Articles of Association for the office of Director; and (iii) the *curriculum vitae* of each candidate containing exhaustive information regarding his/her personal and professional characteristics, indicating the positions of administration and control held in other companies and whether or not he/she qualifies as an independent Director in accordance with articles. 147-ter, paragraph 4 and 148, paragraph 3 of the Consolidated Law on Finance and, where applicable, Article 3 of the Corporate Governance Code for Listed Companies.

Applications must be submitted to Company's registered office or sent by certified e-mail to si-servizitalia@postacert.cedacri.it.

Shareholders who intend to submit nominations are recommended to also prepare and file a proposal for a resolution on the fourth item on the agenda of the Shareholders' Meeting (with reference to the appointment and, if applicable, the duration of the office).

It should be noted that, pursuant to Article 2386, paragraph 3 of the Italian Civil Code, in case of absence of a different determination by the Shareholders' Meeting, the term of office of the Director to be appointed by the Shareholders' Meeting will expire together with those in office, and therefore on the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2020.

Shareholders are invited to take into account, when submitting nominations, that the diversity policy adopted by the Board of Directors provides, among other things, that all members of the Board of Directors should be involved:

- be aware of the powers and obligations inherent to the functions that each of them is required to perform (executive and non-executive functions, independence, etc.);

- be endowed with professionalism appropriate to the role to be held (also in any internal committees of the Board of Directors) and calibrated in relation to the operational and dimensional characteristics of Servizi Italia;
- to be able to dedicate adequate time to the complexity of the assignment, taking into account the nature, quality, commitment required and functions performed in the Company, as well as other assignments in companies or entities, commitments or work activities performed;
- orient their work towards the pursuit of the Company's overall interest, regardless of the company structure from which they were voted, and be able to express autonomous judgement;
- have a professional profile appropriate to the role and, if they do not hold executive positions in the Company, be able to contribute with particular commitment to the dialectical function of the Board of Directors and to an effective monitoring of the choices made by the executive representatives of the Board of Directors;
- be able to express, in the light of the experience gained in the boards of directors of listed and unlisted companies, the capacity for strategic orientation, stimulation of results, spirit of collaboration, ability to influence and resolve any differences.

It should also be remembered that the policy on diversity adopted by the Board of Directors provides that those who have held the position of member of the administrative, management or supervisory bodies in healthcare companies, or who have been consultants to healthcare companies or healthcare stakeholders in the last three years, are not eligible, and therefore excluded from the position of Director of the Company.

With reference to the 5th item on the agenda of the Shareholders' Meeting:

Appointment of the Board of Statutory Auditors for the years 2020-2021-2022; determination of the remuneration of the members of the Board of Statutory Auditors; related and consequent resolutions.

Dear Shareholders,

We remind you that the term of office of the current Board of Statutory Auditors will expire with the next Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2019; your Board of Directors has therefore called a Shareholders' Meeting to appoint the new members of the Board of Statutory Auditors which, pursuant to Article 20 of the Articles of Association, consists of three Statutory Auditors and two Alternate Auditors, who remain in office for three years and may be re-elected.

In accordance with current legislation and Article 20 of the Articles of Association, the Board of Statutory Auditors is appointed on the basis of lists presented by the Shareholders in which the candidates are listed with a progressive number. The lists are composed by two sections: one for candidates for the office of Standing Auditor, the other for candidates for the office of Alternate Auditor.

Each section of the lists that present a number of candidates equal to at least three must contain at least one male candidate and at least one female candidate, in compliance with laws, including regulations, applicable to gender balance, and taking into account the criterion of rounding down to the lower unit applicable to the bodies of three members provided by Consob Communication no. 1/20 of 30 January 2020; candidates must be included in the list alternately by gender (one male, one female or vice versa, and so on).

Pursuant to Article 20.3 of the Articles of Association, the members of the Board of Statutory Auditors are chosen among those who meet the requirements of integrity, professionalism and independence provided by law and regulations. For the purposes of the provisions of Ministerial Decree no. 162 of 30 March 2000, matters and sectors, strictly related to Company's activities, are considered to be those listed in the corporate purpose.

Shareholders who, alone or with other Shareholders, represent at least **2.5%** of the share capital with voting rights at the Ordinary Shareholders' Meeting are entitled to submit lists.

The lists must be filed at the Company's registered office or sent by certified e-mail at si-servizitalia@postacert.cedacri.it by **3 April 2020**, corresponding to the twenty-fifth day prior to the date set for the Shareholders' Meeting in first call.

If only one list has been filed by the deadline of 3 April 2020, or only lists submitted by Shareholders who are connected with each other pursuant to Article 144-quinquies of the Issuers' Regulations, further lists may be submitted until the third day after that date, i.e. by **6 April 2020**. In this case, the share capital threshold required for the presentation of further lists will be reduced to **1.25%** (Article 144-sexies, paragraph 5, Issuers' Regulations).

The presenting Shareholders are responsible for proving ownership of the minimum shareholding required for the presentation of the lists by means of specific documentation issued by an authorized intermediary in compliance with the regulations in force, taking into account the shares registered in their favor on the day on which the relevant list is deposited with the Company. If not available at the time of filing the list, such documentation must be received by the Company by 7 April 2020.

Together with each list, the documentation required by current legislation - including regulations - and by Article 20 of the Articles of Association must be deposited: (i) information relating to the identity of the Shareholders who have submitted the list, with an indication of the percentage of the total shareholding held; (ii) the declaration of the Shareholders submitting any minority list attesting the absence of liaison relationships in accordance with applicable laws and regulations; (iii) the *curriculum vitae* containing an exhaustive description of personal and professional characteristics of each candidate, indicating the positions of administration and control held in other companies, as well as (iv) the declarations with which the individual candidates accept the candidature and attest, under their own responsibility, that there is no cause for ineligibility and incompatibility, also with reference to the limits to the accumulation of positions provided for by current legislation and art. 20.2 of the Articles of Association, and the possession of the requisites required by law and the Articles of Association for the office of Statutory Auditor.

Please note that, pursuant to art. 20.5 of the Articles of Association and in compliance with art. 144-sexies, paragraph 6 of the Issuers' Regulations: (i) each Shareholder, (ii) Shareholders belonging to the same group and (iii) Shareholders who adhere to a shareholders' agreement concerning shares of the Company may neither submit nor vote for more than one list, even if through a third party or trust companies; accessions and votes cast in violation of this prohibition shall not be attributable to any list. Each candidate may be included in only one list on pain of ineligibility.

Pursuant to Article 20.5 of the Articles of Association, lists for which the above provisions are not observed are considered as not submitted.

Reference should also be made to Consob Communication no. DEM/9017893 of 26 February 2009, by which the Supervisory Authority recommended to Shareholders that they submit a minority list, declaring the absence of liaison relationships pursuant to art. 144-quinquies of the Issuers' Regulations, to certify in the aforesaid declaration also the absence of significant relationships indicated in the same Communication with Shareholders who hold, even jointly or jointly, a controlling or relative majority interest, or if this is not the case, to indicate the existing significant relationships

and the reasons why they were not considered decisive for the existence of the relationships as per art. 148, paragraph 2 of the CFA and art. 144-quinquies of the Issuers' Regulations.

Considering that, pursuant to Article 2400, last paragraph, of the Italian Civil Code, at the time of the appointment and before accepting the appointment, the Shareholders' Meeting must be informed of the administration and control positions held by the Statutory Auditors in other companies, we invite you to update this information, included in the *curricula* filed at Company's registered office, until the day of the appointment to the Shareholders' Meeting.

Shareholders who intend to submit a list are recommended to prepare and file, together with the list, a proposal for the Shareholders' Meeting resolution on the fifth item on the agenda, also with regard to the compensation to be awarded to the Statutory Auditors.

In relation to the composition of the lists, Shareholders are invited to take into consideration, for the purposes of the presentation of the lists, the following criteria provided for by the diversity policy adopted by the Board of Statutory Auditors, in addition to those of integrity, professionalism and independence required by law and recommended by the Corporate Governance Code:

- (i) Statutory Auditors should have a majority of legal auditors registered in the appropriate register;
- (ii) the composition of the Board of Statutory Auditors must in any case ensure gender balance in accordance with the provisions of the law and the articles of association in force from time to time, in compliance with the gender diversity criterion set out in principle 8.P.2 of the Corporate Governance Code;
- (iii) In order to strike a balance between the need for continuity and renewal in the exercise of supervisory functions, a balanced combination of different seniority would be desirable, as well as - in order to allow for a balanced plurality of perspectives and experience - a balanced combination of different age groups;
- (iv) the Statutory Auditors should have managerial and/or professional and/or academic and/or institutional profiles such as to achieve a set of different and complementary skills and experience, in order to facilitate an optimal performance of the supervisory functions assigned to the Board of Statutory Auditors. In particular:
 - a) professional profiles should have acquired skills and experience in positions of responsibility in accredited professional firms or consultancy firms and have carried out their professional activities in economic, accounting, legal, financial and risk management matters;
 - b) academic and/or institutional profiles should possess skills and experience that, due to their characteristics, can allow an optimal performance of the supervisory functions delegated to the Board of Statutory Auditors;
- (v) the international projection of the Group's activities should be taken into account, ensuring the presence of at least one Statutory Auditor with adequate international experience. This experience should be evaluated on the basis of the managerial, professional, academic or institutional activity carried out in international contexts;
- (vi) the Statutory Auditors must, as a whole, be competent in the sectors in which the Servizi Italia Group operates and indicated in the Articles of Association. To this end, if the Statutory Auditors do not have specific expertise in these areas, it is hoped that they will participate in an adequate induction program organized by the Company;
- (vii) the Chairman should be a person with sufficient authority to ensure adequate coordination of the work of the Board of Statutory Auditors with the activities carried out by other parties involved in various ways in the governance of the internal control and risk

management system, in order to maximize its efficiency and reduce duplication of work. The Chairman also has the task of creating a spirit of cohesion within the Board of Statutory Auditors in order to ensure effective performance of the supervisory functions assigned to this body, while representing, like the other Statutory Auditors, a figure of guarantee for all Shareholders and all stakeholders.

The procedure for the election of the Board of Statutory Auditors is as follows:

- two standing members and one alternate member are taken from the list that obtains the highest number of votes cast by the Shareholders at the Shareholders' Meeting, based on the progressive order in which they are listed in the sections of the list;
- the remaining standing member, who is the Chairman of the Board of Statutory Auditors, and the other alternate member are taken from the second list that obtained the highest number of votes cast by the Shareholders at the Shareholders' Meeting and that is not connected, not even indirectly, in accordance with current laws and regulations, with the Shareholders who submitted or voted for the list that came first in terms of number of votes, according to the progressive order in which they are listed in the sections of the list.

If the above procedures do not ensure that the composition of the Board of Statutory Auditors complies with the gender balance criterion set out in art. 20.1 of the Articles of Association, the necessary replacements will be made from the candidates on the list that obtained the highest number of votes, in the progressive order in which the candidates are listed. If this procedure does not allow compliance with the regulations in force from time to time on the subject of gender balance within the Board of Statutory Auditors, the Shareholders' Meeting shall provide for the necessary replacements by a resolution adopted with the majority required by law.

In the event of a tie, the Shareholders' Meeting shall vote again, voting only the first two lists. The same rule will be applied in case of tie between the lists obtaining the second highest number of votes and which are not connected, not even indirectly, in accordance with the provisions of current laws and regulations, with the Shareholders who submitted, participated in submitting or voted for the list obtaining the highest number of votes. In the event of further parity between lists, the list submitted by the Shareholders holding the largest shareholding shall prevail, or, alternatively, by the largest number of Shareholders.

The previous statutes concerning the election of the members of the Board of Statutory Auditors and the appointment of the Chairman do not apply if only one list is presented or if no list is presented. In such cases, the Shareholders' Meeting resolves with the majorities required by law and in compliance with the gender balance criterion set out in Article 20.1 of the Articles of Association.

In compliance with the law and the Articles of Association, the Shareholders' Meeting that appoints the Statutory Auditors and the Chairman of the Board of Statutory Auditors shall determine their remuneration for the entire duration of their term of office.

Castellina di Soragna (PR), 5 March 2020

Servizi Italia S.p.A.
For the Board of Directors
The President
Roberto Olivi