

**BANCA IFIS S.p.A.**  
**Fully paid-up share capital €53,811,095**  
**Tax Ref. and Venice Business Register no. 02992620274 - Italian Banking Association**  
**Code. 3205.2**  
**Via Terraglio, 63 - 30174 Venice - Mestre**

**DIRECTORS' EXPLANATORY REPORT ON THE PROPOSALS REGARDING  
ITEMS ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING  
CONVENED IN SINGLE CALL AT THE COMPANY'S REGISTERED OFFICE AT  
VIA TERRAGLIO 63, MESTRE (VENICE), FOR 19<sup>th</sup> APRIL 2018 AT 9:30 AM.**

**(Report pursuant to Article 125-ter of Italian Legislative Decree no. 58 of 24<sup>th</sup> February  
1998 – “TUF” [Italian Consolidated Finance Act])**

Venice - Mestre, 6 March 2018

Dear Shareholders,

You are convened to deliberate the proposals contained in the agenda items of the Ordinary Shareholders' Meeting convened in single call at the company's registered office, Via Terraglio 63, Mestre (Venice), on 19<sup>th</sup> April 2018 at 9:30 am.

The items on the agenda of the Shareholders' Meeting, as specified in the convening notice, are as follows:

1) Approval of the annual financial statement to 31<sup>th</sup> December 2017; communication of the Group's annual consolidated financial statement to 31<sup>th</sup> December 2017; allocation of profits for the year; inherent and consequent resolutions;

2) Remuneration policies for Banca IFIS Banking Group's corporate officers, employees and contractors: Remuneration Report;

3) Mandate for statutory auditing: integration of the consideration.

In accordance with the disclosure requirements under Article 125-*ter* of Italian Legislative Decree no. 58 of 24<sup>th</sup> February 1998 ("TUF" [Italian Consolidated Finance Act]), subject to the obligations set out by additional legislation or regulatory provisions, the Board of Directors has prepared this explanatory report on the items listed on the agenda of the Shareholders' Meeting.

This report is made available to the public through it being filed at the Company's registered office and at Borsa Italiana S.p.A., as well as by publishing it on the Bank's website [www.bancaifis.it](http://www.bancaifis.it) (pursuant to Article 125-*quater*, TUF [CFA]).

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**1) Approval of the annual financial statement to 31<sup>st</sup> December 2017; communication of the Group's annual consolidated financial statement to 31<sup>st</sup> December 2017; allocation of profits for the year; inherent and consequent resolutions.**

Dear Shareholders,

The draft annual financial statement to 31<sup>st</sup> December 2017<sup>1</sup>, which we submit for your approval, shows a profit of €154,906,079.06 (one hundred and fifty-four million, nine hundred and six thousand and seventy nine point zero six Euros), which allows us to propose the allocation of profits through the distribution of a cash dividend of €1.00 for each ordinary share with ex-dividend date (coupon no. 21) of 23<sup>rd</sup> April 2018.

Under Article 83-*terdecies* of Italian Legislative Decree no. 58 of 24<sup>th</sup> February 1998 (“TUF” [CFA]), payment of the dividend is validated as per the evidence of the intermediary's accounts referred to in Article 83-*quater*, paragraph 3 of TUF/CFA, at the end of the accounting day of 24<sup>th</sup> April 2018 (the *record date*);

The total disbursement, determined gross of the treasury share portion, pursuant to Article 2357-*ter* of the Italian Civil Code, is equal to a maximum of €53,811,095.00.

The payment of the above dividend, before statutory deductions, is scheduled for 25<sup>th</sup> April 2018.

The proposed resolution indicated here is in line with:

1. the dividends policy implemented by the Company, aimed at reconciling the need to strengthen company equity with the shareholders' expectation to receive a dividend in line with the results of the annual financial statement;
2. the desire to further strengthen the Bank's initial equity through constituting a reserve which will not be available until the financial statement to 31/12/2021 has been approved. The amount of the reserve will be equal to the gain on bargain purchase emerging from the acquisition of ex GE Capital Interbanca Group.

We also submit for your attention the consolidated financial statement to 31<sup>st</sup> December 2017, which, although not subject to approval by the Shareholders' Meeting, represents additional information provided with Banca IFIS S.p.A.'s annual financial statement.

For more detailed information regarding the above, please refer to the contents of the reports and documents filed at the Company's registered office, pursuant to Article 2429, paragraph 3, of the Italian Civil Code, the Borsa Italiana S.p.A. and the authorised storage mechanism [www.emarketstorage.com](http://www.emarketstorage.com), as well as published on the Bank's website [www.bancaifis.it](http://www.bancaifis.it) pursuant to Article 154-*ter* of TUF [CFA].

Now therefore, we submit the following

**proposed resolution for your approval**

*“The Ordinary Shareholders' Meeting of Banca IFIS S.p.A., having taken note of the Board of Directors' management report, the Board of Statutory Auditors' report and the External*

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<sup>1</sup> The draft annual and consolidated financial statements as at 31<sup>st</sup> December 2017 will be submitted for approval by the Board of Directors on 6<sup>th</sup> March 2018.

*Auditor's report, having reviewed the annual financial statement to 31<sup>st</sup> December 2017*

***resolves***

*A) to approve the annual financial statement to 31<sup>st</sup> December 2017, with the management report presented by the Board of Directors;*

*B) to allocate the financial year's profit of € 154,906,079.06 (one hundred and fifty-four million nine hundred and six thousand and seventy-nine point zero six Euros) as follows:*

*a) a cash dividend to shareholders (gross of statutory deductions) of € 1.00 for each ordinary share with an ex-dividend date (coupon no. 21) of 23<sup>rd</sup> April 2018. This dividend includes the treasury share portion held by the Company. Under Article 83-terdecies of Italian Legislative Decree no. 58 of 24<sup>th</sup> February 1998 (TUF/CFA), payment of the dividend is validated as per the evidence of the intermediary's accounts referred to in Article 83-quater, paragraph 3 of TUF [CFA], at the end of the accounting day of 24<sup>th</sup> April 2018 (the record date );*

*b) the remaining amount to other reserves;*

*C) to constitute an equity reserve, not available until the financial statement to 31/12/2021 has been approved, of € 633,404,000.00 (six hundred and thirty-three million four hundred and four thousand point zero zero Euros), equal to the gain on bargain purchase emerging from the acquisition of ex GE Capital Interbanca Group, as per the data to 31/12/2016 restated in the Consolidated Financial Statement to 31/12/2017;*

*D) to pay the above dividend from 25<sup>th</sup> April 2018. Payment will be made through the authorised intermediaries with whom the shares are registered in the Monte Titoli system.*

**2) Remuneration Policies for Banca IFIS Banking Group's corporate officers, employees and contractors: "Remuneration Report".**

Dear Shareholders,

We present the "Remuneration Report" approved by Banca IFIS's Board of Directors at their meeting of 6<sup>th</sup> March 2018.

With this document, the Board has aimed to fulfil the requirements referred to in Article 123-ter of TUF [CFA] as well as banking sector regulations and the corporate governance rules contained in the Corporate Governance Code of listed companies.

Therefore, the Report contains additional information, in aggregate form, on individuals known as "Risk Takers" not included in the scope of the above article of TUF.

Specific reference is made to the following aspects of the regulatory framework:

- a) with reference to primary and secondary regulations applicable to listed companies
  - Article 123-ter of TUF [CFA] that requires companies to make a Remuneration Report available to the public at least twenty-one days prior to the date of the Ordinary Shareholders' Meeting convened to approve the annual financial

statement;

- Article 84-*quater* of the Issuer Regulations that requires the Remuneration Report to be made available to the public in compliance with “Template 7-bis” of Appendix 3A of the Issuer Regulations;
- b) with reference to the secondary regulations applicable to Banks and Banking Groups
  - Bank of Italy Circular no. 285 of 17<sup>th</sup> December 2013 – “Supervisory Provisions for Banks” (update no. 7 of 20<sup>th</sup> November 2014) that, by implementing the provisions of directive 2013/36/EU (CRD IV) on the prudential supervision of credit institutions and investment companies, has updated the regulations for the remuneration policies and practices and incentive schemes of banks and banking groups;
- c) with reference to corporate governance rules of listed companies
  - the “Format for the Report on Corporate Governance and Ownership Structures” of listed companies made available by Borsa Italiana S.p.A. in January 2018;
  - the Corporate Governance Code approved by the Corporate Governance Committee.

The contents of the Report, approved by the Board of Directors, were reviewed by the Remuneration Committee to perform preliminary work on issues falling under its responsibility.

Briefly, the “Remuneration Report” consists of:

- Section I aimed at illustrating the Company’s remuneration policy for members of the management bodies, general managers and executives with strategic responsibilities, as well as for “*Risk Takers*” not falling within the scope of Article 123-*ter* of TUF [CFA], and the procedures used to adopt and implement this policy. This section describes the policy provided for the 2018 financial year.  
The Shareholders’ Meeting is called to decide for or against Section I of the Report;
- Section II, organised in two parts; the first aimed at showing each remuneration item with name for the members of the management and control bodies, the general managers and, in aggregate form, for executives with strategic responsibilities, as well as for “*Risk Takers*”. The second part shows a table of remuneration paid during 2017 or relating to it, for whatever reason and in whatever form by the Company and Subsidiaries or affiliates, as indicated by Appendix 3A, Template 7-*bis* of the Issuer Regulations. A table is then placed that shows the further information required under Article 450 of Regulation (EU) no. 575 of 26<sup>th</sup> June 2013 for Banca IFIS and other Group companies.

The main changes to the incentive system proposed for 2018 are the results of research into ways of better aligning Remuneration and Incentive Policies to the objectives of: compatibility with levels of capital and liquidity, financial stability, medium- to long-term direction and compliance with regulatory provisions.

To this end, the conditions for access to the variable component (gate) applying to all personnel have been updated, taking into account indicators of profitability, liquidity and capital adequacy. In particular:

- access to the variable component (gate) for all personnel is subject to a Group consolidated result, gross of taxes for the financial year, greater than €80m, a rise of € 20m on the gate figure of €60m established in 2017;
- the formulae for calculating the variable component for the CEO and General Manager were amended, increasing the portion of non-calculable net profit before taxes and excluding any elements resulting from extraordinary transactions from the calculation;
- the Group’s *Liquidity Coverage Ratio* (LCR) indicator will no longer be calculated as an average of the last twelve month-ends of the reference year, but will instead be

identified quarterly to check if it exceeds the regulatory threshold for all four quarterly valuations;

- the *Net Stable Funding Ratio* (NSFR) parameter introduced by Basel 3 has been added, aimed at guaranteeing a balance between asset and liability entries in the financial statement for the time horizon beyond the year, which will be identified punctually every quarter to check whether it exceeds the regulatory threshold.

The following have been confirmed for the 2018 financial year:

- a) the structure of variable component for key personnel that exceeds the materiality threshold, also maintaining the choice not to pay a significant variable component. This is where the variable component of remuneration is greater than fixed salary which, due to the limits laid down *ex-ante* by the Parent Company, may never occur;
- b) the *vesting* period (three years) for the deferred variable component;
- c) the *retention* period (three years) for the up-front portion paid in shares and (one year) for the deferred portion paid in shares;
- d) the ratios between the variable and fixed components of remuneration for each key personnel member, including the limit of 33% for key personnel with business control functions.

The possibility of recognising a Long Term Incentive for business units with more than €20 million in gross budget profit during 2018 and of attributing, for a maximum period of 18 months, a Role Based Allowance for some personnel members has been maintained, in consideration of particularly complex extraordinary corporate transactions. This allowance is a predefined sum, not tied to performance, which may be proposed by the Chief Executive Officer for approval by the Board of Directors, following favourable opinion of the Remuneration Committee, then communicated to the parties concerned by individual letter.

As for 2017, the methods of assessing performance were specified for key personnel with corporate control functions, making it clear that any variable components may be proposed to the Board of Directors by the Remuneration Committee, following consultation with the Chief Executive Officer and the General Manager.

Finally, the “Report” indicates, in compliance with Article 84-*quater* of the Issuer Regulations, the shares held by members of the Board of Directors and the Board of Statutory Auditors, by the General Manager and by other executives with strategic responsibilities.

The Report will be available to the public at the Company's registered office, at Borsa Italiana S.p.A. and at the authorised storage mechanism [www.emarketstorage.com](http://www.emarketstorage.com), and will also be published, together with the Report on corporate governance and the ownership structure, on the Bank's website [www.bancaifis.it](http://www.bancaifis.it) by 29<sup>th</sup> March.

The contents of Section I of the Report also require the Company, pursuant to Article 114-*bis* of TUF [CFA] and the relevant implementing regulations (Article 84-*bis* of the Issuer Regulations), to prepare an information document on the consequent remuneration plan based on the allocation of Banca IFIS shares to certain corporate officers and make it available to the public – together with this report – at the Company's registered office, on its website and in compliance with any other method established by Consob.

We also present the results of the checks carried out by Internal Audit on the methods used to ensure that our remuneration practices comply with legislation and regulatory provisions (checks that were also presented to the Board of Directors on 23<sup>rd</sup> March 2018), as required by the Bank of Italy's supervisory provisions described above.

In light of all of the above, we hereby submit the following

### **proposed resolution for your approval**

*“The Ordinary Shareholders’ Meeting, having heard and approved the Board of Directors’ proposal listed at item no. 2) on the agenda:*

*A) takes note of the report on the implementation of remuneration policies during 2018 presented, in compliance with Article 10 of the Company's Articles of Association as well as with legislation and regulatory provisions on the subject, as part of the “Remuneration Report”, prepared pursuant to Article 123-ter of TUF [CFA];*

*B) takes note of the results of the checks carried out by Internal Audit on the methods used to ensure that the Company's remuneration practices comply with legislation and regulatory provisions;*

*C) resolves to approve the contents of Section I of the “Remuneration Report” prepared pursuant to Article 123-ter of TUF [CFA], also for the purposes of adapting Banca IFIS Banking Group's remuneration policies for 2018;*

*D) resolves to approve the remuneration plan based on the allocation of Banca IFIS shares to certain corporate officers described in the information document drawn up pursuant to Article 114-bis of TUF [CFA] and the relevant implementing regulations (Article 84-bis of the Issuer Regulations) and placed at the disposal of the shareholders as required by law”.*

### **3) Mandate for statutory auditing: integration of the consideration**

Dear Shareholders,

the Bank's Board of Directors submit the following to the Shareholders’ Meeting for its consideration and approval: the reasoned proposal of the Board of Statutory Auditors on the amendments to timescales and remuneration to be paid to the external auditors, EY S.p.A., assigned as external auditors for the financial years 2014-2022.

The text of the proposal formulated by the Board of Statutory Auditors is therefore attached.

**The Board of Statutory Auditors' reasoned proposal  
to Banca IFIS S.p.A.'s Shareholders' Meeting**

**– amendment to fees for external auditors –**

Dear Shareholders,

in view of the fact that pursuant to Article 13 of Italian Legislative Decree no. 39 of 2010, the appointment of external auditors is required to be submitted for the approval of the Shareholders' Meeting, on a reasoned proposal from the Supervisory Body, any modifications must follow the same procedure.

On 17<sup>th</sup> April 2014 – following the decision to engage the external auditor, EY S.p.A., for period 2014-2022 and having determined the corresponding fees – Banca IFIS highlighted a very different scope from the much larger one that was determined following the merger process to incorporate IFIS Factoring S.r.l. (with effects ex-Article 2504-*bis*, Italian Civil Code, from 1<sup>st</sup> August 2017 with effect for accounting/taxation purposes from 1<sup>st</sup> January 2017) and of Interbanca S.p.A. (with effects ex-Article 2504-*bis*, Italian Civil Code from 23<sup>rd</sup> October 2017 and with effect for accounting/taxation purposes from 1<sup>st</sup> January 2017).

Consequently, the Board of Statutory Auditors has received the letter of 1<sup>st</sup> December 2017 with which the external auditor, EY S.p.A., has requested that its fees be adapted for the greater range of activities that will be necessary following the merger process to incorporate Interbanca S.p.A. and IFIS Factoring S.r.l. into Banca IFIS S.p.A. compared with the original assignment of external audit activities assigned by Banca IFIS S.p.A.'s Shareholders' Meeting of 17<sup>th</sup> April 2014.

In this respect, it should be noted that EY S.p.A. had already been appointed as external auditor to both Interbanca S.p.A. and IFIS Factoring S.r.l.

Below are the main elements of EY S.p.A.'s request:

- the objective of the proposal is to inform the corporate bodies of the timescales and amended fees – for external auditing services included in the proposal of 11<sup>th</sup> March 2014, approved by Banca IFIS S.p.A.'s Shareholders' Meeting held on 17<sup>th</sup> April 2014 – for the period 2017-2022;
- the original proposal in chapter V "Amendment to fees due to external auditors" stated that "*fees may be reviewed at the end of each financial year to consider any particular circumstances which may increase or reduce agreed timescales (significant structural changes, exceptional or unforeseeable situations, etc.) ..... The parties will promptly notify each other of any variation in fees.*";
- with regard to supplementary activities undertaken only when auditing the 2017 financial statement, following the above merger, EY S.p.A. – acting as external auditor for the acquiring company – must extend its control activities:
  1. to operations regarding the acquired companies, starting from the date on which the transaction took legal effect;
  2. on the Parent Company's financial statements, including assets, liabilities and operations arising from acquired companies, prepared after the merger.

Given that the effective dates for the merger operation were in the second half of 2017, the external auditor's activities for the 2017 financial year included a limited audit of the half-yearly report and periodic checks in light of the original assignments.

Moreover, the proposal to amend the timescale and fees presented by EY S.p.A. makes it clear that, even having planned specific checking activities on the correct accounting of the merger operations and in particular on the effects and impacts originating from the merger records, no additional fees were estimated for performing these specific activities, that are to be included in agreed fees;

- regarding supplementary activities for 2018-2022, the merger operations caused a significant structural change, due to an increase in size and, therefore, the principal equity and financial indicators in the financial statement, yet they did not affect the consolidated financial statement. These changes have a significant effect on the auditing of Banca IFIS's financial statement, which must include the activities previously included in the audit activities for each incorporated company;
- the following table details the timescale and fees in light of the significant structural changes identified for external auditing activities for 2018-2022; the timescale and fees for situations occurring solely in 2017 are also highlighted.

	Original fees for Banca IFIS with ISTAT adjustment		Amendment to fees for increased audit activities		Fees including amendments to procedures for 2018 - 2022		Fees including amendments for 2017	
	hours	fees with ISTAT adjustment	hours	fees	hours	fees	hours	fees
<b>Audit of financial statement</b>	1,225	76,331	375	27,669	1,600	104,000	1,600	104,000
<b>Audit of consolidated financial statement</b>	100	6,572	50	3,428	150	10,000	100	10,000
<b>Quarterly checks pursuant to Article 14, paragraph 1, letter b) of the Decree</b>	355	22,242	95	7,758	450	30,000	355	22,242
<b>Limited audit of the half-yearly report</b>	455	28,814	145	11,186	600	40,000	455	28,814
<b>Signing of tax declarations</b>	60	3,539	30	2,461	90	6,000	90	6,000
	<b>2,195</b>	<b>137,498</b>	<b>695</b>	<b>52,502</b>	<b>2,890</b>	<b>190,000</b>	<b>2,600</b>	<b>171,056</b>

The following must be highlighted:

- for 2017, the estimation of hours and related additional fees for carrying out external auditing activities on Banca IFIS S.p.A.'s financial statement, is equal to 26% of the fees that the subsidiaries already approved for EY S.p.A. as external auditor;
- for 2018-2022, the estimation of hours and related fees already considered, on the one hand, the reduction in costs for audit activities on the individual financial statements of the incorporated companies and, on the other, the necessity that EY S.p.A. continues to carry out specific audit activity – connected to the unusual activity carried out by the Company – on the incorporated company, Interbanca S.p.A. For 2018-2022, the additional fees are calculated to be 41% of the current fees due for audit activities originally carried out for the incorporated subsidiaries;
- the total fees resulting from the amendment request rises from the current € 137,498 (for 2,195 hours) to € 190,000 (for 2,600 hours), an increase of about 38%;
- all other clauses included in the original Proposal still apply, which state that the fees quoted are valid until 30<sup>th</sup> June 2018. At 1<sup>st</sup> July 2018, and at each successive 1<sup>st</sup> July, they will be amended, for the Italian companies, based on the total variation in the related ISTAT [Italian National Statistics Institute] index for the cost of living compared with the previous year (base June 2017). The above fees will be added to the reimbursement of total expenses for technology (databases, software, etc.) and secretarial services and communication equal to 8% of the fees, while reimbursements for costs incurred for carrying out the work (such as the costs of overnight stays and work carried out out of the normal office) will not be greater than 10% of the fees. VAT will also be charged;
- the external auditor's amendment request is accompanied by details of the professional mix covered by the estimated additional (hours and fees).

The Board of Statutory Auditors has also acquired the positive assessments carried out by Banca IFIS's competent corporate structures that, in turn, have discussed the terms of the requested amendments,

including financial terms, with the Heads of the External Auditor.

In particular, Financial Officing has given its assessments to the Board of Statutory Auditors on the suitability of the external auditor's amendment request and whether its contents are reasonable. Based on the above assessments and the checks carried out with the External Auditor, the Board of Statutory Auditors submits to the Shareholders' Meeting the proposal to amend the financial terms for external audit activities assigned to EY S.p.A. for approval, believing that:

- the positive assessment on EY S.p.A.'s technical suitability is confirmed regarding the adequacy of its organisation and its knowledge of the Company and the Group, as well as its knowledge of the Company and Group's specific activities and their accounting and internal control systems;
- the activities reported by EY S.p.A., with the relative amendment request, are inherent in performing the external audit activities it has been assigned and suitable with regard to the additional audit activities deriving from merger operations involving Banca IFIS during the 2017 financial year;
- in formulating the fee amendment request, EY S.p.A. has provided suitable valuation elements regarding, in particular, the economic conditions set out in the same request, that appear to be consistent and coherent with the required professional commitment to be able to carry out the assigned task as well as substantially aligned with existing conditions.

Finally, the Board of Statutory Auditors recalls that in the approval of the previous Board of Statutory Auditors' reasoned proposal to assign the task of external audit to EY S.p.A. on 17<sup>th</sup> April 2014, the Shareholders' Meeting was already aware that "*the forecasts of the number of hours necessary to carry out the assignment may be adapted only if circumstances arise, that are not foreseen at the time this proposal was formulated, that involve an increase in timescales ... compared with what is set out in the proposal*".

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Dear Shareholders,

you are therefore invited to deliberate on the proposed adjustment of the fees due to the company EY S.p.A. until the expiry of the mandate; the Board of Statutory Auditors invites you to pass the following resolution:

*"Banca IFIS S.p.A.'s Shareholders' Meeting*

- *having noted Article 13 of Italian Legislative Decree no. 39 of 27<sup>th</sup> January 2010 (Implementation of Directive 2006/43/EC on external audit of annual accounts and consolidated accounts);*
- *having noted the resolution passed by the Shareholders' Meeting on 17<sup>th</sup> April 2014;*
- *having noted the content of the mandate assigned to the external auditors regarding the possibility of reviewing the fees to take into account any special circumstances likely to change the forecasted timescales;*
- *having noted the completed incorporation into Banca IFIS S.p.A. of the ex subsidiary companies, Interbanca S.p.A. and IFIS Factoring S.r.l., during 2017 and that, in relation to this, the external auditor, EY S.p.A., assigned as external auditor for 2014-2022, has, on 1<sup>st</sup> December 2017, requested that the timescales and related fees be amended for additional audit activities compared with the services included in the proposal approved by Banca IFIS S.p.A.'s Shareholders' Meeting on 17<sup>th</sup> April 2014;*
- *having examined this Board of Statutory Auditor's reasoned proposal containing the terms of the above external auditor's proposal and formulated based on the positive assessment carried out by Banca IFIS S.p.A.'s competent corporate structures, it is believed that:*
  - (i) *the positive assessment on EY S.p.A.'s technical suitability is confirmed regarding the adequacy of its organisation and its knowledge of the Company and the Group to which it belongs, as well as its knowledge of the Company and Group's specific activities and their accounting and internal control systems;*
  - (ii) *the activities reported by EY S.p.A., with the amendment request, are inherent in performing the audit activities it has been assigned and suitable with regard to the additional audit activities deriving from merger operations involving Banca IFIS during the 2017 financial year;*
  - (iii) *in formulating the fee amendment request, EY S.p.A. has provided suitable valuation elements regarding, in particular, the economic conditions set out in the same request, that appear to be consistent and coherent with the required professional commitment to be able to carry out the*

*assigned task as well as substantially aligned with existing conditions;*

*resolves*

*A) to amend the fees agreed in relation to external audit activities already assigned to EY S.p.A. within the timescales specified in the amendment request formulated by the above external auditor.*

*The resulting fees for the years 2017-2022 are quantified as follows:*

*1) for 2017*

- for auditing the financial statement – € 104,000*
- for auditing the consolidated financial statement – € 10,000*
- for signing tax declarations – € 6,000*
- the original fees for the quarterly checks pursuant to Article 14, paragraph 1, letter b) of Decree 39/2010 remain unchanged at € 22,242, and for the limited audit of the half-yearly report at € 28,814;*

*2) for 2018–2022*

- for auditing the financial statement – € 104,000*
- for auditing the consolidated financial statement – € 10,000*
- for the quarterly checks pursuant to Article 14, paragraph 1, letter b) of Decree 39/2010 – € 30,000*
- for the limited audit of the half-yearly report – € 40,000*
- for signing tax declarations – € 6,000;*

*3) in addition to increases in ISTAT [inflation figures], VAT, out-of-pocket expenses and supervisory fees required by Consob, under the terms and conditions agreed for the existing assignment, without prejudice to the latter's conditions;*

*B) to confer upon the President of the Board of Directors and the Chief Executive Officer – including severally – the broadest powers to carry out this resolution."*

Venice, 5<sup>th</sup> March 2018.

The Board of Statutory Auditors

Giacomo Bugna

Giovanna Ciriotto

Massimo Miani