

ORDINARY AND EXTRAORDINARY SHAREHOLDERS MEETING

APRIL 26, 2019

Board of Directors' Report

Proxy in favour of the Board of Directors, pursuant to art. 2420-ter and 2443 of the Italian Civil Code, after revocation of existing proxy. Consequent change of art. 8 of Company Bylaws (item 1 on the agenda of the extraordinary session)

(Translation into English of the original Italian version)



JOINT-STOCK COMPANY - SHARE CAPITAL EURO 62,461,355.84
MILAN MONZA BRIANZA LODI COMPANY REGISTER AND TAX CODE 00607460201
COMPANY SUBJECT TO THE DIRECTION AND COORDINATION OF CIR S.p.A.
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**BOARD OF DIRECTORS' REPORT TO THE EXTRAORDINARY
SHAREHOLDERS MEETING**

**Proxy in favour of the Board of Directors, pursuant to art. 2420-ter and
2443 of the Italian Civil Code, after revocation of existing proxy.
Consequent change of art. 8 of Company Bylaws**

Shareholders,

with the resolution of April 23, 2014 the Extraordinary Shareholders Meeting of Sogefi S.p.A. had resolved to authorise the Board of Directors for a maximum period of five years from the date of the resolution registration in the Register of Enterprises, pursuant to articles 2420-ter and 2443 of the Italian Civil Code, to proceed as follows:

- a) increase the share capital, on one or more occasions, up to a maximum total par value of Euro 250,000,000 (two hundred and fifty million) free and/or paid with or without a share premium, with the right for directors to determine from time to time the category of shares, the issue price of shares, the enjoyment, the possible destination of share capital increase for the conversion of bonds, including those issued by third parties, both in Italy and abroad, or for *warrants* and to determine the reserves and provisions available to be allocated to capital and their amount. More generally, define the terms and conditions of the share capital increase;
- b) increase, on one or more occasions, the share capital by a maximum par value of Euro 5,200,000 (five million two hundred thousand), by issuing a maximum number of 10,000,000 shares with or without a share premium, including special categories of shares (preference, savings, with special benefits), to be offered for subscription pursuant to art. 2441 V and the last paragraph of the Italian Civil Code, to directors and employees of the Company and its subsidiaries, with the right for the Board to determine the issue price, the subscription requirements and limits on the availability of the shares and, in general the terms and conditions of the said subscription;
- c) issue, on one or more occasions, even with exclusion of the option right, and in

this case in favour of institutional investors, bonds convertible into shares or carrying rights for the assignment of shares, in any currency, if allowed by law, with a corresponding increase of the share capital up to a maximum amount of Euro 250,000,000 (two hundred and fifty million).

These powers, having a duration of five years from the date of registration in the Register of Enterprises of the resolution of April 23, 2014 (therefore from May 6, 2014) and expiring on May 6, 2019, to date have not been exercised.

We propose, subject to revocation of existing powers, to renew the Board of Directors, for the same five-year period, the power to:

a) increase the share capital, on one or more occasions, up to a maximum total par value of Euro 100,000,000 (one hundred million) free and/or paid with or without a share premium, even with exclusion or restriction of the option right pursuant to art. 2441 paragraph IV and V of Italian Civil Code, with the right for directors to determine from time to time the category of shares, the issue price of shares (included eventual share premium), the enjoyment, the possible destination of share capital increase for the conversion of bonds, including those issued by third parties, both in Italy and abroad, or for *warrants* and to determine the reserves and provisions available to be allocated to capital and their amount. More generally, define the terms and conditions of the share capital increase;

b) increase, on one or more occasions, the share capital by a maximum par value of Euro 5,200,000 (five million two hundred thousand), by issuing a maximum number of 10,000,000 shares with or without a share premium, including special categories of shares (preference, savings, with special benefits), to be offered for subscription pursuant to art. 2441 V and the last paragraph of the Italian Civil Code, to directors and employees of the Company and its subsidiaries, with the right for the Board to determine the issue price, the subscription requirements and limits on the availability of the shares and, in general the terms and conditions of the said subscription;

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and that in order to enable the Company to maintain the current powers for a greater time horizon, according to a practice by now customary for the Company.

Based on the foregoing, we ask you to approve the following resolution:

“The Extraordinary Shareholders meeting of Sogefi S.p.A.:

- considering the Board of Directors' Report;
- considering that the powers granted to the Board of Directors by the Shareholders Meeting of April 23, 2014, , have not yet been exercised;
- considering the Statutory Board's approval and the certification that the share capital has been fully paid;
- considering articles 2443 and 2420-ter of the Italian Civil Code,

RESOLVES

1) to revoke the powers granted to the Board of Directors by the Extraordinary Shareholders Meeting of April 23, 2014, , and that with effect from the date of registration of this resolution in the Register of Enterprises;

2) to authorise the Board of Directors, pursuant to art. 2443 and 2420-ter of the Italian Civil Code for a maximum period of five years from the date of registration of this resolution in the Register of Enterprises, to proceed as follows:

a) increase the share capital, on one or more occasions, up to a maximum total par value of Euro 100,000,000 (one hundred million) free and/or paid with or without a share premium, even with exclusion or restriction of the option right pursuant to art. 2441 paragraph IV and V of Italian Civil Code, with the right for directors to determine from time to time the category of shares, the issue price of shares (included eventual share premium), the enjoyment, the possible destination of share capital increase for the conversion of bonds, including those issued by third parties, both in Italy and abroad, or for *warrants* and to determine the reserves and provisions available to be allocated to capital and their amount. More generally,

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c) issue, on one or more occasions, even with exclusion of the option right, and in this case in favour of institutional investors, bonds convertible into shares or carrying rights for the assignment of shares, in any currency, if allowed by law, with a corresponding increase of the share capital up to a maximum amount of Euro 100,000,000 (one hundred million).

More generally, define the terms and conditions of the bond issue and its regulation.

3) to amend Article 8 of the Company's Articles of Association as follows:

CURRENT TEXT

PROPOSED TEXT

SHARE CAPITAL

SHARE CAPITAL

Article 8

Article 8

The Board of Directors, for a maximum period of five years from the date of registration in the Register of Enterprises of the Extraordinary Shareholders Meeting's resolution of April 23, 2014, has the power:

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a) to increase the share capital, on one or

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more occasions, up to a maximum total par value of Euro 250,000,000 (two hundred and fifty million) free and/or paid with or without a share premium, with the right for directors to determine from time to time the category of shares, the issue price of shares, the enjoyment, the possible destination of share capital increase for the conversion of bonds, including those issued by third parties, both in Italy and abroad, or for warrants and to determine the equity reserves available to be allocated to capital and their amount. More generally, define the terms and conditions of the share capital increase;

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c) to issue, on one or more occasions, even with exclusion of the option right, and in this case in favour of institutional investors, bonds convertible into shares or carrying rights for the assignment of shares, in any currency, if allowed by law, with a corresponding increase of the share capital, up to a maximum amount of Euro € 250,000,000 (two hundred and fifty million).

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c) to issue, on one or more occasions, even with exclusion of the option right, and in this case in favour of institutional investors, bonds convertible into shares or carrying rights for the assignment of shares, in any currency, if allowed by law, with a corresponding increase of the share capital, up to a maximum amount of Euro € 100,000,000 (one hundred million).

More generally, to define the terms and conditions of the bond issue and its regulation.

4) to grant the Board of Directors, the Chairman and the Managing Director in charge, separately, the broadest powers to give effect to the resolutions passed and to amend this resolution and the annexed Company's Articles of Association as possibly required by the competent Authorities, provided the amendments are formal."