



## REPORT OF THE BOARD OF DIRECTORS ON THE FIFTH ITEM ON THE AGENDA

### **Determination of the remuneration of the regular members of the Board of Statutory Auditors**

Dear Shareholders,

You have been convened to discuss and resolve upon the determination of the remuneration of the regular members of the Board of Statutory Auditors, which this Meeting is called to appoint in a separate and preceding item on the agenda.

According to article 2402 of the Italian Civil Code and to Article 25.1 of the Corporate Bylaws, the Shareholders' Meeting which appoints the Board of Statutory Auditors also determines the annual remuneration of the regular Statutory Auditors for their entire term of office.

In this respect, we remind you that the remuneration of the outgoing Board of Statutory Auditors set by the ordinary Shareholders' Meeting of May 26, 2016 was equal to Euro 85,000 per year for the Chairman and Euro 75,000 per year for the other regular Statutory Auditors, in addition to the reimbursement for travel and living expenses incurred in performing the duties of the office (as duly documented).

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

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

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