



**SHAREHOLDERS' GENERAL MEETING OF 23 APRIL AND 7 MAY 2015
BOARD OF DIRECTORS' REPORT CONCERNING ITEM 4
ON THE AGENDA**

"To increase the number of Board members from seven to nine."

Dear Shareholders,

You have been convened to decide on the increase in the number of members of the Board of Directors from the current 7 to 9 members, in compliance with art. 15.1 of the articles of incorporation, which states that the Board of Directors can consist of a minimum of 5 members and a maximum of 9 members.

This proposal is the result of assessments made by the competent Appointments and Remuneration Committee (in accordance with art. 5.p.1, letter a of the Corporate Governance Code) and self-evaluation activities ("*Board evaluation*"), performed by the Board (in accordance with art. 1. p.1, letter g of said Code), with the assistance of independent external consultant Egon Zehnder, a leading international company with expertise in this area.

Bearing in mind these results, and to raise the efficacy of operations of the Board of Directors and its sub-committees, this Board has therefore decided to propose to the Shareholders' General Meeting that the number of Directors be raised from 7 to 9, with the entry of 2 independent directors in possession of specific expertise.

In view of the above, the Board of Directors hereby invites the Shareholders' General Meeting to approve the following proposal:

"The Shareholders' General Meeting

hereby resolves

- to increase the number of members of the Board of Directors from seven to nine."

On behalf of the Board of directors

The Chairman

Catia Tomasetti