



**SHAREHOLDERS' MEETING OF 27 APRIL 2017 AND 4 MAY 2017
BOARD OF DIRECTORS' REPORT
ON ITEM 4.1 OF THE AGENDA**

“Appointment of the Board of Directors”

“Determination of the number of members of the Board of Directors”

Dear Shareholders,

With the approval of the Shareholders' Meeting of the Financial Statements at 31.12.2016, the term of office of the present Board of Directors expires.

Under Article 15.1 of the Articles of Association, the Board of Directors must be composed of no less than five and no more than nine members.

The outgoing Board of Directors refrains from expressing specific proposals on this item of the agenda and therefore invites the Meeting to determine, within the contemplated statutory limits - on the basis of the proposals that will be expressed by the Shareholders during this Meeting - the number of Board of Directors' members.

For the Board of Directors
The Chairwoman
Catia Tomasetti