

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

### **Determination of the compensation of the members of the Board of Directors.**

Dear Shareholders,

Article 23.1 of the corporate bylaws provides that the members of the Board of Directors are entitled to a compensation determined by the Shareholders' Meeting and that, once adopted, the related resolution applies during subsequent accounting periods until the Shareholders' Meeting determines otherwise.

Article 23.3 of the corporate bylaws, instead, entrusts the Board of Directors with the task of establishing – after the Board of Statutory Auditors has expressed its opinion – the compensation of the Directors who are assigned particular offices in accordance with the Bylaws.

You are reminded in this regard that the ordinary Shareholders' Meeting of May 2, 2014 – that is at the preceding renewal of the Board of Directors, which had place prior to the start of the trading of the Company's shares on the electronic stock exchange (*Mercato Telematico Azionario*) organized and managed by Borsa Italiana (that occurred as from October 27, 2015) – pursuant to the corporate bylaws in force at that time, established a compensation of euro 60,000 gross a year for the Chairman of the Board of Directors and euro 40,000 gross a year for every member of the Board of Directors.

With regard to the foregoing, the Shareholders' Meeting is requested to determine – on the basis of the proposals that may be made by Shareholders during the Meeting itself – the compensation to which the members of the Board of Directors are entitled.