

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

The long-term incentive plan 2016-2018 addressed to executives of Poste Italiane S.p.A. and its subsidiaries pursuant to article 2359 of the Italian Civil Code.

Dear Shareholders,

You have been convened in an ordinary meeting to discuss and resolve – in accordance with the provisions of article 114-*bis*, paragraph 1, of Legislative Decree n. 58 of February 24, 1998 – regarding the approval of a long-term monetary incentive plan addressed to executives of Poste Italiane S.p.A. and its subsidiaries pursuant to article 2359 of the Italian Civil Code (the “2016-2018 LTI Plan”), whose structure was established by the Board of Directors upon proposal by the Remuneration Committee.

It should be noted that, although the 2016-2018 LTI Plan does not provide for the assignment of shares of Poste Italiane S.p.A. to the participants concerned, it features, among other things:

- the possibility of recipients being paid a monetary bonus is subject, with regard to 40%, to the achievement of a level of total shareholder return – measured by reference to the performance of Poste Italiane’s shares in the performance period (2016-2018) – amounting to or greater than the level of total shareholder return of the FTSE-MIB index;
- the attribution to the recipients of phantom stock of Poste Italiane at the end of a vesting period and the materialization of performance conditions (including the aforesaid total shareholder return) over a three-year period. The phantom stock attributed at the end of the vesting period is simultaneously converted into a monetary bonus according to the average market value recorded by Poste Italiane’s shares in the thirty trading days preceding the date of the attribution of the aforesaid phantom stock.

For the aforesaid reasons, the 2016-2018 LTI Plan can be called a “compensation plan based on financial instruments” pursuant to article 114-*bis*, paragraph 1, of Legislative Decree n. 58 of February 24, 1998.

In accordance with the provisions of article 84-*bis*, paragraph 1, of Consob Resolution n. 11971 of May 14, 1999, the features of the 2016-2018 LTI Plan are described in detail in a special document, to which you are referred, made available at the same time as this report.

In light of all the foregoing, we submit for your approval the following

Proposal

Having examined the explanatory report of the Board of Directors and the special document on the 2016-2018 LTI Plan prepared pursuant to article 84-*bis*, paragraph 1, of Consob Resolution n. 11971 of May 14, 1999, the present Shareholders’ Meeting of Poste Italiane

resolves:

1. to approve the long-term incentive plan 2016-2018 addressed to executives of Poste Italiane S.p.A. and its subsidiaries pursuant to article 2359 of the Italian Civil Code, whose features are described in a document prepared pursuant to article 84-*bis*, paragraph 1, of Consob Resolution n. 11971 of May 14, 1999 and made available to the public at the Company’s registered office, on its website, and on the authorized storage mechanism “NIS-Storage” (www.emarketstorage.com);
2. to attribute to the Board of Directors, with the power to sub-delegate, all the powers necessary to concretely implement the long-term Incentive plan 2016-2018, to be exercised in accordance with the contents of the related explanatory document. By way of example, and not exhaustively, the Board of Directors may execute such plan, as well as approve the rules for implementing it.