

**REPORT OF THE BOARD OF DIRECTORS ON THE ELEVENTH ITEM OF THE AGENDA****Additional fees for the year 2019 regarding the external audit assignment.**

Shareholders,

This point concerns the supplement to the fee for the assignment to perform the statutory audit of the accounts entrusted to PricewaterhouseCoopers S.p.A for the financial year 2019.

The Board of Directors therefore submits for the approval of this Meeting the reasoned proposal formulated by the Board of Statutory Auditors pursuant to Article 13(1) of Legislative Decree No 39 of 27 January 2010 concerning the supplement to the fee paid to PricewaterhouseCoopers S.p.A for financial year 2018 set out below.

*“Dear Shareholders,*

*by means of a resolution of the Shareholders' Meeting of 14 April 2011, based on a reasoned proposal by the Board of Statutory Auditors, PricewaterhouseCoopers S.p.A. (hereinafter also referred to as "PwC") was appointed, pursuant to articles 13 and 17 of Legislative Decree 39/2010 (based on the version in force at the time) to audit the separate and consolidated financial statements of Poste Italiane S.p.A. (hereinafter also referred to as "Poste Italiane"), the condensed interim consolidated financial statements of the Poste Italiane Group and the audit of the unbundled accounting activities of Poste Italiane, for the financial years 2011 to 2019.*

*It should be noted that, as of 1 January 2019, the new international accounting standard IFRS 16 - Leases, approved by EU Regulation 2017/1986 of the European Commission of 31 October 2017, came into force. IFRS 16, which replaces IAS 17, introduced substantial changes in terms of recognition, measurement, presentation in the financial statements and additional information on lease and operating lease contracts.*

*According to the accounting standard referred to above, for the contracts in question, the asset leased is represented as an asset having the nature of a right of use as contra-entry*

*for a financial liability equal to the present value of the lease payments to be incurred. The asset is amortised on a systematic basis, while the financial liability is increased by accrued interest expense and reduced as a result of lease payments.*

*On 30 September 2019, PwC submitted to Poste Italiane a proposal for the integration, for the year 2019, of the nine-year statutory audit mandate, justifying this request on the basis of the additional audit work that the Independent Auditors are required to carry out for the year 2019, in order to verify the correct application, when fully operational, of the accounting standard with regard to both the technical-accounting and process/system aspects, as well as the accounting profiles with regard to the disclosures in the financial statements. The proposal of the independent auditors contains a description of the subject matter, the nature of the engagement and additional activities, as well as an adjustment of the fee, as per the following table.*

<b>Professional Class</b>	<b>Professional mix</b>	<b>Discounted hourly fee</b>	<b>Hours</b>	<b>Fee</b>
Partner	10	190.80	98	18,718
Executive	10	128.63	98	12,642
Expert auditor	47	46.34	457	21,022
Assistant	33	25.08	321	8,025
Rounding				(407)
<b>Total</b>			<b>974</b>	<b>60,000</b>

*PwC's request for a supplement to the fee amounts to a total of 60 thousand euros (net of VAT and expenses incurred within the limit of 5% of the fees).*

*The assignment of the engagement in question, in line with the provisions of Article 13, paragraph 1, of Legislative Decree no. 39/2010, must be approved by the Shareholders' Meeting on the basis of a reasoned proposal of the Board of Statutory Auditors.*

*For the purposes of the investigation within its competence, the Board of Statutory Auditors:*

- *examined PwC's proposal with the relative quantification of the hours and the mix of professionals employed; the fee is calculated by applying the same average hourly rate (equal to about 62 euro/hour) as the original nine-year contract;*
- *met with the Manager responsible for preparing the Company's financial reports and the Head of the Administration, Finance and Control Department to discuss with them the reasonableness of the additional activities envisaged by PwC, in terms of describing the activities and quantifying the associated hours;*
- *asked the head of the Legal Affairs Department for an opinion on the compatibility of the assignment of this type of additional audit engagement with the original nine-year statutory audit agreement, given that the original agreement provides for the possibility of changes and additional services requested or deemed necessary by Poste;*
- *asked the head of the Purchasing Department for an opinion on the compatibility of the assignment in question with the legislation on public tenders and internal purchasing procedures (bearing in mind that PwC is the only supplier to which the assignment itself can be effectively recognised);*
- *received from PwC, on 30 September 2019, the confirmation of independence referred to in paragraph 6 of EU Regulation No 537/2014.*

*During the course of said investigation, the Board of Statutory Auditors obtained confirmation from the various parties questioned regarding the compatibility of the Independent Auditors' request with the reference regulatory framework, the contractual terms, as well as the substance of the commitment resulting from the additional activity referred to.*

*As a result of the above activities, the Board of Statutory Auditors believes that the request for the integration of audit activities is consistent with the statutory audit process of the current engagement, considering the new audit activities imposed by the new regulations, as well as adequate in relation to the professional commitment required and aligned with the economic conditions already in place.*

*In view of the above, and in line with the terms of the additional proposal for the nine-year term of office formulated by the Independent Auditors, the Board of Statutory Auditors*

*proposes that the Shareholders' Meeting approves "the assignment of additional audit activities, in relation to the separate financial statements and consolidated financial statements of Poste Italiane S.p.A. for the year 2019, to the independent auditors PWC (registered in the special register provided for by art. 161 of Legislative Decree 58/1998 - TUF) with registered office in Milan, Via Monte Rosa, 91 for a total net amount of 60 thousand euros, plus VAT and expenses incurred up to a limit of 5% of the fees."*