

## **ORDINARY SHAREHOLDERS' MEETING OF SIAS S.P.A. ON 15 MAY 2019**

### *REPORT OF THE BOARD OF DIRECTORS ON THE ITEMS ON THE AGENDA*

#### **Point 4) - Integration of the Board of Directors pursuant to Art. 2386 of the Italian Civil Code**

Dear Shareholders

Please remember that:

- pursuant to Art. 16 of the Articles of Association, the Company is managed by a Board of Directors made up of a number of members varying between seven and fifteen, depending on the decision made by the Shareholders' Meeting, without prejudice to observance of the requisits on the subject of independent directors and balance between genders;
- the Shareholders' Meeting held on 27 April 2017 established 15 as the number of members of the current Board of Directors, and established its term as three years, i.e. until approval of the financial statements as at 31 December 2019;
- following the resignation of the Director Giovanni Angioni, the Shareholders' Meeting held on 19 April 2018 appointed Francesco Gatti to replace him;
- afterwards, at the Shareholders' Meeting held on 19 April 2018, *(i)* the Directors Edda Gandossi, Beniamino Gavio, Daniela Gavio, Ferruccio Piantini, Francesco Gatti and Licia Mattioli tendered their resignations; *(ii)* pursuant to Art. 2386, paragraph 1 of the Italian Civil Code and with the approval of the Board of Statutory Auditors, the Board appointed, by co-option, the Directors Marianna Galli, Rosario Mazza, Franco Moschetti, Frances Ouseley, Umberto Tosoni and Micaela Vescia to replace the above resigning members;
- following said co-options, the administrative structure is currently made up of 15 members, of which *(i)* 9 Members (Caselli, De Luca, Kunst, Moschetti, Ouseley, Pellegrini, Segni, Simioni and Vescia) declared to have the independence requisites both with reference to the Code of Conduct and to the Consolidated Finance Act, as verified by the Board of Directors on 20 March 2019; *(ii)* 5 Members (Bariatti, Galli, Kunst, Ouseley and Vescia) belong to the less represented gender (in the case in point, the female gender);

- the co-opted Members will remain in office until the next Shareholders' Meeting called to approve the financial statements as at 31 December 2018;
- in view of the inapplicability of the statutory list voting mechanism to the case in point, the Shareholders' Meeting will be called upon to resolve, with the legal majorities, the appropriate measures regarding the composition of the Board, in any case without prejudice to the regulatory requirements on the subject of independent directors and balance between genders.

In light of the above, the Shareholders' Meeting is called upon to take the opportune decisions regarding the composition of the Board.

To this end, this explanatory report also containing proposals concerning shareholders' meeting decisions has been prepared by the Board and placed at the disposal of the Shareholders.

Please note that as part of the functions assigned to it and bearing in mind the recommendations of the Code of Conduct of Listed Companies, the Appointments and Remuneration Committee of the Company met on 12 March 2019 in order to support the Board in drawing up the aforesaid proposals to submit to the Shareholders' Meeting.

The Committee pointed out that the Board had undergone a significant evolution that led to a mixture of board figures characterised by a solid professional background, a good variety (in terms of gender, age, sector and nationality) and an overall adequate experience in running large companies and listed groups. Also pointed out were good cooperation, a climate of basic discussion and debate, and the important value represented by the variety and complementarity of the individual expertise.

The high number of independent directors was also positively evaluated. By guaranteeing their third-party roles as regards the positions of management or of the majority shareholder, they demonstrate a pro-active attitude in the board's works and on the committees.

These considerations are in line with what emerged during the annual self-assessment of the Board, which was discussed during the board meeting held on 20 March 2019.

In consideration of the above, in order to retain the value represented by the variety and complementarity of the individual expertise currently present in the Board and by the structure that is well-balanced between the independent and non-independent members, and in order to observe the balance of gender, the Committee has recommended confirmation of the co-opted Directors. Please also note that Marianna Galli has already informed the Board that for professional reasons she is unavailable to accept any recandidacy as Director of the Company.

Having taken this into consideration as well as the upcoming Shareholders' Meeting, the Committee has recommended to directly refer all decisions regarding the replacement of Ms Galli to the will of the Shareholders, without prejudice to observance of balance of gender.

Having acknowledged the recommendations given by the Appointments and Remuneration Committee, the Board of Directors on 20 March 2019 resolved to propose the following to the Shareholders' Meeting:

1) to appoint as board Directors:

- Rosario Mazza;
- Franco Moschetti;
- Frances Vyvienne Ouseley;
- Umberto Tosoni;
- Micaela Vescia;

it is specified that (i) the Shareholders' Meeting shall be called upon to vote on the proposal of individual appointment of each Director; (ii) the appointed Directors shall remain in office for the term of mandate of the current Board of Directors, that is until the date of the Shareholders' Meeting that will approve the financial statements as at 31 December 2019, and shall receive the same fee awarded by the Shareholders' Meeting to each Director and therefore equal to Euro 30 thousand gross per year, plus attendance fees;

2) 2. to take the decisions deemed most opportune in connection with the termination of Ms Marianna Galli as Director, without prejudice to the balance of gender.

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It being understood that the candidacies for the office of Director may be submitted also directly at the Shareholders' Meeting, the Shareholders are asked to communicate any appointment proposals they plan to submit to the Shareholders' Meeting to the Company and to the public. Such proposals must be provided together with information on the personal and professional characteristics of the candidates, and with statements with which the candidates accept their candidacy and state, under their personal responsibility, that there are no causes for ineligibility and incompatibility and that they possess the requisites for the office prescribed by current legislation and the Articles of Association (including any possession of the independence requisites required by the Articles of Association and any eligibility to qualify as "independent" pursuant to Art. 3 of the Code of Conduct) and the list of offices of administration and control possibly held by the candidates in other companies. To this regard, please take into consideration the position on the maximum aggregation of offices of Directors in other companies resolved by the Board of Directors..

Tortona, 20 March 2019

Board of Directors

Chairman

Paolo Pierantoni