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Please consider that only the original version in Italian language has legal value.

**Report to the Ordinary General Meeting of the Shareholders
to be held on 8th April 2020**

**Appointment of the external statutory auditors
for the financial years 2021 - 2029
and determination of the fees**

Dear Shareholders,

When the separate financial statements as at and for the year ended 31st December 2020 (2021 Annual General Meeting) are approved, the appointment conferred on the audit firm Deloitte & Touche S.p.A. for the external statutory audit of the accounts for the nine-year period 2012-2020 will come to an end.

In order to guarantee an adequate period of co-operation between the outgoing auditors and the new auditors appointed, it was considered best to bring forward the new appointment for the years 2021-2029, and to submit this to the 2020 Shareholders' Ordinary General Meeting for approval together with the determination of the relative fees.

It is underlined that, in accordance with Legislative Decree No. 39/2010 and subsequent amendments and in compliance with European Regulation 537/2014, the outgoing firm of independent auditors (Deloitte & Touche S.p.A.) may not be appointed.

Again in accordance with the above regulation, the selection procedure for the new auditor has been carried out by the Management Control Committee, in its capacity as the committee responsible for internal controls and auditing of the accounts.

On completion of the selection procedure, the Management Control Committee (in compliance with the provisions of the Regulation) identified two possible alternatives for the appointment and expressed a duly reasoned preference for one of the two alternatives.

The text of the reasoned proposal made by the Management Control Committee is given below.

* * *

REASONED PROPOSAL MADE BY THE MANAGEMENT CONTROL COMMITTEE

Report of the Management Control Committee, in its capacity as the committee responsible for internal controls and auditing of the accounts in accordance with Art. 19, paragraph 2, letter c) of Legislative Decree No. 39/2010, on the appointment of an external statutory auditor for the period 2021-2029.

Dear Shareholders,

When the separate financial statements as at and for the year ended 31st December 2020 are approved, the appointment conferred on Deloitte & Touche S.p.A. for the external statutory audit of the accounts for the nine-year period 2012 – 2020 by a Shareholders' General Meeting of the then UBI Banca S.C.p.A. on the 30th April 2011 will come to an end.

On the basis of current regulations, last modified by European Regulation 537/2014 (the "European Regulation") and by Legislative Decree No. 135/2016, the appointment for the external statutory audit of the accounts may not be further renewed. The new appointment of an external statutory auditor must be made following a special selection procedure to be carried out following the criteria and procedures set out in Art. 16 of the aforementioned European Regulation.

The Management Control Committee, acting in its capacity as the committee responsible for internal controls and auditing of the accounts in accordance with Art. 19, paragraph 2, letter c) of Legislative Decree No. 39/2010, considered it best to bring forward the start of the selection procedure for the appointment of an external statutory auditor of the accounts for the period 2021 – 2029 in order to guarantee an adequate period of co-operation between the outgoing auditor and the new auditor appointed and also because of the prohibition contained

in Art. 5 of the aforementioned European Regulation, which in order to protect the independence of the auditor, requires it to abstain from providing other non-audit services starting right from the year immediately prior to the first year audited.

In view of the above, it was considered best that the Shareholders' General Meeting convened to approve the separate financial statements of UBI Banca S.p.A. as at and for the year ended 31st December 2019 should also pass resolutions on the selection of a new external statutory auditor for UBI Banca S.p.A. and also to approve the fees and the relative compliance criteria on the Committee's reasoned proposal.

In compliance with the provisions of the aforementioned Art. 16 of the European Regulation, because the appointment of an external statutory auditor is for a Public-Interest Entity (PIE), as defined in Art. 16 of Legislative Decree No. 39/2010 (the "Decree"), the proposal formulated by the Committee which is submitted to you contains two possible alternatives for the appointment and expresses a reasoned preference for one of the two.

Contents of the invitation to tender

The selection procedure and the invitation to tender were drawn up in compliance with the regulations currently in force and more specifically with the criteria laid down in Art. 16 of the European Regulation.

Having considered its role as the parent of a group as a company that exercises management and co-ordination activities pursuant to article 2497 *bis* of the Italian Civil Code, UBI Banca decided to launch a single invitation to tender only, designed to select an external statutory auditor of the accounts for the nine-year period 2021-2029.

To this end, the invitation to tender was launched not only on behalf of UBI Banca S.p.A., but also on behalf of the PIEs that form part of the Group (on the basis of the specific authorisations to conduct the fact-finding activities involved in the selection procedure received from the respective internal control and accounting audit committees,) with separate information given on aspects relating to each entity.

Finally, in consideration of the management and co-ordination duties towards the remaining Group companies, these were also included within the perimeter of the companies indicated in the invitation to tender.

The fact-finding process to assess the offers was carried out by the Senior Officer Responsible for the preparation of company accounting documents (the "Senior Officer Responsible") and her department, who the Committee met with 10 times in order to constantly monitor the progress of the entire process.

As concerns the nature of the auditing services required, the types of service were as follows:

Statutory auditing services (to be submitted to the Shareholders' General Meeting)

- Audit of the separate financial statements and the consolidated financial statements of UBI Banca S.p.A., in accordance with Art. 14, paragraph 1, letter a) of the Decree.
- Expression of an opinion on the consistency of the Management Report and of some specific information reported on corporate governance and ownership structure with the separate financial statements and the consolidated financial statements and also on their compliance with the law.
- Auditing activity carried out during the year regarding the proper keeping of the company accounts and the accurate recording of operating events in the accounting records of UBI Banca S.p.A. pursuant to Art. 14, paragraph 1, letter b) of the Decree.

Voluntary auditing services (to be submitted to the Shareholders' General Meeting)

- Limited audit of the half-year condensed consolidated financial statements and of the half-year condensed financial statements prepared in compliance with IAS 34.
- A limited audit of the separate financial statements as at and for the period ended 30th June prepared solely for the purposes of the inclusion of profit for the period in the common equity tier 1 capital as required by Art. 26, paragraph 2 of Regulation (EU) 575/2013 (ECB/2015/4) and by European Central Bank Decision No. 2015/656.

- A limited audit of the separate financial statements as at and for the periods ended 31st March and 30th September prepared solely for the purposes of the inclusion of profit for the period in the common equity tier 1 capital as required by the regulations mentioned in the previous point.
- Certification for the purpose of the inclusion of year-end profit in the common equity tier 1 capital as required by art. 26, paragraph 2, letter a) del Regulation (EU) n. 575/2013 (ECB/2015/4) and by European Central Bank Decision No. 2015/656.

Other services that are related to the auditor appointment (not to be submitted to the Shareholders' General Meeting)

- Limited assurance engagement for the “Basel 3 Pillar 3 - Public Disclosures” of the UBI Group.
- Limited assurance engagement for the “Consolidated Non-Financial Statement” of the Group as at and for the period ended 31st December.
- Audits associated with the signing of UBI Banca tax returns.
- Audits associated with the calculation of the contribution to the National Guarantee Fund.
- Limited assurance engagement for declarations on the adequacy and effective application of administrative and accounting procedures for the preparation of the separate financial statements of UBI Banca and the consolidated financial statements of the UBI Group as at and for the period ended 31st December.
- Limited assurance engagement for the harmonised statistical supervisory reporting statements (FINREP) of the UBI Group prepared as at 31st December.
- Limited assurance engagement for the harmonised statistical prudential reporting statements (COREP) of the UBI Group prepared as at 31st December.
- Certification of data reported for the purposes of the contribution to the Single Resolution Fund as at 31st December by the UBI Banca, by carrying out an agreed procedures.
- Proofreading of the translation of the consolidated financial statements of the UBI Group and the separate financial statements of UBI Banca S.p.A. as at and for the period ended 30th June and as at and for the period ended 31st December.
- Proofreading of the translation of the “Consolidated Non-Financial Statement” of the UBI Group as at and for the period ended 31st December.

In order to also regulate the provision of services not expressly provided for in the invitation to tender, provided these are admissible by law and by the internal regulations of the Group, bidders were also required to include a hypothesised proposal of general terms and conditions (e.g. hourly fees, professional personnel and an estimate of the cost for standard activities) applicable for engagements additional to those listed above.

Selection procedure

The selection procedure employed by UBI Banca S.p.A. entitled “*Selection procedure for the appointment of a new external statutory auditor for the financial years 2021-2029 drawn up in compliance with Art. 16 of European Regulation 537 of 16th July 2014*” (hereinafter also the “procedure”) has been drawn up and conducted in full compliance with the criteria set out in Art. 16 of the European Regulation.

The procedure has been submitted for approval to the Management Control Committee of UBI Banca and to the Statutory Auditors for the subsidiaries that qualify as PIEs (with the exception of BancAssurance Popolari S.p.A. for which a management control committee has been formed) which are responsible for the procedure in accordance with the provisions of Art. 19 of the Decree. The latter authorised UBI Banca S.p.A. to invite audit firms to tender for the provision of external statutory auditing services and to conduct, on the basis of jointly agreed criteria, preliminary fact-finding activities also with regard to the offers that relate to them.

The procedure was submitted to the examination of the Group Purchases Department for examination which assessed its consistency with Group processes for engaging service providers.

In consideration of the requirements set out in Art. 16, paragraph 3, letter f) of the European Regulation, measures were adopted during the entire process designed to ensure full traceability of the selection criteria and compliance with the criteria announced to the bidders. In this sense the process was also supported by other corporate functions which included Internal Audit, to guarantee traceability of the process, and Legal Affairs to assess aspects of importance within the meaning of Art. 10 of Legislative Decree No. 39/2010.

This selection procedure was divided into the following stages:

a. Identification of audit firms to which to send the invitation to tender

In consideration of the size of the Group and the sectors in which it operates, the criteria adopted to select audit firms to which to send the invitations to tender were as follows: (i) specific professional experience in the sectors in which the Group operates demonstrated by currently carrying out or recently having carried out external statutory accounting audit engagements for entities of size and structure comparable to those of the Group; (ii) membership of an international network of high standing able to guarantee adequate technical and professional support; (iii) adequate size of the firm in the geographical area in which the Group operates; (iv) income earned from external statutory audits of the PIEs as a percentage of total turnover.

Given the above, Auditing firms enrolled in the Register of Statutory Auditors held by the Ministry of Economics and Finance were considered. In addition to Deloitte & Touche S.p.A. firms without the legal status of “*società per azioni*” (joint stock companies), those which do not operate abroad and those which do not operate in the banking sector were excluded. Following a preliminary detailed analysis, conducted on the basis of data available in the public domain, invitations to express an interest in the selection were sent to 5 firms: BDO Italia S.p.A., KPMG S.p.A., EY S.p.A., Mazars Italia S.p.A., and PricewaterhouseCoopers S.p.A..

The letter of invitation contained an attached document, “*Details of the appointment of an external statutory auditor of the accounts 2021-2029*”, which gave a description of the criteria that are to be used to select proposals and the consequent details of the contents of the offer with a detailed list of the information to be provided.

Three of the audit firms invited expressed an interest in participating in the selection, namely BDO Italia S.p.A., KPMG S.p.A. and PricewaterhouseCoopers S.p.A., while EY S.p.A. and Mazars Italia S.p.A. declined the invitation.

All three of the above firms that expressed an interest then went on to submit an offer, in compliance with the procedures laid down in the letter of invitation.

b. Selection

In compliance with Art. 16, paragraph 3, letter e) of the European Regulation, assessment of the offers received from these audit firms was carried out on the basis of the selection criteria defined in the relative documents.

The invitation to tender stated that assessment of offers would take place by giving precise consideration, according to different metrics, to the contents of the various sections of the invitation as described below. Furthermore, in order to give proper consideration to qualitative aspects of the auditing work, the part relating to the section on the terms and conditions were assessed separately from those of the previous sections and these were only considered if assessment of the previous sections were substantially similar.

For the purposes of the assessment, account was taken of both qualitative aspects (assessment of the audit firm and the network to which it belongs, knowledge of UBI Group, assessment of the audit team, including its specialists, assessment of the methodological approach to auditing) and to quantitative aspects (overall commitment and professional mix) to which a score was given on the basis of the information provided in the documents sent in by the bidders, divided into five sections for a total of 30 items of information requested, of which the technical part of the invitation to tender document was composed, as follows:

- *General information section (13 items):* this considered the general characteristics of the firm bidding and the network to which it belonged, its degree of knowledge of the UBI Group, its experience acquired with clients subject to the “Single Supervisory Mechanism” and resulting from appointments involving a high level of technical complexity.

- *Administrative section (2 items):* this regarded all information that could be used to verify the existence of possible situations of incompatibility for accepting the audit engagement.
- *Professional section (4 items):* this acquired information on the team that would carry out activities to audit UBI Banca and its subsidiaries, with particular reference to experience in the banking, financial and insurance fields of partners, managers and specialists as well as these persons' knowledge of the UBI Group.
- *Technical section (8 items):* this regarded a summary description of the auditing approach that would be adopted to carry out the statutory audit, details of the instruments used to support the auditing process, the internal quality control process and the process to manage the transition from the outgoing auditor;
- *Commitment section (3 items):* this provided information on the number of working hours expected and the commitment from partners, managers and specialists.

The first two sections regarded characteristics considered essential and of a qualifying nature for the firms bidding, while the remaining three sections gave information on the quality of the service offered.

For every offer, each item of information requested within each section was assessed in the documents furnished by the bidder and the judgement was summarised by assigning a score to each item.

The importance assigned to each item and to each section for the purposes of an overall summary was set before the selection process began. For the purposes of the overall score:

- a weighting of 40% was assigned to the assessment of the audit firm as a whole;
- a weighting of 60% was assigned to the contents of the offer.

With regard to the assessment of the audit firm itself, the "General information section" and the "Administrative section" were assigned weightings of 70% and 30% respectively.

With regards to the contents of the offer, the "Professional section" was assigned a weighting of 50%, the "Technical section" was assigned a weighting of 30% and the "Commitment section" was assigned the remaining 20%.

In order to safeguard independence of judgement, the process required each item to be judged independently by three different assessors and the overall judgement to be reviewed by an additional assessor.

To complete the assessment process, the Committee met representatives of the bidders in order to acquire further elements of evaluation in addition to those already provided in the set of offer documents.

Results of the selection procedure

With regard to the analysis of the "General information section", firstly any important aspects regarding regulations were examined, with, amongst other things, an opinion from an outside legal advisor, including the applicable regulations concerning the independence and objectivity of the auditor and more specifically regarding Art. 10 of Legislative Decree No. 39/2010. The following were considered for this purpose: (i) the probable occurrence of disputes in which PricewaterhouseCoopers S.p.A. would be a counterparty as part of litigation attributable to situations involving the former "Target Banks" prior to their acquisition by UBI Banca; and also (ii) the circumstance that PricewaterhouseCoopers S.p.A. and UBI Banca are holders of opposing interests in legal proceedings, also attributable to situations involving the former "Target Banks".

As a consequence of the results of that analysis PricewaterhouseCoopers S.p.A. was eliminated from the subsequent stages.

The assessment of the offers therefore proceeded with regard to KPMG S.p.A. and BDO Italia S.p.A. only.

The Committee then received the results of the technical assessment carried out. As the scoring system adopted to summarise the assessments carried out showed a significant difference in

favour of KPMG S.p.A. between the overall judgements, on the basis of the selection procedure, the Committee made a judgement of overall preference for the KPMG S.p.A. offer compared with that from BDO Italy S.p.A., without the need to resort to a comparative examination of the “Terms and conditions sections” of the offers.

We report in particular that, given the importance for UBI Banca of external statutory audits as a fundamental part of its system of controls, of its overall governance and of the Group, in order to avoid compromising the quality of the auditing work, in accordance with the selection procedure, the components relating to the terms and conditions section were assessed separately from those of the qualitative sections, and were only to be examined for the purposes of an overall assessment if the assessments of the latter sections were found to be substantially similar.

The main features of the KPMG S.p.A. considered as qualifying and sufficient grounds for the preference in favour of this bidder were as follows:

- the adequate size of the firm and of its network;
- the competencies and professional experience of the teams proposed acquired in the sectors in which the Group operates, and also specific knowledge of UBI Banca and the Group acquired from previous engagements;
- the composition of the teams which will carry out audits of the UBI Group, with senior personnel, partners and managers, to fill the various roles set out in the offer and the provision of specialist personnel to support them;
- experience acquired with clients subject to the “Single Supervisory Mechanism” and in appointments with a particularly complex technical content;
- a detailed description of the audit approach in terms of the methodology used, risk assessment and materiality thresholds sufficient to guarantee an adequate level of assurance;
- differentiation in the professional mix based on the audit service provided with a balanced distribution of effort between roles with different degrees of seniority and an adequate commitment of qualified personnel.

Terms and conditions

As already illustrated, with regard to the two alternatives identified for the appointment, the Committee has expressed a reasoned preference for KPMG S.p.A. on the basis of the results of the technical assessment only, without the need to assess the offers on the basis of the terms and conditions due to the significant difference in the overall qualitative assessments made.

Although it is not of importance for the purposes of the reasoned preference, details of the contents of the two alternatives in terms of hourly rates, commitment expected (hours) and fees are given below.

The average hourly rates reported below are those that result from the application of the professional mixes envisaged for all the appointments quoted by the bidders, which are statutory and voluntary auditing services and activities closely related to them.

Table 1. Average hourly rates for UBI Banca S.p.A. and the UBI Group

(fees are given in whole euro)

UBI BANCA		
	KPMG	BDO
TOTAL FEES	2,289,009	2,129,075
TOTAL HOURS	31,967	32,620
AVERAGE HOURLY RATE	72	65

UBI GROUP		
	KPMG	BDO
TOTAL FEES	3,944,500	3,721,790
TOTAL HOURS	58,117	57,070
AVERAGE HOURLY RATE	68	65

Table 2. Commitment expected and average fees and rates for UBI Banca S.p.A. and the UBI Group

(fees are given in whole euro)

UBI BANCA AND UBI GROUP				
	KPMG		BDO	
	Hours	Fees	Hours	Fees
SERVICES TO BE SUBMITTED TO SHAREHOLDERS FOR APPROVAL				
Audit of the Separate Financial Statements and the Consolidated Financial Statements inclusive of Judgement of consistency with the Management Report	14,090	968,518	14,250	915,605
Proper keeping of the accounts	800	52,542	800	51,400
External Statutory Audit	14,890	1,021,060	15,050	967,005
Audit of the Half-year Financial Statements	3,792	272,745	4,510	289,800
Audit of the financial statements for CET1 capital purposes	3,338	243,228	4,750	305,230
Voluntary auditing	7,130	515,973	9,260	595,030
TOTAL SERVICES TO BE SUBMITTED TO SHAREHOLDERS FOR APPROVAL	22,020	1,537,033	24,310	1,562,035
OTHER SERVICES (*)	9,947	751,976	8,310	567,040
TOTAL HOURS/FEES UBI BANCA	31,967	2,289,009	32,620	2,129,075
TOTAL HOURS/FEES OTHER GROUP COMPANIES	26,150	1,655,491	24,450	1,592,715
UBI GROUP	58,117	3,944,500	57,070	3,721,790

(*) These are services closely connected with the auditing activities, not compulsory by law, the appointment for which will be awarded by the Board of Directors after the external audit firm has been appointed.

The overall effort and the relative fees submitted in the offer, relating also to statutory auditing service appointments that may be awarded by Group companies and potential voluntary appointments awarded both by UBI Banca S.p.A. and by other Group companies, would amount to a total expense of €3.9 million for the KPMG S.p.A. offer, compared with a total expense of €3.7 million for BDO Italia S.p.A..

As requested in the offer documents, each bidder then stated, as part of the offer, the main terms and conditions that would apply for the whole duration of the auditing appointment to Group companies and for all statutory and voluntary auditing services as well as to the other services closely connected with the auditing appointment which would be required from time to time.

More specifically the main items proposed by KPMG and by BDO Italia applicable to future appointments awarded by UBI Banca S.p.A. and by Group companies are as follows:

- reimbursement of expenses incurred for carrying out the work, such as expenses for working in other premises and transfers, were calculated for both offers on the basis of the costs actually incurred and in any case up to a limit of 5% of total fees;
- in its proposal KPMG set out specific procedures for possible additions or reductions with respect to the original engagement in the event of transactions between companies “under common control” and also procedures for additions as a result of changes in the regulatory framework, with the latter differentiated on the basis of the estimated impacts. On the other hand, BDO Italia only specified that the increase in fees would be determined on the basis of the gross hourly rates indicated in its offer;
- should circumstances occur which involve an increase in the number of hours or a different mix of professional competencies, the bidders reserved the right to increase their fees by up to 5% for KPMG and 15% for BDO Italia;
- quotes for any other services not included in those listed in the invitation to tender documents will be made on the basis of the terms and conditions defined in the offer.

In order to also regulate the possible provision of services not expressly provided for in the invitation to tender, a General Agreement containing a hypothesis of general service conditions applicable for any additional appointments there may be will be stipulated at the time when UBI Banca S.p.A. appoints an external statutory auditor by UBI Banca S.p.A.

Following all of the above, the Committee therefore gave its official approval of the report drawn up by UBI Banca S.p.A. as the entity subject to audit within the meaning of Art. 16, paragraph 3, letter e) of the Regulation on the conclusions of the selection procedure to appoint an external statutory auditor of the accounts for the period 2021 – 2029.

* * *

In consideration of all the foregoing, the Committee, in relation to the appointment for the nine-year period 2021 – 2029 by UBI Banca S.p.A. for:

- the following statutory auditing activities:
 - audit of the separate financial statements and the consolidated financial statements of UBI Banca S.p.A., in accordance with Art. 14, paragraph 1, letter a) of the Decree;
 - expression of an opinion on the consistency of the Management Report and of some specific information reported on corporate governance and ownership structure with the separate financial statements and the consolidated financial statements and also on their compliance with the law;
 - auditing activity carried out during the year regarding the proper keeping of the company accounts and the accurate recording of operating events in the accounting records of UBI Banca S.p.A. pursuant to Art. 14, paragraph 1, letter b) of the Decree;
- the following voluntary auditing activities:

- limited audit of the half-year condensed consolidated financial statements and of the half-year condensed financial statements prepared in compliance with IAS 34;
- a limited audit of the separate financial statements as at and for the period ended 30th June prepared solely for the purposes of the inclusion of profit for the period in the common equity tier 1 capital as required by Art. 26, paragraph 2 of Regulation (EU) 575/2013 (ECB/2015/4) and by European Central Bank Decision No. 2015/656;
- a limited audit of the separate financial statements as at and for the periods ended 31st March and 30th September prepared solely for the purposes of the inclusion of profit for the period in the common equity tier 1 capital as required by the regulations mentioned in the previous point;
- certification for the purpose of the inclusion of year-end profit in the common equity tier 1 capital as required by art. 26, paragraph 2, letter a) del Regulation (EU) n. 575/2013 (ECB/2015/4) and by European Central Bank Decision No. 2015/656;

and on the basis of the selection procedure, the offers received, the assessments carried out and the results of those assessments, considering that Art. 16 of the European Regulation 537/2014 requires the reasoned proposal to the General Meeting of the Shareholders to contain at least two possible appointment alternatives and considering that Art. 16 of the aforementioned Regulation requires the expression of a duly reasoned preference for one of the two,

SUBMITS

to the General Meeting of the Shareholders of UBI Banca S.p.A., in accordance with Art. 16, paragraph 2 of European Regulation 537/2014 and also Art. 13, paragraph 1 and Art. 17, paragraph 1 of Legislative Decree No. 39/2010, alternative proposals for the nine-year period 2021-2029 formulated by KPMG S.p.A. and by BDO Italia S.p.A., the terms and conditions of which in terms of effort (hours) and average rates relating to each single financial year are summarised as follows:

Table 3. Commitment, fees and average hourly rates applied for UBI Banca S.p.A.

UBI BANCA						
	KPMG			BDO		
	Hours	Fees	Average rate	Hours	Fees	Average rate
<i>Audit of the Separate Financial Statements and the Consolidated Financial Statements inclusive of Judgement of consistency with the Management Report</i>	14,090	968,518	69	14,250	915,605	64
<i>Proper keeping of the accounts</i>	800	52,542	66	800	51,400	64
<i>External Statutory Audit</i>	14,890	1,021,060	69	15,050	967,005	64
<i>Audit of the Half-year Financial Statements</i>	3,792	272,745	72	4,510	289,800	64
<i>Audit of the financial statements for CET1 capital purposes</i>	3,338	243,228	73	4,750	305,230	64
<i>Voluntary auditing</i>	7,130	515,973	72	9,260	595,030	64
TOTAL PROPOSAL FOR AUDITING SERVICES FOR SUBMISSION TO SHAREHOLDERS FOR APPROVAL	22,020	1,537,033	70	24,310	1,562,035	64

EXPRESSES

its recommendation in favour of KPMG S.p.A. whose offer was preferred in light of the results of the investigation conducted and described previously;

DECLARES

that the above recommendation was not influenced by third parties and that no clause of the type mentioned in paragraph 6 of Art. 16 of European Regulation 537/2014 has been applied.

Brescia, 27th February 2020

For the Management Control Committee

The Chairman – Alessandro Masetti Zannini

Dear Shareholders,

With account taken of the proposal formulated by the Management Control Committee you are invited to make the relative decisions concerning the appointment of external statutory auditors for the financial years 2021 - 2029 and the determination of their fees.

28th February 2020

THE BOARD OF DIRECTORS