

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE FIRST ITEM ON THE
AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING**

(convened for 2 April 2020 in single call)

Proposal to increase the share capital free of charge, in divisible form, pursuant to Article 2349 of the Italian Civil Code, subject to revocation of the resolutions to delegate and to increase the share capital for cash and free of charge approved by the Extraordinary Shareholders' Meeting on 28 March 2019 and by the Board of Directors on 8 April 2019, and consequent amendment of Article 5 of the By-Laws. Related resolutions.

Dear Shareholders,

you have been convened to this extraordinary Shareholders' Meeting of Banca Farmafactoring S.p.A. (the "**Company**" or the "**Bank**") in order to resolve upon the proposed share capital increase, free of charge and divisible, to be carried out in one or more tranches, pursuant to Article 2349 of the Italian Civil Code, within December 31st, 2028, for a maximum nominal value of Euro 5,254,563.16, through the issue, even in several tranches, of a maximum total of 6,824,108 ordinary shares with no indication of nominal value (the "**Single Share Capital Increase**"), serving the purposes illustrated in this report, subject to revocation, for the portion not carried out, (i) of the paid capital increase, approved by the Extraordinary Shareholders' Meeting of the Bank on March 28th, 2019, to serve the "*Stock Option Plan of the Banca Farmafactoring Banking Group*" in force, as well as (ii) of the delegation granted pursuant to Article 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting of the Bank held on March 28th, 2019 to the Board of Directors to increase the share capital free of charge (jointly, the "**Existing Share Capital Increases**"), aimed at meeting the requirements connected with the Company's remuneration and incentive policies.

This report is intended to provide an illustration of the reasons for the Single Share Capital Increase and the related proposal on the agenda, in compliance with the provisions of Article 125-ter of Legislative Decree no. 58 of 24 February 1998, as subsequently supplemented and amended (the "**TUF**"), as well as Article 72 and Annex 3A of the Regulation adopted by Consob resolution no. 11971 of 14 May 1999, as subsequently supplemented and amended (the "**Issuers' Regulation**").

It should be noted that the Bank of Italy, by order no. 1563101/19 of 30 December 2019, ascertained, pursuant to Articles 56 and 61 of Legislative Decree no. 385/1993, that the amendment to the By-Laws described in this report does not conflict with the principle of sound and prudent management.

1. Rationale of the Single Share Capital Increase

The proposal to replace the Existing Share Capital Increases with the Single Share Capital Increase is primarily aimed at rationalizing the capital increase system serving the Group's incentive instruments, *in primis* the current "*Banca Farmafactoring Banking Group Stock Option Plan*" approved by the Ordinary Shareholders' Meeting of December 5th, 2016 and amended by the Ordinary Shareholders' Meeting of March 28th, 2019 (the "**SOP 2016**"), and the new "*Banca Farmafactoring Banking Group Stock Option Plan - SOP 2020*" approved by the Bank's Board of Directors on October 24th, 2019 (the "**SOP 2020**"), while reducing the potential dilution effect for shareholders. For further information on the SOP 2020, please refer to the report of the Board of Directors on item 5.3 on the agenda of the Ordinary Shareholders' Meeting called for April 2nd, 2020, and the related information document, published in accordance with the law and available on the Company's website www.bffgroup.com, in the "Governance/Documentation of Shareholders' Meetings" section and of the storage mechanism www.linfo.it.

The replacement of the Existing Share Capital Increases with the Single Share Capital Increase is made possible by the structure of the above mentioned stock option plans, which provides for the exercise of options in cash-less mode and requires, consequently, a smaller number of ordinary shares to service this exercise. In this regard, please note that:

- (a) with reference to the SOP 2016, the Company received an irrevocable request from the beneficiaries of the plan for authorization to exercise exclusively in cash-less mode the options granted under the plan, and this request was accepted by the Company; as a result, the estimated maximum need for ordinary shares to service the SOP 2016 - equal to approximately 2,770,000 shares - is significantly lower than that estimated when the Existing Share Capital Increases were approved; and
- (b) with reference to the SOP 2020, the regulation of this plan provides, against the exercise of the options, for the delivery to the beneficiary of a number of shares corresponding to the net benefit of the options granted, without the beneficiary having to find the necessary funds to pay the exercise price and, at the Bank's option, the tax charges connected with it (*i.e.*, the advance withholding tax); therefore, if approved by the Ordinary Shareholders' Meeting, the SOP 2020 will be exercisable exclusively in cash-less mode, and the maximum estimated need for ordinary shares to service this plan is approximately no. 3,250,000 shares.

In addition, the Single Share Capital Increase, similarly to the Existing Share Capital Increases, will be aimed at meeting additional needs related to the Company's remuneration and incentive policies.

Therefore, the proposal to introduce the Single Share Capital Increase into the Bank's By-Laws (the "**By-Laws**"), submitted for your approval, takes into account the following purposes:

- (i) to meet the need to balance the cash component and the financial instruments component in the variable remuneration of the Group's most important personnel, which may become due under the "Management by Objective" system provided for in the "*Policy on remuneration and incentives for members of the strategic supervision, management and control bodies, and personnel of the Banca Farmafactoring Banking Group*" in force from time to time (the "**Policy**");
- (ii) to serve the SOP 2016 and the SOP 2020;
- (iii) to serve any additional compensation plans based on financial instruments that may be resolved in the future on the proposal of the Board of Directors in accordance with the Policy and current regulations.

It should be noted that the By-Laws in force, in line with Article 2349 of the Italian Civil Code, provides for the possibility of increasing the share capital free of charge by assigning the related shares to employees of the Company and/or its subsidiaries.

Consequently, the Board of Directors proposes to the Extraordinary Shareholders' Meeting called for April 2nd, 2020 to:

- A. remove the provisions of paragraphs 6, 7, 8 and 9 introduced by resolution of the Extraordinary Shareholders' Meeting of March 28th, 2019 from Article 5 of the current By-Laws;
- B. introduce in Article 5 of the current By-Laws a new paragraph 6 concerning the Single Share Capital Increase;
- C. introduce in Article 5 of the current By-Laws a new paragraph 7, in order to specify the deadlines for the implementation of the Single Share Capital Increase, providing, in particular, that:
 - if not fully subscribed by the deadline, the share capital shall be deemed to have been increased by an amount equal to the issue value of the shares issued from time to time;
 - the Board of Directors, with the power to sub-delegate to one or more Directors, is vested with the broadest powers to execute the Single Share Capital Increase, including the power to determine the timing, methods, terms and conditions for its execution, and the number of shares to be issued, at the terms and conditions set forth in the SOP 2016 and/or the SOP 2020 and/or the Policy and/or any further compensation plans based on financial instruments that may be approved upon proposal of the Board of Directors, as well as the power to make the necessary changes to the Article 5 of the By-Laws in force, in order to adjust the amount of the share capital accordingly.

2. Characteristics of newly issued shares

On the relevant issue date, the shares of the Company under the Single Share Capital Increase, assigned to the beneficiaries of SOP 2016 and SOP 2020, as well as any further compensation plans based on financial instruments that may be approved in the future on the proposal of the Board of Directors, will be automatically admitted to trading on the "*Mercato Telematico Azionario*" and credited to the securities accounts of the beneficiaries following specific communications submitted by the Company to Monte Titoli S.p.A. and Borsa Italiana S.p.A., will have regular dividend rights and will guarantee their holders the same rights as the Bank's ordinary shares outstanding on that date.

3. Amendments to the By-Laws

In the light of the foregoing paragraphs, it is proposed to amend Article 5 of the By-Laws as described in the following table, which compares the text of the aforementioned Article 5 contained in the current By-Laws with that which would result from the approval of the proposed amendments.

In order to facilitate the identification of amendments to the By-Laws, it should be noted that, for each provision proposed for amendment, the following steps have been taken:

- the text of the current By-Laws is shown in the left-hand column of the table;
- the text proposed for adoption is shown in the right-hand column of the table.

Current By-Laws	Amendments to the current By-Laws
ARTICLE 5 – SHARE CAPITAL	ARTICOLO 5 – SHARE CAPITAL
<p>1. The fully subscribed and paid in share capital is equal to Euro 131,364,092.09 represented by 170,602,717 ordinary shares without nominal value and in dematerialisation regime.</p>	Unchanged
<p>2. The share capital may, by a resolution of the extraordinary Shareholders' Meeting, be increased by one or more tranches, also by way of delegation to the Board of Directors.</p>	Unchanged
<p>3. In capital increase resolutions for consideration, option right may be excluded up to a maximum amount of 10% of the pre-existing share capital, provided that the new shares issue price corresponds to the market value of outstanding shares, and this is confirmed by a specific report of an external legal auditor or legal audit firm.</p>	Unchanged
<p>4. Contributions due in execution of capital increases may consist of assets in kind and receivables.</p>	Unchanged
<p>5. The extraordinary Meeting may approve the issuance of warrants - within the limits and in accordance with the conditions set forth by the Bank of Italy - entitling to the right to subscribe for Bank shares, provided that such right is exercised within five years of the respective issuance.</p>	Unchanged
<p>6. The Shareholders' Meeting, held in extraordinary session on 28 March 2019, resolved to delegate to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to increase the share capital, free of charge, in one or more tranches, also in divisible form, until 27 March 2024, with the issue of a maximum of 3,900,000 ordinary shares with no indication of nominal value, having the same characteristics as those outstanding and regular dividend entitlement,</p>	6. The Shareholders' Meeting, held in extraordinary session on 28 March 2019, resolved to delegate to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to increase the share capital, free of charge, in one or more tranches, also in divisible form, until 27 March 2024, with the issue of a maximum of 3,900,000 ordinary shares with no indication of nominal value, having the same characteristics as those outstanding and

for a maximum amount of Euro 3,003,000, at an issue value equal to the accounting par value of the Bank's shares at the execution date, to be booked in full to capital, for requirements connected with the Company's remuneration and incentive policies, with particular reference to: (i) the need to balance cash and financial instruments in the variable remuneration of the Group's relevant personnel (or risk takers), which may become due under the "Management by Objective" system set out in the "Remuneration and incentive policy for members of the strategic supervision, management and control bodies, and personnel of the Banca Farmafactoring Banking Group" in force from time to time; (ii) possible allocations of shares to Group employees; and (iii) the current "Stock Option Plan of the Banca Farmafactoring Banking Group", through the allocation of a corresponding amount of profits and/or profit reserves as resulting from the most recent financial statements approved from time to time pursuant to article 2349 of the Italian Civil Code.

7. The Extraordinary Shareholders' Meeting of the Company also resolved to increase the paid share capital, in divisible form, by the deadline of 5 December 2028, with the exclusion of option rights pursuant to art. 2441, fifth and sixth paragraphs, of the Italian Civil Code, to service the implementation of the "Stock Option Plan of the Banca Farmafactoring Banking Group" for a maximum nominal amount of Euro 6,899,200, in addition to the share premium, through the issue, also in several tranches, of a maximum of 8,960,000 new ordinary shares with no indication of nominal value, at an issue price to be determined in accordance with the above mentioned "Stock Option Plan of the Banca Farmafactoring Banking Group".

8. The Extraordinary Shareholders' Meeting of the Company has also established that, (i) if not fully subscribed by the deadline of 5 December 2028, the said capital increase shall remain

~~regular dividend entitlement, for a maximum amount of Euro 3,003,000, at an issue value equal to the accounting par value of the Bank's shares at the execution date, to be booked in full to capital, for requirements connected with the Company's remuneration and incentive policies, with particular reference to: (i) the need to balance cash and financial instruments in the variable remuneration of the Group's relevant personnel (or risk takers), which may become due under the "Management by Objective" system set out in the "Remuneration and incentive policy for members of the strategic supervision, management and control bodies, and personnel of the Banca Farmafactoring Banking Group" in force from time to time; (ii) possible allocations of shares to Group employees; and (iii) the current "Stock Option Plan of the Banca Farmafactoring Banking Group", through the allocation of a corresponding amount of profits and/or profit reserves as resulting from the most recent financial statements approved from time to time pursuant to article 2349 of the Italian Civil Code.~~

~~7. The Extraordinary Shareholders' Meeting of the Company also resolved to increase the paid share capital, in divisible form, by the deadline of 5 December 2028, with the exclusion of option rights pursuant to art. 2441, fifth and sixth paragraphs, of the Italian Civil Code, to service the implementation of the "Stock Option Plan of the Banca Farmafactoring Banking Group" for a maximum nominal amount of Euro 6,899,200, in addition to the share premium, through the issue, also in several tranches, of a maximum of 8,960,000 new ordinary shares with no indication of nominal value, at an issue price to be determined in accordance with the above mentioned "Stock Option Plan of the Banca Farmafactoring Banking Group".~~

~~8. The Extraordinary Shareholders' Meeting of the Company has also established that, (i) if not fully subscribed by the deadline of 5 December 2028, the said capital increase shall remain~~

unchanged within the limits of the subscriptions collected by that date, and (ii) the Board of Directors is granted the widest powers (a) to establish the portion of the price to be charged to the capital and that to be charged as a share premium, and (b) to establish, also by delegation in favour of one or more Directors, from time to time, the issue price of the shares (including the share premium), and the other terms and conditions for the execution of the capital increase in accordance with the provisions of the “Stock Option Plan of the Banca Farmafactoring Banking Group”, as well as to make the consequent changes to this article, in order to adjust the amount of the share capital following the execution of the “Stock Option Plan of the Banca Farmafactoring Banking Group”.

9. The Board of Directors’ meeting held on 8 April 2019, in implementation of the powers granted to it by the Extraordinary Shareholders’ Meeting held on 28 March 2019, resolved to increase the share capital free of charge and in a divisible manner in accordance with articles 2443 and 2349 of the Italian Civil Code by a maximum of Euro 1,015,272.72 by allocating to capital a corresponding amount drawn from retained earnings reserves resulting from the most recently approved financial statements, with the issue of a maximum of 1,318.536 ordinary shares with no indication of their nominal value, regular dividend entitlement and with the same characteristics as those outstanding, to be assigned to Group employees in accordance with (i) the current “Stock Option Plan of the Banca Farmafactoring Banking Group”, (ii) the “Management by Objectives” variable remuneration system provided for by the remuneration and incentive policy adopted by the BFF Group, as well as incentive plans relating to the free assignment of financial instruments.

~~unchanged within the limits of the subscriptions collected by that date, and (ii) the Board of Directors is granted the widest powers (a) to establish the portion of the price to be charged to the capital and that to be charged as a share premium, and (b) to establish, also by delegation in favour of one or more Directors, from time to time, the issue price of the shares (including the share premium), and the other terms and conditions for the execution of the capital increase in accordance with the provisions of the “Stock Option Plan of the Banca Farmafactoring Banking Group”, as well as to make the consequent changes to this article, in order to adjust the amount of the share capital following the execution of the “Stock Option Plan of the Banca Farmafactoring Banking Group”.~~

~~9. The Board of Directors’ meeting held on 8 April 2019, in implementation of the powers granted to it by the Extraordinary Shareholders’ Meeting held on 28 March 2019, resolved to increase the share capital free of charge and in a divisible manner in accordance with articles 2443 and 2349 of the Italian Civil Code by a maximum of Euro 1,015,272.72 by allocating to capital a corresponding amount drawn from retained earnings reserves resulting from the most recently approved financial statements, with the issue of a maximum of 1,318.536 ordinary shares with no indication of their nominal value, regular dividend entitlement and with the same characteristics as those outstanding, to be assigned to Group employees in accordance with (i) the current “Stock Option Plan of the Banca Farmafactoring Banking Group”, (ii) the “Management by Objectives” variable remuneration system provided for by the remuneration and incentive policy adopted by the BFF Group, as well as incentive plans relating to the free assignment of financial instruments.~~

6. The Extraordinary Shareholders’ Meeting held on April 2nd, 2020 resolved to increase the share capital free of charge in divisible form

and to be carried out in several tranches, by the deadline of December 31st, 2028, with the issue of a maximum of 6,824,108 ordinary shares with no indication of nominal value, having the same characteristics as those outstanding and regular dividend entitlement, for a maximum amount of Euro 5,254,563.16, at an issue value equal to the accounting par value of the Bank's shares at the execution date, to be booked in full to capital, by allocating a corresponding amount to capital from the retained earnings reserve as shown in the most recently approved financial statements, for requirements related to the Company's remuneration and incentive policies, with particular reference to: (i) the need to balance cash and financial instruments in the variable remuneration of the Group's significant personnel (or risk takers), which may become payable under the "*Management by Objective*" system provided for in the "*Group Remuneration and Incentive Policy for members of the strategic supervision, management and control bodies and personnel of the Banca Farmafactoring Banking Group*" in force from time to time; (ii) the Banca Farmafactoring Banking Group Stock Option Plan, as amended by the Shareholders' Meeting on 28 March 2019; (iii) the Banca Farmafactoring Banking Group Stock Option Plan "SOP 2020" approved by the Shareholders' Meeting on April 2nd, 2020; and (iv) any further compensation plans based on financial instruments that may be resolved in the future upon proposal of the Board of Directors in accordance with the aforesaid Policy and the regulations in force, by allocating a corresponding amount of profits and/or reserves of profits as resulting from the most recent financial statements approved from time to time in accordance with Article 2349 of the Italian Civil Code.

7. The Board of Directors is entrusted, with the right to sub-delegate in favour of one or more Directors, with all the necessary powers (i) relating to the execution of the capital increase

referred to in the previous paragraph and, in particular, to the assignment and issue of the new shares to serve the aforementioned plans and in relation to the need to balance the cash component and the financial instruments component in the variable remuneration of the Company's significant personnel, (ii) to make the appropriate accounting entries following the issue, in compliance with the provisions of law and accounting principles applicable from time to time, and (iii) to make the consequent amendments to this article, in order to change the amount of the share capital accordingly, it being understood that if the capital increase is not fully executed by December 31st, 2028, the share capital shall be deemed to be increased by an amount equal to the issue value of the shares from time to time issued.

4. Evaluation of the recurrence of the right of withdrawal

The proposed amendment to the By-Laws does not fall within any of the cases of withdrawal provided for by the By-Laws and applicable laws and regulations.

5. Proposed resolution

In light of the above, the Board of Directors proposes that you adopt the following resolution:

“The Shareholders’ Meeting of Banca Farmafactoring S.p.A., in relation to the first item on the extraordinary part of the agenda,

- *having noted that the Bank of Italy, on December 30th, 2019, issued assessment measure no. 1563101/19 concerning the proposed amendments to the by-laws set out below;*
- *having reviewed the illustrative report of the Board of Directors and the resolution proposals contained therein; and*
- *having regard to the fact that the Company’s By-Laws provides that it is possible to allocate profits and/or reserves of profits to employees through the issue of shares reserved for them, pursuant to Article 2349 of the Italian Civil Code,*

resolved

- 1) to revoke, for the portion not executed, the share capital increase for cash, in divisible form, to be carried out by the deadline of December 5th, 2028, with the exclusion of option rights pursuant to Article 2441, fifth and sixth paragraphs, of the Italian Civil Code, resolved by the Extraordinary Shareholders' Meeting of the Bank on March 28th, 2019 to serve the "Banca Farmafactoring Banking Group Stock Option Plan" in force;
- 2) to revoke, for the portion not executed, the proxy granted pursuant to Article 2443 of the Italian Civil Code, by the Bank's Extraordinary Shareholders' Meeting of March 28th, 2019 to the Board of Directors to increase the share capital free of charge, on one or more tranches, also in divisible form, for a maximum of Euro 3,003,000, with a maximum issue of Euro 3,900,000 new ordinary shares with no indication of nominal value, having the same characteristics as those outstanding, regular dividend entitlement, at an issue value equal to the accounting par value of the Banca Farmafactoring shares at the date of execution of the proxy, to be booked in full to capital for requirements connected with the Company's remuneration and incentive policies, it being understood that the capital increase approved, in accordance with the said proxy, by the Board of Directors on April 8th, 2019 will also be revoked, limited to the portion of the capital increase which has not been executed;
- 3) to increase the share capital free of charge in divisible form and to be carried out in several tranches, by the deadline of December 31st, 2028, with the issue of a maximum of no. 6,824,108 ordinary shares with no indication of nominal value, having the same characteristics as those outstanding and regular dividend entitlement, for a maximum amount of Euro 5,254,563.16, at an issue value equal to the accounting par value of the Bank's shares at the execution date, to be booked in full to capital, by recording a corresponding amount drawn from the retained earnings reserve as shown in the latest approved financial statements, for needs related to the Company's remuneration and incentive policies, with particular reference to: (i) the need to balance cash and financial instruments in the variable remuneration of the Group's significant personnel (or risk takers), which may become due under the "Management by Objective" system set out in the "Group Remuneration and Incentive Policy for members of the strategic supervision, management and control bodies and personnel of the Banca Farmafactoring Banking Group" in force from time to time; (ii) the Banca Farmafactoring Banking Group Stock Option Plan, as amended by the Shareholders' Meeting on March 28th, 2019; (iii) the Banca Farmafactoring Banking Group Stock Option Plan "SOP 2020" approved by the Shareholders' Meeting on April 2nd, 2020; and (iv) to any further compensation plans based on financial instruments that may be approved in the future on the proposal of the Board of Directors pursuant to the aforementioned Policy and current regulations, by allocating a corresponding amount of profits and/or profit reserves as resulting from the most recent financial statements approved from time to time pursuant to Article 2349 of the Italian Civil Code, delegating to the Board of Directors, with the power to sub-delegate in favour of one or more Directors, all the necessary powers (i) relating to the execution of the capital increase referred to in the previous paragraph and, in particular, the assignment and issue of the new shares to service the aforementioned plans and in relation to the need to balance cash and financial instruments in the

variable remuneration of the Company's significant personnel, (ii) to make the appropriate accounting entries following the issue operations, in compliance with the provisions of law and accounting principles applicable from time to time, and (iii) to make the consequent amendments to this article in order to adjust the amount of the share capital accordingly, it being understood that if the capital increase is not fully carried out by December 31st, 2028, the share capital shall be deemed increased by an amount equal to the issue value of the shares issued from time to time;

4) to amend, as a consequence of the above, Article 5 (five) of the By-Laws by (a) deleting paragraphs 6, 7, 8 and 9 thereof, introducing a new paragraph [6] with the following wording: "6. The Extraordinary Shareholders' Meeting held on April 2nd, 2020 resolved to increase the share capital free of charge in divisible form and to be carried out in several tranches, by the deadline of December 31st, 2028, with the issue of a maximum of 6,824,108 ordinary shares with no indication of nominal value, having the same characteristics as those outstanding and regular dividend entitlement, for a maximum amount of Euro 5,254,563.16, at an issue value equal to the accounting par value of the Bank's shares at the execution date, to be booked in full to capital, by allocating a corresponding amount to capital from the retained earnings reserve as shown in the most recently approved financial statements, for requirements related to the Company's remuneration and incentive policies, with particular reference to: (i) the need to balance cash and financial instruments in the variable remuneration of the Group's significant personnel (or risk takers), which may become payable under the "Management by Objective" system provided for in the "Group Remuneration and Incentive Policy for members of the strategic supervision, management and control bodies and personnel of the Banca Farmafactoring Banking Group" in force from time to time; (ii) the Banca Farmafactoring Banking Group Stock Option Plan, as amended by the Shareholders' Meeting on 28 March 2019; (iii) the Banca Farmafactoring Banking Group Stock Option Plan "SOP 2020" approved by the Shareholders' Meeting on April 2nd, 2020; and (iv) any further compensation plans based on financial instruments that may be resolved in the future upon proposal of the Board of Directors in accordance with the aforesaid Policy and the regulations in force, by allocating a corresponding amount of profits and/or reserves of profits as resulting from the most recent financial statements approved from time to time in accordance with Article 2349 of the Italian Civil Code", as well as a new last paragraph [7] with the following wording: "The Board of Directors is entrusted, with the right to sub-delegate in favour of one or more Directors, with all the necessary powers (i) relating to the execution of the capital increase referred to in the previous paragraph and, in particular, to the assignment and issue of the new shares to serve the aforementioned plans and in relation to the need to balance the cash component and the financial instruments component in the variable remuneration of the Company's significant personnel, (ii) to make the appropriate accounting entries following the issue, in compliance with the provisions of law and accounting principles applicable from time to time, and (iii) to make the consequent amendments to this article, in order to change the amount of the share capital accordingly, it being understood that if the capital increase is not

fully executed by December 31st, 2028, the share capital shall be deemed to be increased by an amount equal to the issue value of the shares from time to time issued”;

5) to grant the Board of Directors, and on its behalf its Deputy Chairman and the pro-tempore Chief Executive Officer in office, severally from each other and also by means of special proxies appointed for this purpose, all powers to carry out all acts and negotiations necessary and appropriate to implement the above resolutions, as well as to make from time to time any changes to Article 5 (five) of the of the By-Laws consequent to the resolutions, to the execution and completion of the capital increase, to this end providing for all the formalities and publicity required by the law, as well as to comply with all formalities necessary for the adopted resolutions to be recorded in the competent Company Register, and to introduce in these resolutions any amendments, variations or additions that may be necessary or even only appropriate, or that may be required by the competent authorities, as well as all powers to carry out the legislative and regulatory requirements arising from the adopted resolutions”.

Milan, 25 February 2020

For the Board of Directors

Salvatore Messina
Chairman