

Directors Report on point 2 of the agenda of the Shareholders' Meeting:

Remuneration Report pursuant to art. 123-ter of the Legislative Decree of February 24, 1998, #58.

Dear Shareholders,

You have been summoned to an ordinary meeting to submit for your approval, pursuant to art. 123-ter, paragraph 6 of the Legislative Decree #58 of 1998 (the Financial Services Act - Testo Unico Finanze, T.U.F.), the Remuneration Report.

For a description of the content of the aforementioned Report, reference should be made to the document that will be made available within the deadlines established by art. 123-ter of the Financial Services Act (T.U.F.), the document was prepared pursuant to art. 84-quater of the Regulation adopted by Consob with resolution #11971 of 1999, as subsequently amended (the "Issuers' Regulation") and in compliance with Annex 3 A, Schemes 7-bis and 7-ter of the Issuers' Regulation.

It is noted that the Shareholders, pursuant to art. 123-ter, paragraph 6 of the Financial Services Act (T.U.F.), will be called to vote on Section 1 of the Report on remuneration in a favorable or opposite sense. In this regard, it is recalled that the resolution of the shareholders' meeting in question is not binding on the Board of Directors. The output of the vote will be made available to the public in accordance with the law pursuant to art. 125-quater, paragraph 2 of the Financial Services Act (T.U.F.).

The Board of Directors proposes to the Shareholders' Meeting, having examined the document drawn up pursuant to art. 123-ter of the Financial Services Act (T.U.F.) and to art. 84-quater of the Issuers' Regulation, to approve Section I of the Remuneration Report, making the outcome of the vote available to the public, pursuant to art. 123-quater, paragraph 2, of the Financial Services Act (T.U.F.)

Milan, March 21, 2018

p. The Board of Directors

The President

(Ing. Rosario Bifulco)