

## Board of Directors' Report on the item of the agenda for the Extraordinary Shareholders' Meeting

### PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION REGARDING THE DATE OF CLOSING OF THE COMPANY'S FINANCIAL YEAR

Dear Shareholders,

You are hereby called to an Extraordinary Shareholders' Meeting to discuss and resolve upon the proposed amendment to article 34 of the Articles of Association of Mittel S.p.A. (the "Company") and on the introduction of a new temporary provision in article 39 therein, the contents of which are strictly related to the aforementioned proposed amendment.

Specifically, it is proposed to move the closing date of the company's financial year from 30 September to 31 December each year, with effect from this year which will have a fifteen-month duration (1 October 2016 to 31 December 2017).

The new text of article 34 of the Articles of Association therefore envisages the new closing date of the company's financial year as 31 December each year, whilst the temporary provision proposed for introduction as article 39 of the Articles of Association envisages that the company's financial year beginning 1 October 2016 will close on 31 December 2017 rather than 31 December 2016.

The amendments to the Articles of Association submitted for your approval are in line with the most recent legal theory and case law which pacifically accept that (i) the principle of the annual nature of company's financial years must adjust to the right of the company, after its establishment, to change the closing date of the year for justified reasons such as (ii) the fact that shareholders' meeting resolutions are able to envisage, on changing the closing date of the company's financial year, a year with a duration exceeding twelve months by an immaterial period of time.

The text of the proposed amendments to the Articles of Association is provided below with a copy of the current text for comparison purposes.

CURRENT TEXT	NEW TEXT
<p><b>Art. 34 - Financial Year and Separate Financial Statements</b> <b>34.1</b> The company's financial year ends on 30 September of each year. <b>34.2</b> At the end of each financial year the Board draws up the company's financial statements pursuant to law.</p>	<p><b>Art. 34 - Financial Year and Separate Financial Statements</b> <b>34.1</b> The company's financial year ends on <del>30 September</del><b>31 December</b> of each year. <b>34.2</b> At the end of each financial year the Board draws up the company's financial statements pursuant to law.</p>
<p><b>Art. 39 - Temporary Clauses</b> The provisions of articles 14), 15), 16), 30), 31) and 32) aimed at guaranteeing compliance with regulations concerning the balance of genders in the composition of the Board of Directors and the Board of Statutory Auditors are applicable to the first three re-elections of said bodies following 12 August 2012.</p>	<p><b>Art. 39 - Temporary Clauses</b> <b>39.1</b> The provisions of articles 14), 15), 16), 30), 31) and 32) aimed at guaranteeing compliance with regulations concerning the balance of genders in the composition of the Board of Directors and the Board of Statutory Auditors are applicable to the first three re-elections of said bodies following 12 August 2012.</p>

<p>In relation to the first of said re-elections, the quotas reserved to the minority gender amount to at least one-fifth (rounded up to the next whole number) of the members of the Board of Directors and the Board of Statutory Auditors and, in derogation from the provisions of article 15, subsection 7 and article 31, subsection 4, concerning the submission of lists containing a number of candidates equal to or more than three, these lists must be composed in such a way that at least one-fifth of the candidates (rounded up to the next whole number) are of the minority gender.</p>	<p><b>39.2</b> In relation to the first of said re-elections, the quotas reserved to the minority gender amount to at least one-fifth (rounded up to the next whole number) of the members of the Board of Directors and the Board of Statutory Auditors and, in derogation from the provisions of article 15, subsection 7 and article 31, subsection 4, concerning the submission of lists containing a number of candidates equal to or more than three, these lists must be composed in such a way that at least one-fifth of the candidates (rounded up to the next whole number) are of the minority gender.</p> <p><b><u>39.3 As partial derogation from the provisions of article 34, subsection 1, the company's financial year beginning on 1 October 2016 ends on 31 December 2017.</u></b></p>
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The proposed amendment to the Articles of Association is dictated by a need to streamline and simplify, also in view of the Company's goal of focusing its business activities in the venture capital of Italian small and medium-sized enterprises, in line with the provisions of the 2016-2019 Strategic Plan approved by the Board of Directors at its meeting on 30 March 2016 and disclosed to the public on that date.

As the majority of Italian companies have 31 December as their closing date for the company's financial year, with the prospect of future acquisitions the Company's Board of Directors considers it appropriate to harmonise the close of the company's financial year with that adopted by most Italian companies, including those that could be of interest to the Company.

In fact, alignment of the closing date of the Company's financial year to that of companies that could become part of the Mittel Group as a result of future acquisitions would, in addition to obvious simplifications of an accounting nature (particularly the preparation of the consolidated financial statements), also allow more efficient and suitable tax planning at group level.

In addition, the proposed change in the close of the company's financial year from 30 September to 31 December each year would undoubtedly offer the benefit of facilitating comparison of the Company's economic results with those achieved by other sector operators.

The decision to envisage a fifteen-month company's financial year on initial application of the change to the Articles of Association derives from the consideration that a company's financial year of just three months (i.e. from 1 October to 31 December 2016) would be of little significance for the purpose of representing the results achieved by the Company. Vice versa, the additional quarter is an immaterial period of time which, according to guidance expressed by the Milan Board of Notaries, allows an exceptional derogation to the general principle which states that company's financial years must have a maximum duration of one year.

Furthermore, it should be emphasised that the decision to extend the current year to fifteen months will limit the expense otherwise required for the preparation and other activities associated with financial statements covering three months only.

Also in view of the fact that the current year has only just commenced, based on data available at the time of preparation of this report, the change to the closing date of the current year having the effect of significantly altering the overall economic results can be excluded.

Lastly, note that, in accordance with law, if the proposed resolution is approved by the Extraordinary Shareholders' Meeting, shareholders not contributing to its approval will not have the right of withdrawal.

Milan, 27 September 2016.

For the Board of Directors

The Chairman

Franco Dalla Sega