

**Report of the Board of Directors  
to the Ordinary Shareholders' Meeting**

**Replacement of members of the Board of Directors pursuant to art. 5 and 15 of the Articles of Association: inherent and consequent resolutions.**

Dear Shareholders,

you have been called to the ordinary shareholders' meeting to appoint two Directors to replace members of the administrative body in office, whose mandate shall expire upon approval of the financial statements for the year ended 30 September 2016.

In this regard, it should be noted that the administrative body in office was appointed by the Ordinary Shareholders' Meeting on 10 March 2014 (through the list voting mechanism, pursuant to art. 15 of the Articles of Association), which set the number of members of the administrative body at eleven.

At the date of this report, eleven members are in office, five of which meet the independence requirements set forth by law and the Corporate Governance Code of Borsa Italiana S.p.A., and, more specifically, the Directors Maria Vittoria Bruno, Marco Merler, Duccio Regoli, Carla Sora and Michela Zeme.

During the year ended 30 September 2014 and up to the date of publication of this report, the following changes occurred:

(i) on 7 June 2014 Paolo Battocchi stepped down from office for personal reasons; pursuant to art. 2386 of the Italian Civil Code, on 30 July 2014, the Board replaced him by appointing Michele Iori (Chairman of Fondazione Cassa di Risparmio di Trento e Rovereto) via co-optation, who shall hold office until the called Shareholders' Meeting;

(ii) on 29 September 2014, Gianluca Ponzellini (independent Director) stepped down from office for personal reasons; on 1 October 2014, in accordance with art. 2386 of the Italian Civil Code, the Board appointed Marco Giovanni Colacicco via co-optation, who shall hold office until the called Shareholders' Meeting.

Pursuant to art. 15 of the Articles of Association, one of the Director positions which remained vacant in the year 2013/2014 should have been covered by Elena Beccalli, a candidate not elected from the list presented by Fondazione Cassa di Risparmio di Trento e Rovereto at the Shareholders' Meeting on 10 March 2014; Ms. Beccalli, who was consulted beforehand, communicated written notice of the definitive waiving of her candidature due to her professional commitments.

Therefore, as set forth in the cited art. 15 of the Articles of Association, in order to replace members of the administrative body, the Ordinary Shareholders' Meeting shall resolve on the basis of legal majorities, without the application of the list voting mechanism.

The Board of Directors proposes that you confirm the appointments of Michele Iori and Marco Giovanni Colacicco as Directors, expiring on the date of the next Shareholders' Meeting according to art. 2386 of the Italian Civil Code, whose CVs are available for consultation on the Company's website [www.mittel.it](http://www.mittel.it), "Corporate Governance/Board of Directors" section, without prejudice to the shareholders' right to present candidature proposals as well as to set the number of Directors. It should also be noted that art. 5. of the Articles of Association provides for the Board of Directors to be composed of no less than five and no more than 13 members, also not shareholders.

Eventual candidature proposals for the office of Director, to be appropriately presented beforehand, must be accompanied by statements with which candidates accept their candidature and which certify, under their own responsibility, that there are no causes for ineligibility and incompatibility, and that the necessary prerequisites are met for the associated offices, and a CV which outlines the personal and professional characteristics of each candidate, with indications on said candidate's suitability for being classed as independent.

Newly appointed Directors shall remain in office until expiry of the Board of Directors in office and, therefore, until approval of the financial statements for the year ended 30 September 2016; fees for newly appointed Directors will be included in the total amount as determined by the Ordinary Shareholders' Meeting on 10 March 2014.

Milan, 19 January 2015

on behalf of the Board of Directors  
The Chairman  
(Franco Dalla Sega)