

Report of the Board of Directors on the items on the agenda of the Ordinary Shareholders' Meeting

Proposal to authorise the disposal of other ordinary treasury shares pursuant to Article 2357-ter of the Italian Civil Code: related resolutions.

Dear Shareholders,

You have been called to attend the Ordinary Shareholders' Meeting for examining and approving the proposal to authorise the disposal of additional 2.348.696 ordinary shares of Mittel S.p.A. ("Mittel", the "Company" or also the "Issuer"), pursuant to Article 2357-ter of the Italian Civil Code and in accordance with the terms and procedures specified below. There is no request regarding the authorisation of additional purchases pursuant to Article 2357 of the Italian Civil Code and to Article 132 of Italian Legislative Decree 58/1998 (the Consolidated Law on Finance) and related implementing provisions, in the manner provided for in Article 144-bis, paragraph 1, let. a) of Consob Regulation 11971/1999.

The proposal to authorise the disposal of other treasury shares derives from the acquisition made by Mittel on 25 July 2016 of 2.348.696 ordinary shares following the liquidation procedure of the shares (3.980.185) for which the right of withdrawal was exercised following the amendments made to the articles of association with the resolution of the shareholders' meeting of 23 December 2015.

In particular, the liquidation process following the exercise of the aforementioned right of withdrawal was completed as follows:

- on 11 April 2016, at the closing of the option and right of pre-emption, pursuant to Article 2437-quater, first paragraph, Italian Civil Code, according to the ratio of 1 share every 18.5737 options, 1.631.489 shares were paid;
- within maximum 180 days, pursuant to Article 2437-quater, fifth paragraph of the Italian Civil Code, or on 25 July 2016, the remaining 2.348.696 were paid, which, considering their non-placement on the stock exchange, were purchased by Mittel.

On conclusion of the processes represented above, at the end of the reporting period at issue and on the date of this Report, the treasury shares of the Company amounted to 12.357.402, equal to 14,057% of the share capital. It should be noted that, with previous meetings, the Board of Directors has already been authorised to dispose of 10.008.706.

The Board of Directors proposes now to be authorised to dispose, pursuant to Article 2357-ter of the Italian Civil Code, at any time, in all or in part, in one or more times, of the additional 2.348.696 treasury shares purchased following the liquidation process already described above by selling them on the stock exchange or over the counter, also in view of possible acquisitions and/or for the development of industrial projects in line with the strategic guidelines of the Group, according to terms, methods, conditions deemed most appropriate in the Company's best interests and in any case in compliance with laws and regulations in force

pro tem, it being understood that the unit sales price (or the unit value established as part of the disposal) cannot be lower than the purchase price of the aforementioned 2.348.696 shares.

At the time of disposal of the treasury shares, the required accounting entries will be carried out in compliance with the law provisions and applicable accounting standards.

The authorisation to dispose of the treasury shares is required without time limits.

The disposal operations of treasury shares will be carried out in any case in compliance with the laws and regulations in force on trading of listed securities.

Draft resolution

Dear Shareholders,

If you agree with the above proposal, we invite you to pass the following resolution:

The Ordinary Shareholders' Meeting:

- seen and approved the Report of the Board of Directors,
- seen the regulation set forth in Article 2357-ter of the Italian Civil Code,

resolves

1. to authorise the Board of Directors so that, pursuant to and for the effects of Article 2357-ter of the Italian Civil Code, it can dispose at any time, in all or in part, in one or more times, of 2.348.696 treasury shares purchased on 25 July 2016 (following the liquidation process of the shares for which the right of withdrawal was exercised during 2016) by selling them on the stock exchange or over the counter, also for the purposes of possible acquisitions and/or for the development of industrial projects in line with the strategic guidelines of the Group, according to terms, methods, conditions deemed most appropriate in the Company's best interests and in any case in compliance with laws and regulations in force pro tem, it being understood that the unit sales price (or the unit value established as part of the disposal) cannot be lower than the purchase price of the aforementioned 2.348.696 shares. The authorisation referred to in this point is granted without time limits;
2. to grant powers to the Board of Directors permitting it to make the appropriate accounting entries resulting from the disposal of treasury shares, in compliance with law provisions and accounting standards applicable each time;
3. to grant powers to the Chairman of the Board of Directors and to the pro tem Chief Executive Officer, permitting them, separately or otherwise and through attorneys, to implement the operations subject matter of this resolution.

Milan, 14 December 2016

on behalf of the Board of Directors

The Chairman

(Franco Dalla Sega)