



YOOX GROUP

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

ORDINARY

*April 24, 2012 – first call
April 27, 2012 – second call*

EXTRAORDINARY

*April 24, 2012 – first call
April 26, 2012 – second call
April 27, 2012 – third call*

DIRECTORS' REPORT

pursuant to article 125-ter of Legislative Decree 58/1998

ORDINARY PART

Agenda item 1

Financial statements of YOOX S.p.A. as at December 31st, 2011; Board of Directors' report on operations; Board of Statutory Auditors' report pursuant to article 153 of Legislative Decree 58/1998 and External Auditors' report. Profit allocation proposal. Presentation of the consolidated financial statements as at December 31st, 2011; resolutions pertaining thereto and resulting therefrom.

Dear Shareholders,

the Board of Directors of your Company has called an Ordinary Shareholders' Meeting to propose that you approve the draft financial statements of YOOX S.p.A. as at December 31st, 2011.

The financial statements as at December 31st, 2011 show a profit for the financial year of Euro 8,058,981.25 (eight million fifty-eight thousand nine hundred and eighty-one/25). On this point, let us refer to the report on operations prepared by the Board of Directors, which also includes the "Report on corporate governance and ownership structure" pursuant to article 123-*bis* of Legislative Decree 58/1998, as subsequently amended, which has already been provided to the Shareholders.

We therefore propose to you that the profit of Euro 8,058,981.25 (eight million fifty-eight thousand nine hundred and eighty-one/25) be allocated as follows:

- the profit of YOOX S.p.A. shall be carried forward in its entirety, that is, in the amount of Euro 8,058,981.25 (eight million fifty-eight thousand nine hundred and eighty-one/25).

We also propose that you acknowledge that the consolidated financial statements of the YOOX Group as at December 31st, 2011 show a net profit of Euro 10,000,397.07 (ten million three hundred and ninety-seven/07).

If you are in agreement with the proposal as formulated, we ask you to pass the following resolution:

"The Ordinary Meeting of the Shareholders of YOOX S.p.A., having read and approved the Board of Directors' report and acknowledged the reports of the Board of Statutory Auditors and the External Auditors, as well as the consolidated financial statements as at December 31st, 2011,

resolves

1. *to approve the Board of Directors' report on operations and the financial statements as at December 31st, 2011 in full;*
2. *to approve the allocation of the profit for the year, equal to Euro 8,058,981.25 (eight million fifty-eight thousand nine hundred and eighty-one/25), as follows:*
 - *the profit of YOOX S.p.A. shall be carried forward in its entirety, that is, in the amount of Euro 8,058,981.25 (eight million fifty-eight thousand nine hundred and eighty-one/25).*

The Shareholders' Meeting also acknowledges that the consolidated financial statements of the YOOX Group as at December 31st, 2011 show a net profit of Euro 10,000,397.07 (ten million three hundred and ninety-seven/07)."

Agenda item 3

Amendment to the terms and conditions of performing the task of carrying out a legal audit, assigned to KPMG S.p.A. pursuant to Legislative Decree 39/2010.

Dear Shareholders,

the Board of Directors of your Company has called an Ordinary Shareholders' Meeting to examine and approve the proposed amendment to the terms and conditions of performing the task of carrying out a legal audit of the accounts, assigned to KPMG S.p.A. pursuant to Legislative Decree 39/2010, which was assigned by the Ordinary Shareholders' Meeting of the Company held on September 8th, 2009, as amended by the Ordinary Shareholders' Meeting of the Company held on April 21st, 2010, for the financial years 2009-2017.

The proposed amendment to the terms and conditions of performing the task of carrying out a legal audit of the accounts relates to the increased length of time required in relation to the performance of the limited legal audit of the condensed consolidated half-year financial statements as at June 30th, 2011; and (ii) the estimate for said time based on the information provided by the Group's Senior Management with regard to the expected growth in turnover and the internationalization process under way.

In light of the above, pursuant to and for the purposes of Legislative Decree 39/2010, the Board of Statutory Auditors of your Company has formulated a proposed amendment to the terms and conditions of performing the task of carrying out a legal audit of the accounts, assigned to KPMG S.p.A., which was assigned by the Ordinary Shareholders' Meeting of the Company held on September 8th, 2009, as amended by the Ordinary Shareholders' Meeting of the Company held on April 21st, 2010, for the financial years 2009-2017.

The proposal formulated by the Board of Statutory Auditors is annexed to this Report as Annex "A".

**Reasoned proposal put forward by the Statutory Board of Auditors to the YOOX S.p.A. Shareholders' Meeting
for the integration of the methods and conditions for conducting auditing assignments by KPMG S.p.A.
pursuant to Article 13 of Legislative Decree 39/2010**

To the *Shareholders* of YOOX S.p.A. (hereinafter known as the "*Company*"),

The *Board of Statutory Auditors*

granted that

- on September 8, 2009 KPMG S.p.A. (hereinafter also known as the "*Independent Auditors*") was instructed to carry out the auditing for the years ending December 31, 2009 to December 31, 2017, in other words until the Shareholders' Meeting which will approve the annual financial statements to December 31, 2017;
- the above-mentioned instruction was later consolidated, following regulatory amendments, through a reasoned proposal put forward by the *Board of Statutory Auditors* on March 11, 2010 approved by the Shareholders' Meeting on May 4, 2010;
- on April 7, 2010 Legislative Decree 39 of January 27, 2010, published in the Supplemento Ordinario (Ordinary Supplement) no. 58 of Gazzetta Ufficiale (Official Journal) no 68 of March 23, 2010 came into force; this decree ratifies the "Implementation of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC" (hereinafter known as the "*Decree*");
- following the entry into force of the *Decree*, auditing now takes the form of statutory auditing of the financial statements;
- Article 13 of the *Decree* states: "*With the exception of the contents of Article 2328, paragraph 2, number 11), of the Italian Civil Code, the meeting, following the reasoned proposal put forward by the controlling body, is entrusting the task of the statutory auditing of the financial statements and determining the amount due to the statutory auditor or to the independent auditors for the entire duration of the task and any criteria for the adjustment of the fees during the task*";
- in the light of the hours spent on the task, given the increased size of the *Company*, the *Independent Auditors* have requested the integration of the methods and conditions for performing the auditing task, and therefore an adjustment of the fees due;
- the *Board of Statutory Auditors* has been asked to formulate a reasoned proposal for the adjustment of the fees during the auditing assignment;
- for this purpose the *Board of Statutory Auditors* has evaluated the opportunity for this integration;

whereas

- they have found: **(i)** the greater amount of time which it has taken to conduct the limited audit of the condensed interim consolidated financial statements to June 30, 2011 and **(ii)** the estimate for the latter based on the information from the key management of the Group regarding the expected increase in volume of the business and internationalisation process in progress for the *Company*;

taking into account

- the forecasts in Article 145-bis of the Issuers' Regulations (approved by CONSOB through Resolution 11971 of May 14, 1999 and subsequent amendments and additions) relating to the general criteria for determining the fees for auditing tasks;

now therefore and taking into consideration that

the *Board of Statutory Auditors* of the *Company*, also in view of Article 13, paragraph 1, of the *Decree*, has carried out an analysis and technical-economic evaluation of the greater commitment required and to be asked of the entity entrusted with carrying out the activities related to the audit, is formulating a proposal to the Shareholders' Meeting to review the fees due to the *Independent Auditors*, as illustrated below.

Specifically, the *Board of Statutory Auditors* has received a proposal (attached to this document *Sub-Annex 1*) from the *Independent Auditors* to modify the fees, based on the change in the number of hours required to carry out the statutory audit activities and the qualitative-quantitative mix of resources employed, which has been the subject of detailed discussion among the members of the Board itself.

At the end of the evaluation process, the *Board of Statutory Auditors* found the proposal for the adjustment of the fees for the *Independent Auditors* to be consistent.

In particular, it should be noted that:

- the fee for the task – as proposed in its entirety and in detail for the individual items – is determined in relation to the number of hours per year, in order to guarantee the quality and the reliability of the work, as well as the independence of the auditor, and is detailed below:

Audit of annual and consolidated financial statements at:	Hours	Fee (Euro)
December 31, 2011	1,660	173,250
December 31, 2012	1,950	202,250
December 31, 2013 and subsequent years	2,185	226,250
Limited audit of the condensed interim consolidated financial statements at:		
June 30, 2011	400	41,200
June 30, 2012	430	44,200
June 30, 2013 and subsequent years	440	45,200

- the fee indicated refers exclusively to professional services for auditing and does not include expenses relating to travel, administration, etc.;
- the above-mentioned charges, as in the case for the existing assignment, do not include VAT and are subject to ISTAT revaluation;
- the number of hours for performing the task appears to be reasonable;
- the amount requested appears to be in line with the best market conditions, commensurate with the extent and quality of the services offered, as well as determined in compliance with the instructions in CONSOB Communication 96003556 of April 18, 1996;
- the *Board of Statutory Auditors* possesses the requirements of independence laid down by Law and there are no situations of incompatibility or significant conflicts of interest pursuant to the applicable legal and regulatory

provisions;

- the *Board of Statutory Auditors* has a suitable structure, from an organisational aspect, for the extent and complexity of the task to be performed.

In conclusion, the *Board of Statutory Auditors*, having been able to establish that the economic request from KPMG S.p.A. is in line with the quantity and the quality of the work to be carried out, the professionalism of the personnel employed and market rates,

proposes, on the basis of the reasons explained,

to this Shareholders' Meeting that it wishes to adjust the annual fee for the *Independent Auditors* KPMG S.p.A. as per the integration request from the latter dated September 15, 2011, in *Annex 1*.

Annex 1: "*Task of auditing assigned pursuant to the letter of appointment of September 2, 2009 and subsequent additions – Integration of the methods and conditions for carrying out the task*" – of September 15, 2011.

Milan, March 5, 2012

The Board of Statutory Auditors

Signed: Filippo Tonolo - Chairman

Signed: Davide Reali – Standing Auditor

Signed: Luca Sifo



KPMG S.p.A.
Revisione e organizzazione contabile
Via Andrea Costa, 160
40134 BOLOGNA BO

Telefono +39 051 4392511
Telefax +39 051 4392599
e-mail it-fmauditaly@kpmg.it

Confidential
FAO:
YOOX S.p.A.
Via Nannetti, 1
40069 Zola Predosa BO

FAO: Francesco Guidotti, Chief Financial Officer

September 15th, 2011

Engagement to carry out audit on company accounts pursuant to letter of engagement dated September 2nd, 2009 and subsequent amendments – Amendment to the terms and conditions of performing the task assigned

Dear Sirs,

Listed below are the agreements we recently reached with regard to updating the times and fees relating to the audit of the separate and consolidated financial statements of YOOX S.p.A. for the financial years ending December 31st, 2011 to December 31st, 2017, and the times and fees relating to the limited audit of the condensed consolidated half-year financial statements for the periods ending June 30th, 2011 to June 30th, 2017:

	Hours	Fees €
Audit of the separate and consolidated financial statements as at:		
- December 31st, 2011	1,660	173,250
- December 31st, 2012	1,950	202,250
- December 31st, 2013 and subsequent financial years	2,185	226,250
Limited audit of the condensed consolidated half-year financial statements as at:		
- June 30th, 2011	400	41,200
- June 30th, 2012	430	44,200
- June 30th, 2013 and subsequent periods	440	45,200

The aspects we considered when preparing this amendment to the times and fees relating to our audit, as previously discussed with you, can be summarized as follows:

- an increase in the time necessary to carry out the limited audit of the condensed consolidated half-year financial statements as at June 30th, 2011;
- an increase in the time that, based on the information given to us by the Group's Senior Management with regard to the expected growth in turnover and the internationalization process under way, we estimate will be necessary for the audit of the separate and consolidated financial statements and for the

limited audit of the condensed consolidated half-year financial statements for the financial years covered by this amendment letter.

The fees indicated concern exclusively the professional services involved in the audit, and do not include out-of-pocket travel expenses, secretarial expenses, other costs payable by you (telephone, fax, copying reports, external consultancy, etc.) and VAT.

Out-of-pocket, secretarial and other expenses payable by you will be charged to you on an actual-cost basis or based on a reasonable estimate, up to a maximum of 10% of the fees indicated above, with the exception of expenses incurred for foreign travel, which will be charged to you on an actual-cost basis.

We also wish to point out that the above fees relating to the limited audit of the condensed consolidated half-year financial statements as at June 30th, 2011 and the audit of the separate and consolidated financial statements as at December 31st, 2011 have been adjusted, as indicated in our aforementioned letter of engagement, to take into account the fact that the ISTAT cost of living index for the period from July 1st, 2010 to June 30th, 2011 rose by 2.7%.

The amounts of the fees indicated above are therefore based on our current hourly rates, which may increase on July 1st of each year, starting from July 1st, 2012, within the limits of the increase in the ISTAT cost of living index for the previous year.

For any other terms and conditions of our engagement which are not provided for in this letter, please refer to our original letter of engagement, dated September 2nd, 2009, and subsequent amendments.

Please find attached a copy of this letter, which we would ask you to kindly sign for acceptance and return to us.

* * *

Thank you for choosing our firm for your audit needs. Please do not hesitate to contact us should you require further clarification.

Best wishes.

Agenda item 4

Appointment of the Board of Directors Following Determination of the Number of Members and Term of Office; Determination of Compensation; Any Related Business

Dear Shareholders,

The approval of the financial statements as of and for the year ending December 31st, 2011 marks the end of the term of office of the Company's Board of Directors, appointed by the ordinary general meeting of the shareholders of October 7th, 2009. Accordingly, a new administrative body must be appointed once the number of members and term of office have been determined.

In this respect, it should be noted that, pursuant to article 14 of the Articles of Incorporation, the Company is managed by a Board of Directors of a minimum of five and a maximum of 15 members. Directors remain in office for a period of no more than three financial years, leave office on the date of the general meeting convened to approve the financial statements for the final year of their terms and may be re-elected.

Before proceeding with appointments, the general meeting determines the number of members and term of office of the Board of Directors.

It should also be noted that, pursuant to article 14 of the Articles of Incorporation, all of the Company's Directors must meet requirements of eligibility, professionalism and integrity established by law and other applicable provisions; pursuant to article 147-*ter*, paragraph 4, of Legislative Decree No. 58/1998, at least one Director - or two if the Board of Director comprises more than seven members - must also meet the independent requirements established therein.

In addition, it should be noted that the Company is admitted to trading on the STAR segment of the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. and that, in order to retain STAR qualification, the administrative body must include an adequate number of independent directors pursuant to article 2.2.3, paragraph 3, letter k), of the Regulations for Markets Organized and Managed by Borsa Italiana S.p.A. By virtue of article IA.2.10.6 of the Instructions for the Regulations for Markets Organized and Managed by Borsa Italiana S.p.A., Boards of Directors consisting of up to eight members must include at least two independent Directors; Boards of Directors consisting of nine to 14 members must include at least three independent Directors; and Boards of Directors consisting of over 14 members must include at least four independent Directors.

The general meeting shall appoint the Board of Directors on the basis of lists presented by shareholders according to the conditions specified below, without prejudice to any provisions to the contrary set forth in binding laws or regulations.

Lists shall include no more than 15 candidates each, with each assigned a sequential number. Each list shall contain and expressly identify at least one independent Director pursuant to article 147-*ter* of Legislative Decree No. 58/1998, with a sequential number of no higher than seven. If a list consists of more than seven candidates, it must contain and expressly identify a second independent Director pursuant to article 147-*ter* of Legislative Decree No. 58/1998. Where appropriate, each list may also expressly indicate Directors meeting the independence requirements established in codes of conduct drafted by regulated market management companies or trade associations.

Each individual shareholder, and shareholders who are parties to the same shareholders' agreement pursuant to article 122 of Legislative Decree No. 58/1998, may not submit or vote for more than one list, whether directly or through intermediaries or trusts. A candidate may only be included in a single list, on pain of ineligibility.

It should also be noted that shareholders who submit a "minority list" are considered addressees of the recommendations formulated by Consob in communication no. DEM/9017893 of February 26, 2009.

Shareholders may submit a list for the appointment of Directors if at the time of submission they hold an equity interest equal to at least that determined by Consob pursuant to article 147-*ter*, paragraph 1, of Legislative Decree No. 58/1998 and in accordance with the provisions of Consob Regulation No. 11971/1999. It should be noted that by resolution no. 18083 of January 25, 2012, Consob set the equity interest required to submit a list for the election of the Company's administrative body at 2.5% of share capital.

Lists submitted by shareholders, bearing the signatures of the submitting shareholders, must be filed with the Company's office at Via Nannetti 1 in Zola Predosa (Bologna, Italy) and made available to any parties who so request at least 25 (twenty-five) days prior to the scheduled date of first call of the general meeting of the shareholders (i.e., by Friday, March 30, 2012). Lists for the appointment of the Board of Directors may also be filed by electronic notice to the certified e-mail address yoox.corporate@registerpec.it. Where lists are submitted by certified electronic mail, a copy of a valid identity document of the submitting parties must also be included.

Possession of the minimum equity interest required to submit a list is certified by receipt by the Company from a broker authorized to keep accounts of the notice indicated in article 23 of the Regulations Governing Centralized Management, Settlement and Clearing Systems and the Associated Management Companies adopted by Bank of Italy and Consob on February 22, 2008, as amended, either before or after the list is submitted, but at least 21 (twenty-one) days before the scheduled date of first call of the general meeting (i.e., by Tuesday, April 3rd, 2012). It should be noted that possession of the above equity interest is determined in reference to the shares that are registered to the shareholder on the date on which the lists are filed with the Company.

Lists must contain, including in appended form, without prejudice to any additional provisions in force from time to time: (i) *curricula vitae* indicating candidates' personal and professional characteristics; (ii) declarations whereby each of the candidates accepts his or her candidacy and attests, under his or her responsibility, that there are no grounds for ineligibility or disqualification, and that the requirements prescribed by applicable legislation to serve in the capacity of director of the Company have been met, including a declaration, where appropriate, concerning possession of requirements to be considered an independent Director pursuant to article 147-*ter* of Legislative Decree No. 58/1998 and, where appropriate, that the additional requirements provided for in the codes of conduct drafted by regulated market management companies or trade associations have been met; (iii) an indication of the identity of the shareholders who have submitted the lists and the percent equity interest collectively held; and (iv) all other additional or contrary declarations, notices and/or documents provided for in applicable laws and regulations.

Lists shall also be subject to the other forms of publication provided for in applicable laws and regulations. In further detail, at least 21 (twenty-one) days prior to the date of the general shareholders meeting (i.e., by Tuesday, April 3, 2012), lists shall be made available to the public at the Company's registered office, on the Company's website and according to the other methods indicated by Consob in regulations.

The Board of Directors shall be elected as follows:

- a) a number of directors equal to the total number of members of the Board of Directors, as previously established by the general meeting, minus one, shall be taken from the list that has obtained the highest number of votes; up to this numerical limit, the candidates shall be considered elected in the numerical order specified in the list; and
- b) one director shall be taken from the list that obtained the second-highest number of votes and is not connected, directly or indirectly, with the shareholders who submitted or voted for the list indicated in point a) pursuant to applicable provisions, in the person of the candidate assigned the first number on the list in question; however, if no independent director pursuant to article 147-*ter* of Legislative Decree No. 58/1998 has been elected in the list indicated in point a), in the case of a Board of Directors consisting of seven or fewer members, or if only one independent director pursuant to article 147-*ter* of Legislative Decree No. 58/1998 has been elected, in the case of a Board of Directors consisting of

more than seven members, the first independent director pursuant to article 147-ter of Legislative Decree No. 58/1998 contained in the list indicated in the present point b) shall be elected instead of the first candidate on the list indicated in the present point b).

Lists that have not obtained a percentage of votes equal to at least one-half of that required for the submission of a list shall not be taken into consideration.

In the event of a tie in votes between lists, the list submitted by shareholders owning the greatest interest when the list is submitted, or, subordinately, by the greatest number of shareholders, shall prevail.

If only one list has been presented, the general meeting shall vote on that list, and if said list obtains the relative majority of votes, without considering abstentions, the candidates listed shall be considered elected in sequential order, up to the number set by the general meeting, without prejudice to the fact that if the Board of Directors consists of more than seven members, the second independent director pursuant to article 147-ter of Legislative Decree No. 58/1998 shall in any event be considered elected in addition to that required to be placed in one of the top seven spots.

In the absence of lists, or if the number of directors elected on the basis of the lists submitted is less than that determined by the general meeting, the members of the Board of Directors shall be appointed by the general meeting by the legal majorities, without prejudice to the obligation for the general meeting to appoint a number of independent directors pursuant to article 147-ter of Legislative Decree No. 58/1998 equal to the minimum number established by law.

Lastly, you are called upon to determine the compensation of members of the Board of Directors. In this respect, it should be noted that, pursuant to article 20 of the Articles of Incorporation, the general meeting deliberates upon the annual compensation of the Board of Directors, which compensation remains unchanged until a resolution to the contrary by the Board of Directors, and which may also consist of a fixed portion and a variable portion, with the latter commensurate to the achievement of certain objectives. The method of apportionment of competencies within the Board of Directors shall be established by resolution of the Board of Directors, where not established by the general meeting. Directors shall be entitled to reimbursement of the expenses they incur in the performance of their duties. It should also be noted that the general meeting may determine a total amount of compensation for all Directors, including those assigned particular duties, the apportionment of which is established by the Board of Directors in consultation with the Board of Statutory Auditors for attributions to directors assigned particular duties, pursuant to article 2389, paragraph 3, of the Italian Civil Code.

Agenda item 5

Appointment of the Board of Statutory Auditors and its Chairman; Determination of Compensation; Any Related Business.

Dear Shareholders,

The approval of the financial statements as of and for the year ending December 31st, 2011 marks the end of the term of office of the Company's Board of Statutory Auditors appointed by the ordinary general meeting of October 7th, 2009. Accordingly, a new control body and Chairman need to be appointed pursuant to applicable provisions of laws and the Articles of Incorporation.

In this regard, it should be noted that, pursuant to article 26 of the Articles of Incorporation, the ordinary general meeting elects the Board of Statutory Auditors, consisting of three Regular Auditors and two Substitute Auditors, who remain in office for three financial years, and specifically until the date of the general meeting convened to approve the financial statements for the third year of their term of office, and may be re-elected.

The Statutory Auditors must meet the requirements provided for in the law and other applicable provisions. With respect to professional qualification requirements, the subject areas and business segments closely related to those of the company are trade, fashion and information technology, as well as subject areas involving the private and administrative legal disciplines, economic disciplines and those involving auditing and company organization. The limits on simultaneous appointments to management and control bodies established by Consob in its regulations apply to the members of the Board of Statutory Auditors.

The Board of Statutory Auditors shall be appointed by the general meeting on the basis of lists submitted by the shareholders according to the following methods, without prejudice to other provisions to the contrary set forth in binding laws or regulations.

Lists must contain the names of one or more candidates for the office of Regular Auditor and one or more candidates for the office of Substitute Auditor. Candidates' names shall be marked in each section (Regular Auditors section and Substitute Auditors section) with a sequential number and in any event many not exceed the number of members of the body to be elected.

Shareholders may submit a list for the appointment of members of the Board of Statutory Auditors if, when they submit the list, they hold, either separately or collectively with other submitting shareholders, an equity interest equal to at least that determined by Consob pursuant to article 147-ter, paragraph 1, of Legislative Decree No. 58/1998 and in accordance with the provisions of Consob Regulation No. 11971/1999. It should be noted that by resolution no. 18083 of January 25, 2012, Consob set the equity interest required to submit a list for the election of the Company's control body at 2.5% of share capital.

A shareholder may not submit or vote for more than one list, whether directly or through an intermediary or trust. Shareholders belonging to the same group and shareholders who are parties to a shareholders' agreement referring to the Company's shares may not submit or vote for more than one list, whether directly or through an intermediary or trust. Nominations and votes cast in violation of the foregoing restriction shall not be attributable to any list. A candidate may only be included in a single list, on pain of ineligibility.

Minority-interest shareholders who are not subject to any relevant relationships of connection pursuant to article 148, paragraph 2, of Legislative Decree No. 58/1998 and the associated regulations shall be reserved the right to elect a Regular Auditor entitled to act as Chairman of the Board of Statutory Auditors and a Substitute Auditor.

It should also be noted that shareholders who submit a "minority list" are considered addressees of the recommendations formulated by Consob in communication no. DEM/9017893 of February 26th, 2009.

The lists submitted by shareholders, signed by the submitting shareholders, must be filed at the Company's registered office at Via Nannetti 1 in Zola Predosa (Bologna, Italy) and made available to any parties who so request at least 25 (twenty-five) days prior to the scheduled date of the first call of the general meeting (i.e., by Friday, March 30th, 2012). Lists for the appointment of the Board of Statutory Auditors may also be filed by electronic notice to the certified e-mail address voox.corporate@registerpec.it. Where lists are submitted by certified electronic mail, a copy of a valid identity document of the submitting parties must also be provided.

Possession of the equity interest collectively held by the shareholders who submit a list is certified by receipt by the Company from a broker authorized to keep accounts of the notice provided for in article 23 of the Regulations Governing Centralized Management, Settlement and Clearance Systems and the Associated Management Companies adopted by the Bank of Italy and Consob on February 22nd, 2008, as amended, either before or after the list is filed, but at least 21 (twenty-one) days prior to the scheduled date of the general meeting in first call (i.e., by Tuesday, April 3rd, 2012). It should be recalled that possession of the above equity interest is determined in reference to the shares that are registered to the shareholder on the date on which the lists are filed with the Company.

Lists must contain, including in appended form: (i) information concerning the identity of the shareholders who have submitted them, with an indication of the percent equity interest collectively held;; (ii) a declaration by shareholders other than those who hold, separately or collectively, a control interest or relative majority interest, certifying the absence of relationships of connection pursuant to article 144-*quinquies* of Consob Regulation No. 11971/1999 with the latter; (iii) exhaustive information concerning candidates' personal and professional characteristics, including a declaration by the candidates regarding possession of legal requirements and acceptance of candidacy, accompanied by a list of positions in management and control bodies filled at other companies; and (iv) all other additional or contrary declarations, notices and/or documents provided for in applicable laws and regulations.

Lists submitted without complying with the foregoing provisions shall be considered as not having been submitted.

If, when the deadline for submitting lists expires, only one list has been filed, or only lists submitted by shareholders connected to one another pursuant to applicable provisions have been filed, lists may be filed until the third day after that date (i.e., until Monday, April 2nd, 2012). In that case, the threshold established for the submission of lists is reduced to one-half.

Lists shall also be subject to the other forms of publication provided for in applicable laws and regulations. In further detail, at least 21 (twenty-one) days prior to the date of the general shareholders meeting in first call (i.e., by Tuesday, April 3rd, 2012), lists shall be made available to the public at the Company's registered office, on the Company's website and according to the other methods indicated by Consob in regulations.

The Board of Statutory Auditors shall be elected as follows:

- a) two Regular Auditors and one Substitute Auditor shall be taken from the list that has obtained the highest number of votes, on the basis of the sequential order in which they are presented on the list;
- b) one Regular Auditor, entitled to act as Chairman of the Board of Statutory Auditors, and one Substitute Auditor shall be taken from the list that obtained the second-highest number of votes and is not connected, directly or indirectly, with the shareholders who submitted or voted for the list indicated in point a), according to the sequential order in which they are presented in the list.

In the event of a tie in votes between lists, the list submitted by shareholders owning the greatest interest when the list is submitted, or, subordinately, by the greatest number of shareholders, shall prevail.

If only one list is submitted, the general meeting shall cast its vote on that list, and if said list obtains the relative majority of votes, without considering abstentions, all candidates for the positions of Regular Auditor and Substitute Auditor presented on that list shall be elected to those positions. In this case, the Chairman of the Board of Statutory Auditors shall be the first candidate for Regular Auditor. In the absence of lists, the

Board of Statutory Auditors and Chairman shall be appointed by the general meeting with the ordinary majorities required by law.

Lastly, it should be noted that the ordinary general meeting is also called upon to deliberate upon the compensation of members of the control body pursuant to article 26, paragraph 2, of the Articles of Incorporation, which states that the compensation of members of the control body is determined by the general meeting, upon appointment, for the entire term of office.

Zola Predosa (BO), March 7, 2012

For the Board of Directors
Chairman of the Board of Directors
Federico Marchetti