

ITALMOBILIARE'S BOARD OF DIRECTORS' GUIDANCE ON THE COMPOSITION OF THE BOARD OF DIRECTORS DUE TO BE APPOINTED

In compliance with the recommendations of the Corporate Governance Code for listed companies, considering that with the approval of the financial statements for 2019, the mandate of the Board of Directors of Italmobiliare S.p.A. (hereinafter "Italmobiliare" or the "Company") expires, after hearing the opinion of the Remuneration and Nominations Committee, also in light of the results of the self-assessment process relating to 2019, as well as to 2017 and 2018, in view of the renewal of the administrative body on which the Shareholders' Meeting will resolve on April 21, 2020, the Board expresses its considerations to the shareholders on the size and composition of the new Board of Directors.

SIZE

As regards the size, article 14 of Italmobiliare's By-laws provides that the Company is managed by a Board of Directors consisting of a minimum of five and a maximum of fifteen members. The current Board of Directors is made up of fourteen directors.

According to corporate governance best practice, the number of Board members has to be appropriate for the size and complexity of a company's organisational structure. Best practices do not indicate an ideal number for the composition of boards of directors of listed issuers.

Taking into account various factors, including the composition of boards at national and foreign peers, the Board of Directors is of the opinion that it may be worth considering a reduction in the number of members to a level that can still ensure adequate decision-making and the setting up of board committees in which a decisive role is delegated to directors who meet the independence requirements.

COMPOSITION

As regards the general and personal characteristics of the members of Italmobiliare's Board of Directors, we consider it appropriate to ensure the presence of different types of professional experience and skills, so as to permit efficient and constructive dialogue among the members.

In particular, we hope that when proposals are being made to the Shareholders' Meeting, the shareholders will ensure that:

- a suitable number of independent directors is maintained, according to the parameters indicated in the Corporate Governance Code, which would make it possible to set up Board committees in line with the Code;
- the positions already held and the time availability that candidates can guarantee are taken into consideration;
- there is a balanced combination of profiles, aptitudes and experience gained within the industrial and private equity sector, with particular attention to issues of a strategic, managerial, operational, financial and control nature;
- differences in terms of background, age and gender diversity are promoted, ensuring, as regards the latter, compliance with the provisions of the law and the recommendations of the Corporate Governance Code.

More specifically, as far as the professional profile is concerned, the skills which are expected to be present require the following backgrounds: experience in top management roles in medium-large industrial companies; experience in marketing; accounting and financial experience; experience in the legal and compliance area.

Furthermore, the Board of Directors -having examined a benchmark analysis following the recent recommendation of the Corporate Governance Committee- with reference to the basic remuneration for each member of the Board to be appointed, deemed to be adequate an amount for each director of about 40,000 euro per year, as well as an attendance fee for the participation in the Board Committees of 3,000 euro per session.

Milan, March 4, 2020