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Report on corporate governance
and ownership structure
of Seat Pagine Gialle S.p.A.
pursuant to article 123-*bis* of the TUF
(traditional administration and control model)

Website: www.seat.it

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Report on corporate governance and ownership structures of Seat Pagine Gialle S.p.A.

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GLOSSARY

Code/Corporate Governance Code: the Corporate Governance Code of listed companies as approved most recently in July 2014 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A.

Italian Civil Code: the Italian Civil Code.

Board: the Board of Directors of the Issuer.

Issuer or the Company or Seat: the entity issuing the securities to which the Report refers.

Financial Year: the company's accounting period to which the Report refers (2015).

Seat IOL Merger or Merger: the reverse merger by incorporation of Italiaonline into Seat, based upon the merger plan approved by the Boards of Directors of Seat and Italiaonline on 20 January 2016.

IOL/Italiaonline: Italiaonline S.p.A.

Public Tender Offer or Italiaonline PTA: the public tender offer promoted by Italiaonline, also on behalf of, and in agreement with, Libero Acquisition S.à r.l., GL Europe Luxembourg S.à r.l., GoldenTree Asset Management Lux S.à r.l., GoldenTree SG Partners LP, GT NM LP and San Bernardino County Employees' Retirement Association, at the price per share of Euro 0.0039.

Composition Procedure: the Composition with Creditors procedure to guarantee the business continuity pursuant to art. 160 et seq. of the Bankruptcy Law to which on 4 February 2013, the Boards of Directors of Seat and Seat PG Italia S.p.A. resolved to ask for admission.

Consob Issuers' Regulations: the Regulation issued by Consob by resolution no. 11971 of 1999 (as amended) in the matter of issuers.

Report: the report on corporate governance and ownership structures that the companies are required to prepare pursuant to article 123-*bis* of the TUF.

TUF: Legislative Decree no. 58 of 24 February 1998 (*Testo Unico of the Finanza*, Consolidation Act on Finance).



Report on corporate governance and ownership structure of Seat Pagine Gialle S.p.A.

1. Company profile - Introduction

Seat offers web marketing and digital advertising services, including the management of advertising campaigns and the generation of leads through social networks and search engines and is the leading operator in the Italian market of directories on paper, on line and on telephone.

In any case, for an exhaustive analysis of the business, the Group's overall structure, the market scenario and social responsibility, reference should necessarily be made to the Company's Financial Statements for the year ended 31 December 2015 and to the information available on the Company's website at the address <http://www.seat.it/investors>.

For a better understanding of the Company's situation, let us preliminarily point out that, with reference to the Composition Procedure, on 23 April 2015 the order issued by the Court of Torino by which the complete execution of the composition involving the Company and the subsidiary Seat Pagine Gialle Italia S.p.A. was filed. Said measure follows the decree approving the composition with creditors proposed by the Company and its subsidiary and confirms the complete execution of the composition proposal through the full fulfilment of the composition undertakings, as regards the pre-deductible debts and debts falling within the composition towards Classes A, B, C and D Creditors of both compositions. By virtue of the above the President of the Bankruptcy Court further ordered for the Company to be freed and released from any real or personal lien and guarantee over its assets relating to obligations towards the composition creditors.

Furthermore, against for a better understanding of the Company's situation we set out the below as regards the possible integration process between the Company and Italiaonline started in the course of 2015 (the "**Integration Process**").

The purpose of the Integration Process is to create a leading operator in the Italian market of digital advertising for big accounts and local marketing services for small and medium enterprises, which constitute the bone structure of the Italian economic fabric.

Please find below the main stages comprising the Integration Process:

- a. on 21 May 2015, Italiaonline, Libero Acquisition S.à r.l. ("**Libero**"), as controlling shareholder of Italiaonline, GL Europe Luxembourg S.à r.l. ("**Avenue**") and the Funds GoldenTree (namely together GoldenTree Asset Management Lux S.à r.l., GoldenTree SG Partners L.P., GT NM L.P. and The San Bernardino County Employees Retirement Association), as reference shareholders of the Issuer, entered into an investment agreement on the integration between Italiaonline and the Company, with the purpose of creating the leading operator in the Italian market of digital advertising;
- b. in performing this investment agreement, on 9 September 2015, Avenue and the GoldenTree Funds contributed to Italiaonline the shares of SEAT held by them through

managed funds, equal to approximately 53.87% of SEAT ordinary shares (the “**Contributed Shares**”) at a value per share equal to Euro 0.0039 (the “**Contribution**”). Against the Contribution, the Company increased its share capital by a value of Euro 135,017,864, issuing and awarding to Avenue and the GoldenTree Funds a number of shares corresponding, respectively, to approximately 15.61% and 18.24% of Italiaonline aggregate shares. As a consequence of the Contribution, Libero, and the GoldenTree Funds came to hold, respectively, approximately 66.15%, 15.61%, and 18.24% of Italiaonline that, in turn, came to hold approximately 54.34% of SEAT ordinary shares (equal to the sum of the Contributed Shares and No. 299,990,000 SEAT ordinary shares that Italiaonline already held as at the Contribution date as a consequence of purchases carried out in July 2015), becoming the new controlling shareholder of SEAT;

- c. subsequent to the effectiveness of the Contribution, on 9 September 2015, Italiaonline, also on behalf of, and in agreement with, Libero, Avenue and the GoldenTree Funds, launched the Public Tender Offer at the price per share of Euro 0.0039 (*cum dividendo*), equal to the price recognised by Italiaonline for the purchase of the Contributed Shares;
- d. on 8 October 2015, Seat Shareholders’ Meeting revoked Seat Board of Directors in office as at such date and appointed a new Seat Board of Directors comprised of 9 members, all drawn from the slate proposed by Italiaonline;
- e. on 23 October 2015, the Public Tender Offer pending, SEAT and Italiaonline disclosed to the market to expect (i) the approval of the plan relating to Seat IOL Merger by the boards of directors of the Companies Participating in the Merger by the first quarter of 2016 and (ii) the finalisation of the Seat IOL Merger by the first six months of 2016, subject to the approval of the Merger Plan also by the extraordinary shareholders’ meetings of Italiaonline and Seat;
- f. on 6 November 2015, the Public Tender Offer ended with the adhesion of No. 16,638,908,570 SEAT shares (including adhesions received during the terms reopening period pursuant to art. 40-*bis* of the Issuers Regulation), equal to approximately 25.89% of the share capital, for an aggregate value (calculated on the basis of the consideration of Euro 0.0039 per share) equal to Euro 64,891,743.46. As a consequence of the Public Tender Offer, Italiaonline came to hold No. 51,558,863,664 SEAT ordinary shares, equal to approximately 80.23% of Seat ordinary share capital;
- g. on 20 January 2016, the boards of directors of the Issuer and Italiaonline, approved the merger by incorporation plan of Italiaonline into Seat agreeing to submit to the respective extraordinary shareholders’ meetings the approval thereof;
- h. on 8 March 2016 the extraordinary shareholders’ meetings of Seat and Italiaonline resolved approved the merger by reverse incorporation plan of Italiaonline into the Company.

The Company Shareholders' Meeting further approved:

- the "2014-2018 Stock Option Plan of Seat Pagine Gialle" (the "Stock Option Plan") and the granting of a delegation to the Board of Directors to increase the share capital to service said Stock Option Plan pursuant to article 2441, paragraphs 5, 6 and 8, of the Italian Civil Code;

- the delegation to the Board of Directors to increase in one or more issues the share capital, with exclusion of option rights pursuant to article 2441, comma 4, the Italian Civil Code;
- the appointment, as member of the Board of Directors, of Attorney Antonia Cosenz, co-opted by the Board of Directors of 10 November 2015;
- the appointment, as Alternate Auditor, of Dott. Giancarlo Russo Corvace.

It should be noted that:

- on 24 April 2013, the Board of Directors resolved to adopt the Corporate Governance Code of listed companies (hereafter the “**Code**”), as amended at the end of 2011, identifying the conduct to implement the recommendations set forth in the same;
- most recently on 9 July 2015, the Corporate Governance Committee made a number of amendments to the Code, with respect to which on 5 August 2015, the Board of Directors granted a mandate to carry out the relevant in-depth verifications and identify the actions deemed necessary to implement the recommendations of the Code, if any, not yet internalized by the Company.

[2. Information on ownership structures pursuant to article 123-bis, paragraph 1, of the TUF](#)

Below is reported the information required pursuant to article 123-bis, paragraph 1, of the TUF, letters a) to m) as of 31 December 2015.

The Company’s ownership structure is as follows:

Share capital Euro 20,000,000.00		Class of shares	No. of shares	Par value (€)	% compared to the share capital	Listing markets	Rights and obligations
Ordinary share capital	19,999,997.88	Ordinary shares	64,267,615,339	-	99.99	Electronic Stock Market organised and managed by Borsa Italiana S.p.A.	As per the law and the Corporate By-Laws (see articles 8 and 11 attached hereto)
Retained earnings	2.12	Savings shares	6,803		0.01		As per the law and the Corporate By-Laws (see article

Please note that on 20 January 2016 the Board of Directors of the Issuer, resolved to adopt the "2014-2018 Stock Option Plan of Seat Pagine Gialle" (the "**Seat Stock Option Plan**"), the effectiveness of which after approval by SEAT ordinary shareholders' meeting of 8 March 2016, is subject to that of the Seat IOL Merger. For more details on the "2014-2018 Stock Option Plan of Seat Pagine Gialle" please refer to the relating Informative Document – drawn up pursuant to article 84-bis of Consob Issuers' Regulation – as well as to the explanatory report drawn up by the Board of Directors on the topic under item 3 of the agenda of the ordinary shareholders' meeting of the Company of 8 March 2016 available on the website www.seat.it, section "Investor & Governance/Corporate Documents/Shareholders and Directors Documents".

Please also note that:

- the Extraordinary Shareholders' Meeting held on 4 March 2014 resolved to conclude a paid, divisible capital increase, excluding the option right pursuant to art. 2441, paragraphs 5 and 6, of the Italian Civil Code, by a maximum amount of Euro 100,000.00, referring solely to the par value (to which any share premium due would be added), which may be paid in more than one tranche, through the issuance of up to 3,391,431,376 ordinary shares having the same characteristics of the outstanding ordinary shares (delegating to the Board of Directors the task of determining the subscription price), to be used exclusively and irrevocably to service the warrants to be issued in accordance with the resolution passed at the above-mentioned extraordinary Shareholders' Meeting and, therefore, the exercise of the subscription right by the holders of the warrants; such increase will be concluded by the final deadline of 1 May 2019.
- a) The Extraordinary Shareholders' Meeting held on 8 March 2016 resolved, among other things :issue also in separate issues maximum No. 50,479,717,236 ordinary shares without indication of nominal value, to be allocated to Italiaonline S.p.A. shareholders on account of exchange for Italiaonline S.p.A. ordinary shares outstanding as at the effective date of the Seat IOL Merger;
- b) the granting of a delegation to the Board of Directors for the period of five years after the Shareholders' Meeting's resolution date, to increase, for consideration and also in separate issues, the share capital pursuant to art. 2443 of the Italian Civil Code, with exclusion of option rights pursuant to article 2441, paragraphs 5, 6 and 8, of the Italian Civil Code, by a maximum aggregate amount of Euro 800,000, referred only to nominal value (to which the premium that may prove due will be added), by issuing maximum No. 4,589,893,575 ordinary shares without indication of nominal value with the same characteristics of the outstanding ones, to be reserved for subscription by the beneficiaries of the Seat Stock Option Plan; and
- c) the granting of a delegation to the Board of Directors, to be exercised within 9 September 2018, pursuant to art. 2443 of the Italian Civil Code, by way of a By-Laws amendment that will become effective contextually with the Merger, to increase the share capital for consideration, in one or more issues, with exclusion of option rights pursuant to article 2441, paragraph 4 of the Italian Civil Code. In particular, the share capital may be increased by a number of ordinary shares not exceeding 10% of the aggregate number of ordinary shares outstanding as at the date of the exercise, if any, of the delegation and in any case by maximum 11,474,733,937 ordinary shares (i) pursuant to art. 2441, paragraph 4 first period of the Italian Civil Code, by way of contribution in kind of businesses, business units or shareholdings, as well as assets consistent with the corporate

purpose of the Company and the companies participated thereby, and/or (ii) pursuant to art. 2441, paragraph 4, second period of the Italian Civil Code, in case the newly issued shares are offered in subscription to institutional investors and/or industrial and/or financial partners deemed strategic by the Board of Directors for the Seat business.

For more details in this respect please refer to the explanatory reports drawn up by the Board of Directors on the topics under items I, II and III of the agenda of the Extraordinary Shareholders' Meeting of past 8 March available on the website www.seat.it, section "Investor & Governance/Corporate Documents/Shareholders and Directors Documents".

b) Restrictions on stock transfer

Reference is made to what is reported in paragraph f) below.

c) Major interests in the share capital

Below are provided the major interests in the Company's share capital, whether direct or indirect, as resulting from the notices given pursuant to article 120 of the TUF as at 31 December 2015.

Direct shareholder	No. of ordinary shares	Overall % share of the ordinary share capital
Italiaonline S.p.A.	751,558,863,664	80.23

d) Shares conferring special rights

The Company has not issued shares that confer special rights of control.

e) Employee share ownership: mechanism for the exercise of voting rights

As at the date of this Report, there are no employee share ownership systems.

However, please note that on 8 March 2016, the Issuer Ordinary Shareholders' Meeting resolved to adopt Seat Stock Option Plan reserved for executive directors and employee managers of Seat, the effectiveness of which is subject to that of the Seat IOL Merger. Said plan does not envisage cases in which voting rights shall not be exercised by employee beneficiaries.

f) Restrictions on voting rights

Pursuant to article 8 of the Corporate By-Laws - Right to attend (as finally amended by resolution passed by the Extraordinary Shareholders' Meeting on 22 October 2012), those who are entitled to vote and are authorised according to the applicable regulations may attend the Shareholders' Meeting in the manner and at the terms and conditions set out. Every person who is entitled to vote and to attend shareholders' meetings may appoint a representative by means of a written proxy or a proxy granted by

electronic means pursuant to applicable regulations. The proxy may be issued to an individual or legal entity.

The electronic notification of the proxy may be made by using an appropriate section of the company's website, according to the procedures specified in the notice of call, or by certified e-mail to be sent to such e-mail address as will be notified in the notice of call from time to time.

The Company may appoint, for each Shareholders' Meeting, by indicating in the notice of call, a person that the members may appoint as a proxy with voting instructions for all or some of the proposals on the agenda, within the time limits and according to the procedures required by law.

g) Agreements that are known to the Company pursuant to article 122 of the TUF

On 9 September 2015, according to the provisions of the investment agreement entered into between Italiaonline, Libero Acquisition, Avenue and the GoldenTree Funds on 21 May 2015, Libero Acquisition, Avenue and the GoldenTree Funds entered into a shareholders' agreement, providing for certain arrangements relevant pursuant to article 122, paragraphs 1 and 5, of the TUF and the applicable provisions of Consob Issuers' Regulation, containing arrangements concerning, inter alia, the corporate governance of the Company and Italiaonline and limitations to the transfer of the relating shares (the "Shareholders' Agreement").

Subsequent to the entering into:

- on 23 November 2015 an amendment agreement to the Shareholders' Agreement has been entered into for the purpose of acknowledging the delegation of powers approved by Seat Board of Directors in favour of the Chief Executive Officer of the Issuer and accordingly to repeal every inconsistency between the provisions of the Shareholders' Agreement relating to the powers of the Issuer's Chief Executive Officer and the delegation granted thereto by Seat Board; and
- on 8 February 2016, a second amendment agreement to the Shareholders' Agreement has been entered into for the purpose of adding an additional matter to those reserved to the Shareholder (namely those matters that must be resolved upon after approval of Libero and at least one among Avenue and the Golden Tree Funds) in case of capital increases delegated to the Board of Directors pursuant to article 2443 of the Italian Civil Code.

h) Change of control and Corporate By-Laws' provisions concerning Takeover Bids (pursuant to articles 104, paragraph 1-ter, and 104-bis, paragraph 1)

As at the date of this Report there are no significant agreements relating to the Issuer or one of its subsidiaries the effectiveness of which may be triggered, or which may be amended or terminated in case of a change of control.

Corporate By-Laws' provisions concerning Takeover Bids (pursuant to article 104, paragraph 1-ter and 104-bis, paragraph 1)

In consideration of the entry into force of the provisions under Legislative Decree no. 146 of 25 September 2009 - containing supplementary and corrective provisions concerning takeover bids - the Extraordinary Shareholders' Meeting held on 20 April 2011 resolved to supplement article 19 of the

Corporate By-Laws, making use of the right granted by the amended article 104 of the TUF. Through this amendment, the Board of Directors and its delegated bodies (if any) are permitted to take defensive measures that are able to contrast the achievement of the objectives of takeover bids and share-for-share offers. Specifically, the Board of Directors and its delegated bodies (if any) are entitled, without requiring the permission of the Shareholders' Meeting:

- to perform all acts and transactions within their authority that may thwart the achievement of the objectives of a takeover bid or a share-for-share offer, from the notification by which the decision or the emerging of the obligation to promote the bid/offer are made public, to the closure or forfeiture of the bid/offer itself;
- to implement decisions within their authority that have not yet been fully or partially implemented and that are outside the normal course of business of the Company, which were taken before the abovementioned notification and whose implementation may thwart the achievement of the objectives of the bid/offer.

i) Agreements between the company and the directors providing for allowances in the event of resignation or dismissal without cause, or termination of their employment relationship as a result of a take-over bid

It should be specified that the Company, in the period under consideration, has not entered into any agreements with directors, other than Mr. Vincenzo Santelia, providing for allowances in the event of resignation or dismissal without cause or if the employment relationship is terminated as a result of a take-over bid.

Mr. Santelia's remuneration package provides for an indemnity payment in the event of the termination of the employment relationship, including as consideration for his non-competition undertaking.

Accordingly, in the context of the integration process between Seat and Italiaonline, subsequent to the beginning thereof, on 31 August 2015, in execution of an agreement reached with the Company, Mr. Vincenzo Santelia ceased from the offices of President and Chief Executive Officer thereof. The agreement had been approved by the Board of Directors after favourable opinion of the Appointment and Remuneration Committee as well as, pursuant to the procedure adopted by the Company in the matter of related parties transactions, by the Control and Risk Committee.

The agreement provided for the payment in favour of Mr. Santelia, versus the cessation from the aforementioned offices:

- (i) of an amount equal to gross euro 1,000,000.00 (corresponding to no. 15 monthly fix salary instalments pursuant to art. 2389, third paragraph, of the Italian Civil Code), the payment of which was provided for within 15 days of the cessation date, and
- (ii) of the accrued bonus amounts relating to financial year 2015 until the cessation date from the offices of President and Chief Executive Officer, which, at the end of the internal assessment process, resulted to be aggregate Euro 991,666.00 and the payment of which was provided for within 30 days of the cessation date.

The agreement further provided for, on the side of Mr. Santelia, non-solicitation and non-competition undertakings for a 24 months term, versus a consideration (to be paid in four semi-annual instalments) equal to gross euro 1,000,000.00.

The market has been informed thereof, pursuant to the provisions of Criterion 6.P.5 of the Corporate Governance Code by way of specific press releases published respectively on 31 August 2015 and 24 September 2015.

The following should also be noted:

- the information required under art. 123-bis, first paragraph, letter i), are set forth in the Compensation Report published pursuant to art. 123-ter TUF;
- the information required under art. 123-bis, first paragraph, letter l), is illustrated in this Report, in section 4.1 focused on the Board of Directors.

I) Information on the appointment and replacement of directors, as well as to amendments to the Corporate By-Laws if different from legislative and regulatory amendments applicable on a supplementary basis

The appointment and replacement of directors are regulated by article 14 of the Corporate By-Laws, as finally amended by the Extraordinary Shareholders' Meeting held on 12 June 2012, which are attached to this Report in full; reference is also made to paragraphs "*Slate submitted on the occasion of the appointment of the Board of Directors (information pursuant to article 144-decies of the Consob Issuers' Regulations)*" and "*Composition of the Board of Directors holding office (article 123-bis, paragraph 2, letter d) of the TUF)*".

Specifically, the proposed amendments to article 14 (*Composition of the Board of Directors*) of the Corporate By-Laws arose from the need to comply with the regulations introduced by Law no. 120 of 12 July 2011, governing gender equality in the composition of governing and supervisory bodies of listed companies, which, in amending the provisions governing the appointment of the members of the governing and supervisory bodies laid down in Legislative Decree no. 58 of 24 February 1998, as subsequently amended, require the listed companies to comply with the gender equality criteria so that the less represented gender should include at least one fifth of the members for the first mandate after 12 August 2012 and at least one third for the two subsequent mandates.

Furthermore, the Issuers' Regulations require the listed companies, *inter alia*, to regulate, in the Corporate By-Laws, the procedures to form slates, as well as to replace the members of the bodies that cease to hold office in order to ensure compliance with the gender equality principle.

Having stated this, the Board of Directors is appointed on the basis of slates submitted by the shareholders or by the outgoing Board of Directors. Each slate must contain and expressly indicate at least two candidates who meet the independence requirements required by article 147-ter, IV C, of Legislative Decree no. 58/1998.

The slate possibly submitted by the outgoing Board of Directors and the slates submitted by the shareholders must be deposited at the registered office of the Company within the twenty-fifth day prior to the date of the shareholders' meeting called to resolve on the appointment of the members of the Board of Directors and must be made available to the public at the registered office, on the Company's website and according to the other procedures envisaged by Consob regulations at least twenty-one days prior to the date of the Shareholders' Meeting itself.

Every shareholder may submit, or contribute to the submission of only one slate and any candidate may be appointed to only one slate under penalty of ineligibility.

Only those shareholders who, alone or together with other shareholders, own voting shares representing at least 2% of the voting capital in the ordinary shareholders' meeting, or representing the lower percentage determined by CONSOB pursuant to article 147-ter, I C, of Legislative Decree no. 58/1998, are entitled to submit slates. In such regard, it should be noted that on 28 January 2016, through Resolution No. 19499, Consob set, pursuant to article 144-septies, first paragraph, of the Issuers Regulation, at 42.5% the shareholding percentage necessary for the submission of candidate slates for the election of the management and control bodies, subject to the possibility for a lower percentage to be set forth in the Corporate By-Laws; therefore, in accordance with the Corporate By-Laws provision currently in force, the threshold for the submission of slates for the appointment of the management body must be deemed to be 2%.

In order to prove ownership of the aforesaid right, copies of the certifications issued by authorised intermediaries must be deposited at the Company's registered office, proving ownership of the number of shares necessary to submit the slates themselves, within the time limit set out for the publication of the slates.

Together with each slate, within the term indicated above, professional resumes and statements are to be submitted in which each candidate accepts the nomination and attests, under his/her own responsibility, that there is no cause for ineligibility or disqualification, and to his/her compliance with the requirements of law and the Corporate By-Laws prescribed for the position, and mentions the possibility of being qualified as independent pursuant to article 147-ter, IV C, of Legislative Decree no. 58/1998. The slates that present a number of candidates equal to or higher than three must also include candidates of different genders, as required in the notice of call of the Shareholders' Meeting, so as to allow a composition of the Board of Directors that complies with the current regulations governing gender equality.

Any slate which fails to meet the foregoing requirements shall be considered as not having been submitted.

It is specified that art. 14 of the Corporate By-Laws provides, *inter alia*, that:

- 1) a number of directors equal to the number of the members of the board of directors minus two is taken from the slate that obtained at the shareholders' meeting the highest number of votes expressed, in the sequential order in which they are listed on the slate; 2) the remaining directors are taken from the other slates; in such regard, the votes obtained by the slates will be divided by one and then by two. The quotients obtained will be assigned progressively to the candidates of each of such slates, following the order set forth, respectively, in the same. The quotients assigned in this manner to the candidates on the various slates will be arranged in a single ranking list in declining order. Those who have obtained the highest quotients will be elected. In the event of a tie, the candidate from the slate that has not yet elected any director will be elected.

(i) at least one director must be appointed from a slate, if any, which is not connected, either directly or indirectly, with the shareholders who have presented or voted the slate which has ranked first in the number of votes, and

(ii) at least one director appointed from the slate which has obtained the majority of the votes at the shareholders' meeting, as well as at least one of the directors appointed from the slate ranking second

in the number of votes obtained, must meet the independence requirements under article 147-ter, IV C, of Legislative Decree no. 58/1998.

- If the procedure described in points 1) and 2) above do not allow for compliance with the legal framework on the balance of genders, the quotient of votes to be assigned to each candidate taken from the slates is calculated by dividing the number of votes obtained by each slate by the ranking number of each of such candidates; the candidate of the more represented gender with the lowest quotient among the candidates taken from all of the slates is replaced, subject to compliance with the provisions of paragraph (ii) above, by the candidate of the less represented gender, if any, indicated (with the highest sequential ranking number) in the slate of the candidate who is replaced.

To appoint directors who for any reason have not been appointed according to the procedure described by article 14 of the Corporate By-Laws, the Shareholders' Meeting shall resolve with the majority provided by law, without prejudice to the obligation to comply with the minimum number of directors who meet the abovementioned independence requirements. If, during the financial year, one or more directors cease to hold office, article 2386 of the Italian Civil Code shall apply.

Finally, note that, pursuant to article 19 of the Corporate By-Laws, the Board of Directors is competent to adopt resolutions concerning the adaptation of the Corporate By-Laws to regulatory provisions; all other cases are regulated by law.

m) Delegation of powers to increase the share capital and authorisations to purchase treasury shares

We remind that the Extraordinary Shareholders' Meeting of the Company of past 8 March resolved, inter alia

(a) the granting of a delegation to the Board of Directors for the period of five years after the Shareholders' Meeting's resolution date, to increase, for consideration and also in separate issues, the share capital pursuant to art. 2443 of the Italian Civil Code, with exclusion of option rights pursuant to article 2441, paragraphs 5, 6 and 8, of the Italian Civil Code, by a maximum aggregate amount of Euro 800,000, referred only to nominal value (to which the premium that may prove due will be added), by issuing maximum No. 4,589,893,575 ordinary shares without indication of nominal value with the same characteristics of the outstanding ones, to be reserved for subscription by the beneficiaries of the Seat Stock Option Plan; and

(b) the granting of a delegation to the Board of Directors, to be exercised within 9 September 2018, pursuant to art. 2443 of the Italian Civil Code, by way of a By-Laws amendment that will become effective contextually with the Merger, to increase the share capital for consideration, in one or more issues, with exclusion of option rights pursuant to article 2441, paragraph 4 of the Italian Civil Code. In particular, the share capital may be increased by a number of ordinary shares not exceeding 10% of the aggregate number of ordinary shares outstanding as at the date of the exercise, if any, of the delegation and in any case by maximum 11,474,733,937 ordinary shares (i) pursuant to art. 2441, paragraph 4 first period of the Italian Civil Code, by way of contribution in kind of businesses, business units or shareholdings, as well as assets consistent with the corporate purpose of the Company and the companies participated thereby, and/or (ii) pursuant to art. 2441, paragraph 4, second period of the Italian Civil Code, in case the newly issued shares are offered in subscription to institutional

investors and/or industrial and/or financial partners deemed strategic by the Board of Directors for Seat business.

The shareholders' meeting of the Company never authorised the purchase of treasury shares pursuant to articles 2357 and ff. of the Italian Civil Code.

It is specified that the Corporate By-Laws registered with the Companies Register in January 2015, with regard to articles 5 (Share capital) and 6 (Shares) which incorporate the resolutions passed by the Extraordinary Shareholders' Meeting on 4 March 2014 are available on the Company's website at the address <http://www.seat.it/company-by-laws>.

- **Guidance and Coordination Activity**

Seat is subject to guidance and coordination activities by Italiaonline.

Pursuant to article 2497-*bis* of the Italian Civil Code, the companies controlled directly by Seat have identified the latter as the entity that exercises guidance and coordination activities over them. Such activity consists in indicating the general strategic and operating guidelines of the Group and takes concrete form in the definition and updating of the corporate governance and internal audit model, and in the formulation of the general policies for the management of human and financial resources, the procurement of production, training and communication factors.

3. Compliance (pursuant to article 123-*bis*, paragraph 2, letter a) of the TUF)

The Board of Directors of the Company held on 19 December 2006 resolved - having regard to the new principles laid down in the Corporate Governance Code of Listed Companies promoted by Borsa Italiana and circulated in March 2006 - to adopt the recommendations set out therein.

Subsequently, it should be remembered that March 2010 saw the approval of the new text of article 7 of the Corporate Governance Code (2006 version), concerning the remuneration of directors and executives with strategic responsibilities. Therefore, the issuers were invited to apply the new article 7 by the end of the 2011 financial year, and to inform the market in the corporate governance report to be published in the course of 2012. In accepting this invitation, on 28 February 2011 the Board of Directors of the Company resolved (i) the enforcement of the new application principles and criteria envisaged in article 7 of the Code, (ii) the allocation of tasks to the Compensation Committee in accordance with the new criterion 7.C.5. (see below).

It should be remembered that in December 2011 significant amendments were made to the Corporate Governance Code: on the basis of the transitional regime envisaged, the issuers were invited to apply these amendments by the end of the financial year that was to begin in 2012, and to inform the market in the corporate governance report to be published in the course of the subsequent financial year.

Taking account of the financial reorganisation that was completed in September 2012, it was only on 18 December 2012 that the Board of Directors gave its favourable opinion on the adoption of the Code's recommendations and granted a mandate to take steps, in early 2013, to implement such in-depth analyses and actions as deemed necessary in order to comply with the Code's recommendations not yet adopted by the Company.

As a result, on 24 April 2013, the Board of Directors resolved to comply with the Code and identified the behaviour to adopt in order to apply the recommendations contained therein. Please also note that on 5 August 2015 the Board of Directors granted a mandate to carry out the in-depth verifications and identify the actions deemed necessary to implement the recommendations of the Code, if any, not yet implemented by the Company and deriving from the detail amendments made to the Code by the Corporate Governance Committee in the course of the meetings respectively of 14 July 2014 and 9 July 2015.

It is in fact expected that at the end of the integration process between Italiaonline and the Issuer is involved, the administrative body may assume the determinations that it will deem most adequate and appropriate for the implementation of the amendments made to the Corporate Governance Code and that shall results not yet internalised by the Company taking account of the new Company structure and the changes to the shareholding and organisational structures.

The Code may be accessed by the public from the website of the Corporate Governance Committee at the website <http://www.borsaitaliana.it/comitato-corporate-governance/codice/2015clean.pdf>.

Seat has adopted a Corporate Governance structure which is characterised by a set of rules, behaviours and processes aimed at ensuring an efficient and transparent system of corporate governance. This system is based on a series of procedures and codes, which are reviewed and updated in order to ensure an efficient response to the changes occurring in the relevant regulatory framework and in the best practices.

Having said this, pursuant to the regulations in force, below is an analytical description of the corporate governance system and of the behaviour adopted by the Company in the light of a correct governance and control system, specifying that none of the Company's subsidiaries is of strategic importance.

Attention is particularly paid to:

- the degree to which the recommendations contained in the individual principles and criteria set out in the Code are applied, consistently with the current provisions, as well as with the recommendations expressed in the Introductory Principle of the Code, in order to provide full information about the extent to which the Company complies with the Code itself;
- summary information in tabular form.

Corporate organisation

The organisational structure of Seat is articulated according to the traditional system and is comprised of:

- The **Shareholders' Meeting**
- The **Board of Directors**
- The **Board of Statutory Auditors**

Statutory auditing activities are carried out by the **Independent Auditors**.

The role of the Board of Directors (Article 1 of the Code; article 123-bis, paragraph 2, letter d) of the TUF)

The Board of Directors is assigned a central role in the Company's Corporate Governance system. It meets regularly (usually on a monthly basis; however, in consideration of the need arose in the course of 2015, among which the succession in the corporate bodies and the beginning of the integration process with Italiaonline, the frequency has been higher), organising itself and operating in such a way as to assure real and effective performance of its functions.

It is specified that the Board is vested with the widest powers for ordinary and extraordinary management of the Company, and therefore has the power to perform all actions that it deems appropriate for the implementation and achievement of the corporate purposes, both in Italy and abroad, the only exception being those measures that by law are reserved as being the prerogative of Shareholders' Meetings (article 19 of the Corporate By-Laws).

Again, pursuant to article 19 of Corporate By-Laws, the Board is also competent to pass resolutions concerning:

- mergers, in the cases envisaged by articles 2505 and 2505-bis of the Italian Civil Code, and demergers in the cases when such rules are applicable;
- opening or closing down secondary offices;
- indication of which directors have powers of corporate representation;
- reduction of share capital in the case of withdrawal by shareholders;
- adaptation of the Corporate By-Laws to regulatory requirements;
- transfer of the company's head office within the national territory.

The Board, whilst complying with legally established limits, may, for the execution of its resolutions and for business management:

- create an Executive Committee, determining its powers and the number of its members;
- delegate appropriate powers, determining the limits of powers delegated, to one or more directors, possibly qualifying them as Chief Executive Officers;
- appoint one or more General Managers and business attorneys, determining their attributions and powers. The Board of Directors is also empowered to set up Committees, in compliance with the recommendations of the Code.

As previously mentioned, in consideration of the entry into force of the provisions under Legislative Decree no. 146 of 25 September 2009 - containing supplementary and corrective provisions concerning takeover bids - the Extraordinary Shareholders' Meeting held on 20 April 2011 resolved to supplement article 19 of the Corporate By-Laws, making use of the right granted by the amended article 104 of the TUF. Through this amendment, the Board of Directors and its delegated bodies (if any) are permitted to take defensive measures that are able to contrast the achievement of the objectives of takeover bids and share-for-share offers.

It should be noted that powers attributed to the Chairman (corporate representation) and to the Vice Chairman and to the Chief Executive Officer (as indicated below) are exercised in compliance with applicable legal constraints - as regards matters that cannot be delegated by the Board of Directors -, as well as with the principles and limitations (and specifically with the reservations pertaining to the Board of Directors) set out in the Code. The Board of Directors then retains exclusive competence, as

per the provisions of the Corporate By-Laws, for all matters not expressly delegated to executive directors.

With specific regard to the recommendations under article 1 of the Code, note that the Board has the prime responsibility to determine and pursue the Company's and the Group's strategic goals.

With specific reference to the application criteria under article 1 of the Corporate Governance Code, the Board of Directors' exclusive competence also includes, but is not limited to, the following functions:

- review and approval of the Company's and the group's strategic, business and financial plans, periodically monitoring the implementation, the definition of the corporate governance structure and the structure of the group itself, as well as the assessment of the adequacy of the organisational, administrative and accounting structure of the Company and of subsidiaries of strategic importance, with specific reference to the internal audit and risk management system.

It should be noted that, in the context of the integration process between Seat and Italiaonline on 15 January 2016 the Board of Directors approved the Business Plan for the three year period 2016-2018 of the Group resulting from the Seat IOL Merger. In this respect, we remind that, in order to comply with the Code's recommendation, the Board approved, in the meeting held on 24 April 2013, the adoption of a process that provides for the Board' obligation to periodically monitor any strategic, industrial and financial plans.

Furthermore, it should be noted that, as regards criterion 1C1, letter c), of the Code - which requires a formal assessment of the organisational, administrative and accounting structure of the company and of its "subsidiaries of strategic importance" -, it is a policy of the Company to prepare a document on the organisational, administrative and accounting structure of Seat and the structure of the Group, aimed at providing a summary description of: (i) the organisational structure of Seat and of the Group companies; (ii) the administrative and accounting structure of the Company. It should be recalled that, already before the reorganisation transaction and the contribution that took place in 2012, according to a "size-based" business criterion, no subsidiaries were found to have a strategic importance calling for specific assessment of the structure by the Board as required by the Code. This criterion consisted and still consists (as confirmed by the current Board at the meeting held on 15 March 2016) of a consolidated EBITDA contribution of not less than 10% (the Board still has the possibility of also attributing strategic importance to subsidiaries whose contribution to EBITDA is lower, by reason of the type of business they conduct).

None of the subsidiaries is considered of strategic importance.

In any case, it should be noted that the Internal Audit function normally performs activities whose purpose is to verify, if requested to do so, whether the Internal Audits carried out in the subsidiaries are satisfactory, on the basis of instructions given by the Control and Risk Committee and by the supervisory boards in the subsidiaries themselves.

On 15 March 2016 , the Board of Directors resolved, having acknowledged the Control and Risk Committee's favourable opinion regarding the adequacy of the organisational, administrative and accounting system issued on 10 March 2016, –and without prejudice to the periodic appraisals that have already been carried out pursuant to article 2381, paragraph 3, of the Italian Civil Code, as follows:

- to confirm, in order to comply with the formal recommendation of the Code, the adequacy of the corporate governance system and of the organisational, administrative and accounting structure of the Company and of the group structure;
- the annual assessment on the functioning of the board of directors and its committees, as well as their size and composition.

In this regard (as regards the application criterion 1C1, letter g), of the Code), note that the Board, during the meeting held on 15 March 2016, fulfilled this requirement based on “self-appraisal” questionnaires - the formulation of which was substantially consistent with that used also for the entire term of the preceding Board’s mandate - transmitted and compiled by the Board members and subsequently processed by the Chairman of the Appointments and Compensation Committee (and Independent Director) and by the Secretary to the Board of Directors.

The Board resolved that the size, composition and operation of the Board and of its Committees are adequate, and that it does not consider that any additions to the Board, including with reference to independent directors, are necessary given the existing qualifications of the present members of the board of directors.

Finally, let us point out that for purposes of the self-appraisal, the Board (i) did not avail itself of external consultants and (ii) taking into account the above-mentioned outcome, did not conclude that it was necessary to report to the shareholders any view on the professional figures whose presence on the Board would be deemed advisable.

In addition, it should be noted that:

- with reference to the definition of the nature and level of the risk compatible with the strategic objectives of the Company (criterion 1C1, letter b) of the Code) the Company avails itself of a process known as Enterprise Risk Management (hereinafter the ERM), a process implemented by the management with the support and coordination of the Internal Audit Function on an annual basis which is aimed at identifying, assessing and controlling the main (strategic, operational, reporting and compliance) risks that could compromise the achievement of the Company’s corporate targets. The results, following a review and assessment by the Control and Risk Committee at the meeting held on 29 July 2015, were examined by the Board of Directors at the meeting held on 5 August 2015;
- with reference to criterion 1C1, letter e) of the Code, the Board of Directors assessed the general trend in the business, taking into consideration, in particular, the information received from the Chief Executive Officer, and also comparing the results achieved with the expected results. However, in the context of the integration process between Seat and Italiaonline in the course of the last months of 2015 the Business Plan for the three year period 2016-2018 of the Group resulting from the Seat IOL Merger has been prepared; said plan has been approved by the Board of Directors on 15 January 2016;
- with reference to criterion 1C1, letter f) of the Code, the Board, when appropriate, passes resolutions on transactions of the Company and of the subsidiaries, when these transactions have a significant strategic, economic, capital or financial importance for the Company itself. For this purpose, note that article 16 of the Corporate By-Laws establishes that the Board of Directors and the Board of Statutory Auditors must be informed, also by delegated bodies, of the activity performed, the general business performance, the expected business progress and of the most important transactions in business, financial and capital terms carried out by the

Company or by its subsidiaries. In particular, directors must report on transactions in which they have an interest on their own account or that of third parties, or that are influenced by the entity, if any, carrying out the activity of management and co-ordination.

Note that disclosure obligations under the abovementioned article 16 of the Corporate By-Laws and article 150, paragraph 1, of the TUF are fulfilled by means of a procedure whose purpose is to ensure transparency, not only as regards transactions with related parties in which an interest is held, either on its own account or on behalf of third parties, or which are influenced by the entity that performs the activity of guidance and coordination (including inter-group transactions), but also as regards all transactions that have been conducted, the most important transactions in business, financial and capital terms carried out by the Company and atypical or unusual transactions.

It should be noted that, on 10 November 2010, the Board of Directors - in the implementation of the Regulation of Transactions with Related Parties as approved by Consob resolution no. 17221 of 12 March 2010, as amended – approved the “Procedure as to Transactions with Related Parties” – which was made available on the website www.seat.it on 1 December 2010 – specifying the procedures which must be applied by Seat in implementing, either directly or through subsidiary companies, transactions with related parties, effective from 1 January 2011. The Procedure provides that the Company’s Related Parties must notify the Chief Executive Officer, as soon as possible, of the information necessary to allow the Company to fulfil the obligations laid down in the abovementioned Regulation; the Chief Executive Officer will, in turn, notify the Board of Directors and the Board of Statutory Auditors, at the time of the board meeting, of the existence of transactions (if any) with related parties, in order to pass the related resolutions, taking account of the opinion expressed by the Control and Risk Committee for “minor transactions” and by the Independent Directors Committee for “major transactions”. The Extraordinary Shareholders’ Meeting of 20 April 2011 subsequently resolved to introduce, in the Procedure referred to above, some mechanisms for the approval of Transactions with Related Parties in derogation from the Procedure, upon prior introduction of the same into the Corporate By-Laws. For this purpose, a new article has been introduced in the Corporate By-Laws which is dedicated to Transactions with Related Parties (article 23, referred to below).

Most recently, let us point out that the Board of Directors’ meeting held on 5 August 2014, after examining the above-mentioned Procedure on Related Party Transactions, resolved not to revise it. Finally, note that the Company has adopted an internal procedure that provides a constant flow of information from subsidiaries to Seat itself, regarding the main corporate events.

For the sake of completeness, it should be noted that on 26 January 2016, the Company made available to the public the Disclosure Document related to the merger by incorporation of Italiaonline S.p.A. into Seat Pagine Gialle S.p.A. drafted in accordance with art. 5 of Consob Regulation No. 17221 of 12 March 2010, as subsequently amended, on related party transactions.

[Slate submitted on the occasion of the appointment of the Board of Directors \(information pursuant to article 144-decies of the Consob Issuers’ Regulations\)](#)

Without prejudice to the provisions under article 14 of the Corporate By-Laws (as mentioned above, as finally amended by the Shareholders’ Meeting of 12 June 2012), with reference to the rules applicable to the appointment and replacement of directors (see what is reported in paragraph no. 2

with reference to **article 123-bis, paragraph 1, letter l) of the TUF**), note that, at the time of the appointment of the Board of Directors currently holding office, which took place at the Shareholders' Meeting of 8 October 2015, the Company took steps to complete the formalities set out in articles 144-*octies* and 144-*novies* of the Consob Issuers' Regulations¹.

Specifically, **with reference to the appointment of directors**, within the terms set out by the regulations in force, exhaustive information has been provided regarding the personal and professional characteristics of the candidates, including the statements made by those who meet the independence requirements required by the regulations in force; furthermore, the name of the shareholder has been provided which submitted the slate, as well as the relevant stake held (reference is made to Italiaonline S.p.A. holder, at the time of submission of the slate, of no. 34,919,955,094 ordinary shares, representing 54.34% of the ordinary share capital of the Company). The Company has promptly taken steps to make this documentation public through the website at the address

<http://www.seat.it/documents/10184/172914/Lista+del+socio+Italiaonline+S.p.A.+relativa+alla+nomina+del+Consiglio+di+Amministrazione/6860b33a-55cf-4e5c-82cb-57e8ee420dc2>

It should be noted that, as a slate was submitted which included a number of candidates higher than three, in accordance with the current regulations governing gender equality, the slate itself must include four candidates of different genders.

Composition of the Board of Directors holding office (article 123-bis, paragraph 2, letter d) of the TUF)

The Shareholders' Meeting of 8 October 2015 resolved, inter alia:

- to set the number of the members of the Board of Directors at 9, establishing a term of office up to the approval of the financial statements for the financial year ended 31 December 2017;
- to appoint Messrs. Khaled Galal Guirguis Bishara, Antonio Converti, Sophie Surssock, Onsi Naguib Sawiris, David Alan Eckert, Corrado Sciolla, Maria Elena Cappello, Cristina Mollis and Cristina Finocchi Mahne (all drawn from the slate submitted by Italiaonline S.p.A.), also appointing Khaled Galal Guirguis Bishara as Chairman of the Board of Directors. Such resolution was passed with the approval of 98.637% of the voting capital.

It should be noted that the Directors Corrado Sciolla, Maria Elena Cappello, Cristina Mollis and Cristina Finocchi Mahne declared that they met the independence requirements laid down in the combined provisions of articles 147-*ter*, paragraph 4 and 148, paragraph 3, of legislative decree no. 58/1998 and of the Code (see below).

Furthermore, again on 8 October 2015 the Board of Directors appointed Antonio Converti as Chief Executive Officer of the Company and David Alan Eckert as Vice President.

¹ For the sake of completeness, please note that the Company proceeded in a similar manner also with respect of the Board of Directors appointed on 23 April 2015, the mandate of which expired with the shareholders' meeting of 8 October 2015.



On 10 November 2015 the Board of Directors of the Company resolved to co-optate Attorney Antonia Cosenz as Director, after verifying that the independence requisites were met, to replace Mrs. Cristina Mollis, who resigned with effect as of 6 November 2015.

Below is reported the composition of the Board as of the date of this Report, accompanied by the information on personal and professional characteristics of the Directors:

KHALED GALAL GUIRGUIS BISHARA

Khaled Bishara is the Co-Founder of Accelerero Capital. Prior to joining Accelerero Capital, Khaled served as Group President and Chief Operating Officer of VimpelCom Ltd ("VimpelCom"). He was also Chief Executive Officer of Orascom Telecom Holding S.A.E. ("OTH") as well as Chief Operating Officer of Wind Telecomunicazioni S.p.A. ("Wind Italy"). He played a pivotal role in the merger of VimpelCom with Wind Telecom S.p.A. ("Wind Telecom") for a total consideration of \$25.7Bn to create the world's sixth largest telecommunications carrier.

Khaled managed ten operations across the globe through OTH and Wind Italy and 22 operations across the globe through VimpelCom.

In 2009 Khaled was appointed Chief Executive Officer of OTH and Wind Telecom, bringing with him a wealth of experience in both telecommunication and information technology coupled with strong management and entrepreneurial expertise. Prior to this position, Khaled was Chief Operating Officer ("COO") of Wind Italy, which he joined in 2005, heading the fixed line and portal business unit before being promoted to COO of the company. He played a key role in restructuring the company's organization, resulting in the successful turnaround of Wind from a continuously loss making company to a leading mobile, fixed line and broadband integrated operator in Europe within a three year time span.

Prior to joining Wind Italy, he was the co-founder, Chairman and CEO of "LINKdotNET" ("LDN"), one of the largest private Internet Service Providers in the Middle East. In 2001, following successful negotiations, Microsoft chose to partner with LDN to launch MSN Arabia, the Middle East's first global portal, bringing the full internet experience of MSN to users in the region.

In 2011, Khaled also served as Group Executive Chairman of OTH as well as Chairman of Wind Italy. Khaled currently serves as a board member of various telecom and IT companies, including Orascom Telecom Media and Technology Holding S.A.E.; SUPERNAP International S.A., the developer of the world-renowned SUPERNAP data centers; and Joyent Inc., a global provider of cloud computing software and services.

He is the chairman of the board of Italiaonline S.p.A., the leading Italian Internet Platform and the #1 email service in Italy; as well as the chairman of the board of SEAT Pagine Gialle S.p.A., the Italian leader in internet services for SMEs (website, directories, local adv).

He is also a board member of Orascom Construction Limited, a company dually listed on NASDAQ Dubai and the Egyptian Stock Exchange.

Khaled is also a member of the Advisory Board for the Computer Science and Engineering Department of the American University in Cairo. He was previously a member of the GSMA board.

Khaled holds a Bachelor of Science degree from the American University in Cairo.

ANTONIO CONVERTI



Original from Calabria, born in Catanzaro on 10 May 1955, he is considered one of the pioneers of the Italian internet. He currently holds the office as Chief Executive Officer of Seat Pagine Gialle S.p.A..

In 2015 Italiaonline S.p.A. becomes the majority shareholder of Seat Pagine Gialle and the board of directors of this letter appoints him as CEO.

In 2013 he incorporates Italiaonline S.r.l. subsequent to the merger by incorporation of Matrix S.p.A. The company groups together all brands and assets of Matrix S.p.A. and Libero S.r.l. and imposes itself as the first Italian Internet company. In 2014 Italiaonline becomes a joint stock company.

In 2011 he is President and Chief Executive Officer of Libero S.r.l., company managing the homonymous portal and controlling the internet service provider Itnet S.r.l., provider of hosting and cloud computing services to enterprises.

In 2003 he holds within Wind Telecomunicazioni S.p.A. various roles in the top management. Manager of the Portal & Vas Business Unit, head of added value services on fix and mobile network and of products for mobile Internet surfing. He then becomes Chief Executive Officer of Italia Online S.p.A., a company controlled by Wind Telecomunicazioni S.p.A. which manages the libero.it portal.

In 2001 he moves to H3g S.p.A. where he holds the office as Managing Director of the company controlled by the Hutchison Whampoa group. He takes part in the start-up and manages the consumer division. He is a member of H3G Steering Committee.

In 2000 he manages the Internet division of Wind Telecomunicazioni S.p.A.. He develops the consumer Internet offer and the Inwind portal (www.inwind.it) bringing it from the 48th to the 7th position in Italy (source *Nielsen NetRatings*). In the same period, he doubles the number of Internet customers increasing them from 0.5 to more than 1.2 million and manages the “2001 Internet event”: Mina’s return, on exclusive, on the Inwind portal. He is a member of the Steering Committee of Wind Telecomunicazioni S.p.A.

In 1999, as head of the web services division of Infostrada, he is responsible for the development of the Italia Online (www.iol.it) and Libero (www.libero.it) portals. Managing Director of Italia Online S.p.A., Internet company of Infostrada. The Italia Online portal with 125 million pages seen becomes the first Italian portal in January 2001. The company has a headcount of 65 people and a turnover of 30 billion lire. He is also member of the Steering Committee of Infostrada S.p.A

Since 1997 he is devoted to the web. Head of Production and Development at Italia Online S.p.A., company belonging to the Olivetti group. He invests and develops Arianna, first search engine in Italy and Digiland, first Italian virtual community. He designs and develops the main services in Italia Online basic offer, among which email and web hosting.

Again in Italia Online he leads a number of search programmes funded by the European Union in collaboration with other European companies and research centres. In the context of this experience he is project manager for the Eurosearch and Eurogatherer projects.

In 1995 he is Head of the Olivetti’s Telemidia lab in Pisa. He coordinates research and development activities on the Internet, e-commerce and videoconference services. He is the Manager of the European MIMICS project, for the development of multipoint videoconference services and conducted in collaboration with a consortium of European partners, among which British Telecom.

In 1992 he is Manager of the multimedia labs of Olivetti Ricerca that, with offices in Pozzuoli (NA), Cosenza and Pisa, count approximately 50 researchers with activity in the area of convergence between the industry of information technology and that of telecommunications. He designs and realizes the PCC, in collaboration with the British Telecom labs in Martlesham (UK), the first videoconference system worldwide based on Personal Computer, presented in November 1992 at the Time Conference of London. He also develops the public multi-service “Touch@” and “Mosaico” terminals, both



equipped with a videoconference system and realised respectively for Thomas Cook (UK) and Telecom Italia. He coordinates Olivetti's participation in the M-Cube, Oasis and Osmose European projects.

In 1989 he manager a Research and Development lab at Olivetti Systems&Networks. The unit, comprised of 30 people, develops projects in the sector of multimedia systems and played a crucial role in the innovation of the Olivetti offer.

In 1985 he is Project Leader in the Olivetti's Research Division. He develops an advanced office automation system for the management of multimedia documents. Some activities are in collaboration with European partners in the context of the Esprit Multos and Comandos projects.

In 1982 he is System Engineer and Project Leader at Syntax S.p.A. He then becomes team leader for the compiler development of the ADA programming language. For about one year he works in the Boston area (US), in the context of a collaboration with the company General System Group of Salem (NH)

In 1980 he is researcher at Zeltron S.p.A, Zanussi group. He takes part in the MUMICRO research project for the development of a programming language dedicated to multi-microprocessor systems.

With a degree at the Università degli Studi di Pisa in Information Sciences, he submitted a graduation thesis dedicated to the realisation of a programming language for multi-microprocessor architectures.

DAVID ALAN ECKERT

For 25 years, David Eckert has been a serial CEO who specializes in revitalizing companies. He has led businesses in industries ranging from industrial valve manufacturing to education to internet services to oil recycling to financial services to environmental services to retailing, and ranging in annual revenue from US\$40 million to US\$2 billion.

David's most recent engagement was as CEO of the Hibu Group, whose thousands of employees on four continents provide print advertising, websites, and other internet services to small and medium enterprise customers.

Before his CEO roles, David was a Vice President and Partner at Bain & Company, where he concentrated on corporate strategy and profit improvement.

Since 1991, David has sat on or chaired dozens of parent or subsidiary boards of directors, in and beyond his native U.S. Among the boards he has served on are those of X-Rite, Inc. (NASDAQ: XRIT), Safety-Kleen Systems, Inc., the Hibu Group, and Clean Harbors, Inc. (NYSE: CLH).

David was awarded an MBA from the Harvard Business School, where he was a Baker Scholar and a Loeb Rhoades Fellow. Earlier, he received a bachelor's degree with highest distinction from Northwestern University, majoring in mechanical engineering and economics.

SOPHIE SURSOCK

Sophie is currently in charge of corporate finance in Accelero Capital. Sophie is also a Co-Founder of Accelero Capital. Prior to this position she was a Corporate Finance Manager at Orascom Telecom Holding S.A.E/Weather Investments. Sophie was responsible for business planning and liquidity analysis throughout the Orascom Telecom and Weather groups. During this time, Sophie's key roles were M&A transaction as well as overseeing debt and equity capital markets' issues and liability management.

Before joining OTH in 2007, Sophie held the position of Senior Analyst, M&A Transaction Service at Deloitte's corporate finance division. She was part of the team handling financial advisory and due diligence for Private Equity and corporate clients. Preceding her position at Deloitte, Sophie was the



Junior Project Manager at PrimeCorp Finance S.A. where she was involved in the structuring of a 100-million euro technology fund.

Before joining PrimeCorp, Sophie also held the position of Junior Investment manager at Axa Investment.

Sophie received a Bachelor in Business Administration and an MSc in International Business from Paris Graduate School of Management (ESCP-EAP). In addition she successfully completed a student exchange program in Bangkok achieving a Certificate in the Management of Technology

ONSI NAGUIB SAWIRIS

Onsi N. Sawiris is Managing Partner and Co-Founder of HOF Capital and is also a Director and Co-Founder of Energal. He co-founded HOF Capital to focus on investing in emerging growth technology start-ups that have an international scope leveraging his expansive and diverse network in Egypt and the MENA region to assist companies in expanding their global footprint. Onsi also co-founded Energal, a startup that focuses on tapping into the energy providing renewable energy solutions such as smart meters, solar power solutions across many verticals as well as hybrid power systems. Prior to that, he was working as an analyst at Arma Partners, an investment bank which specialises in sell-side M&A advisory in the TMT space.

Onsi is a board member of Mariposa Holdings Group and World Capital Services and holds a Mechanical Engineering degree from the Massachusetts Institute of Technology (MIT).

CORRADO SCIOLLA

Born in Mondovì (Cuneo) on 24 February 1963

WORK EXPERIENCE

BT GROUP

Since March 2013 – PRESIDENT, EUROPE & Global Telecom Markets, BT CONTINENTAL.

BT is present in over 40 European countries (outside the United Kingdom) and employs more than 8000 staff.

2011–2013 President and CEO, BT France, Paris. He also served as CEO of BT Italy.

In BT France, he worked in the ICT area with almost all of CAC 40 companies.

2004–2013 CEO, BT Italy (formerly Albacom) – Milan/Rome.

BT Italy is Italy's second telecommunications service provider in terms of sales.

In March 2004, Corrado Sciolla was appointed Chief Executive Officer and General Manager of Albacom (subsequently wholly acquired by BT in 2005) and launched a complete turnaround of the company, turning it into the major BT entity outside the United Kingdom.

WIND S.p.A.

2001-2003 general DIRECTOR

Serving as General Director, Corrado Sciolla was in charge of implementing the Wind strategy. He headed the areas of Marketing (fixed, mobile and online), Sales (private and business segments), Network, Customer Care and IT systems, managing more than 8000 staff.

SYNTEK CAPITAL A.G.

2000–2001 CHIEF INVESTMENT OFFICER and DIRECTOR

SYNTEK is an investment holding company operating in the new tech, telecommunications and media sectors, with offices in Munich, Milan, New York and Tel Aviv.

Corrado Sciolla oversaw all company's investment and divestment transactions.



NEWS CORP Europe/Stream

1999-2000 BUSINESS DEVELOPMENT DIRECTOR at NEWS CORP Europe/ CEO of Stream – Milan/Rome

Serving as Business Development Director of News Corp and CEO of Stream, Sciolla was able to implement the strategic development of News Corporation in continental Europe and started the relaunch of Stream (Italy's second pay TV).

McKINSEY and VALUE PARTNERS

1993-1998 - SENIOR ENGAGEMENT MANAGER , Strategic consulting – Milan.

In his role as Senior Engagement Manager and Head of media-multimedia practice at McKinsey for Italy, Corrado Sciolla managed several projects within the telecommunications, media and retail areas.

OTHER SIGNIFICANT ROLES HELD

2010-2013 MEMBER OF THE BOARD OF CONFINDUSTRIA SERVIZI INNOVATIVI with delegated powers on International issues.

2007-2013 VICE PRESIDENT of ASSTEL.

TRAINING

1992 INSEAD Fontainebleau – Master degree in Business Administration (Fellowship FIDIS).

1988 POLYTECHNIC OF TURIN – Electronic Engineering Degree

LANGUAGES

Italian, English, French.

MARIA ELENA CAPPELLO

In 1991, she joined Italtel S.p.A. as System Consultant in the Switching OSS Business Unit. In 1994, she joined EMC Italia S.p.A. where she was then appointed Head of Public Administration Sales Area and of the Telecom Division.

In 1998, Maria Elena Cappello joined Compaq Computer (subsequently Hewlett Packard) EMEA in Munich (Germany), where she worked as EMEA Storage Division Marketing Manager, EMEA Storage Division Business Development Manager, EMEA Compaq Global Services Executive Director and EMEA Service Provider Group Executive Director.

In 2002, leveraging her entrepreneurial skills, she founded and expanded Metilnx Inc., an innovative European software company operating in the USA. In 2005, she became Sales Senior Vice President at Pirelli Broadband Solutions S.p.A.

In 2007, she joined Nokia Siemens Networks (currently Nokia) as worldwide Strategic Marketing Manager, subsequently serving as Chief Executive Officer, General Director and Vice President of the Board of Directors at Nokia Siemens Networks Italia S.p.A. She currently serves as Independent Director at Prysmian S.p.A, Saipem S.p.A and Monte dei Paschi. Moreover, she is a member of the Global Female Leaders Summit's Advisory Board.

Previously, she was Independent Director of Sace S.p.A and member of the Management Board of A2A S.p.A.; she Chairs the Research and Innovation group of the External Investors Committee of Confindustria and she is a member of the Steering Committee and Vice President of GSA (Global Mobile Supplier Association)

CRISTINA FINOCCHI MAHNE

Business economist, Professor of Economics of Industrial and Banking Groups (Advanced Business Administration), on the faculty of the degree program in Advanced Economics, at the University of Rome La Sapienza; Professor of Corporate Governance at the Luiss Business School, on the faculty of the international MBA.

Director and member of the appointments and remuneration committee of Inwit (Borsa Italiana); Director and member of the control and risks committee, the appointments and remuneration committee and the related parties committee of the Trevi Group, (Borsa Italiana FTSE Mid Cap); Director and member of the control and risks committee and the related parties committee of the Banco Desio Group (Borsa Italiana); Director of Natuzzi (NYSE). Co-President for Italy and member of the executive committee of WCD, international think tank on best practices in corporate governance. WCD counts over 3000 directors from throughout the world, including both executive and independent directors, sitting on over 5000 boards of listed companies, with an aggregate total market capitalization of USD 8,000 billion.

Previously, she was a Member of the Management Committee, as Head of Investor Relations and Group Strategic Communications for important blue chip financial companies having market capitalization exceeding Euro 5 billion. She was also member of the board of directors of a strategic consultancy firm specialized in financial and corporate governance communications, from its listing on the Stock Exchange until 2013. She was a writer/creator and anchor-woman of Watchdog, the very first television program focusing on governance issues, which was on air from 2004 until 2012 on Class CNBC, the business and financial channel SKY 507.

She began her career in the corporate finance division of Euromobiliare, an investment bank that was initially controlled by HSBC, and later gained extensive experience in finance with Tamburi&Associati, JP Morgan and Hill&Knowlton.

She earned her Economics degree from the University of Rome La Sapienza, and a Master in Business Administration from LUISS Business School, with specialization in Corporate Finance and International Marketing. Later, she attained additional specializations in finance and management skills in Los Angeles and London.

For her professional achievements, in 2003, she received the Distinguished Executive Award from Luiss University and in 2007, she received the Best in Class award from La Sapienza University, Economics Department. She is a presenter at national and international conferences and the author of numerous articles and papers published in leading financial newspapers and international publications.

Antonia COSENZ

Antonia Cosenz, lawyer, is currently responsible for the Extraordinary Operations and Finance Legal of Banca Popolare di Milano. In this context, she deals with legal issues, corporate and regulations related to the management of extraordinary operations of the Bank and the Group as well as the operations of the finance and capital markets (equity & debt) for the BPM Group.

Before entering in Banca Popolare di Milano, she has gained established experience in a very important Italian law firm specialized in corporate and capital markets, providing care for major broadcasters and Italian and foreign financial institutions in capital market operations, corporate finance, private and public M & A; previously, she has also worked with the legal department of Sicilcassa SpA, bank in Compulsory Administrative Liquidation, for the management of litigation about liquidation.

Antonia Cosenz graduated in Law at the University of Palermo, in 2002 she obtained the license to practice as a lawyer.

With reference to criterion 1C1 letter j), it should be noted that - as for the internal dealing and the disclosure of inside information and making specific reference to the adoption by the Company of the regulations on market abuse-, the Company has adopted the following documents:

- the “Internal code of conduct for the handling of inside information”, with the aim of summarising the “general” principles adopted by the Company on the handling of inside information, defining and identifying the “parties involved”, the rules of conduct, disclosure obligations and sanctions. The Code, with the documents below attached thereto, represents the *corpus* of the Company, governing market abuse
- the “Procedure for the institution, updating and keeping of the Register of parties who have access to Inside Information”, for the purpose of guaranteeing compliance with the obligations prescribed on the procedures for the institution, keeping and updating of the “Register” of persons who, because of their working or professional activity or functions held, have regular or occasional access to “inside information” (pursuant to article 115-*bis* of the TUF). The Procedure (reflecting the policies put in place by the Company on handling of inside information referred to in the abovementioned “Code”) identifies the Function responsible for the keeping and updating of the Register, the Register's content, the parties to register, notice and disclosure obligations, updating and keeping procedures. The Register was instituted as from 1 April 2006.
- the “Internal Dealing Procedure”, effective from 1 April 2006, which annulled and superseded, as from the same effective date, the “Code of Conduct for Internal Dealing” previously adopted by the Company, in compliance with the Regulations of Borsa Italiana S.p.A.. The Procedure lays down a disclosure obligation (for the Contact Person identified in the Procedure, who, in turn, gives notice to Consob and the market) of transactions amounting to or in excess of Euro 5,000, conducted on the securities of the Company and of its subsidiaries, by (i) the “relevant parties” and (ii) “persons closely related to the relevant parties“. “Black-out periods” still apply, namely, fixed periods during which persons subject to the provisions of the Procedure are barred from conducting any transaction.

Furthermore, the Board of Directors has over time updated the Procedure on the “market disclosure of price-sensitive information” previously in force, in order to (i) acknowledge the new definition of “inside information” under article 181 of the TUF, (ii) envisage cases regarding “delayed disclosure” and (iii) establish rules of conduct on management of such information (thus, referring to the principles of the abovementioned “Code”). By means of this operating procedure (named “Procedure of Seat Pagine Gialle S.p.A. for the management and market disclosure of inside information”), the Company endeavours to assure equality of treatment for the public in general - and for all shareholder categories in particular – in compliance with the applicable regulations. The procedure identifies the Functions and Departments involved in the process, also regulating the procedure to be followed in the eventuality of requests for information by regulatory and market management bodies. The procedure also governs the activities to be performed when the Company meets with the financial community and with the press.

The Company provides evidence of the above through the website at the following address: <http://www.seat.it/market-abuse-internal-dealing>.

As regards application criterion 1C3 of the Code, pursuant to which the Board expresses its view of the maximum number of positions as a director or as a statutory auditor (N.B.: in listed companies on regulated markets, including foreign markets, as well as in financial, banking, insurance companies or companies of major size, as specified under criterion 1C2 of the Code) that may be considered compatible with the effective performance of the duties of a Company director, taking account of the participation of the Directors in the Committees established within the Board -, the Board of Directors laid down general criteria that differed according to the commitment expected of each position (executive, non-executive or independent director), also in the light of the nature and the size of the companies in which such positions are held, as well as of whether they belong to the issuer's group. Specifically, the Board, most recently at the meeting of 24 April 2013, (i) confirmed (with respect to the practice applied in the past) as companies of a major size, apart from listed companies, those with a turnover of more than Euro 500 million; (ii) established the following limits to the numbers of positions, specifying that positions held in more than one company belonging to the same group (including the SEAT Group) are to be considered as one position, the one that entails the greatest degree of professional commitment prevailing:

- maximum number of positions as non-executive director for a SEAT Executive Director in the companies indicated above: no more than 3
- maximum number of positions as non-executive director for an Executive Director in the companies indicated above and non-executive or independent director in SEAT: no more than 5
- maximum number of positions for a Non-executive director or as a statutory auditor in the companies indicated above and non-executive or independent director in SEAT: no more than 8.

Furthermore, it should be noted that on 24 April 2013 the Board also resolved, for the purposes of the achievement of the previous thresholds, to also calculate the position deriving from the participation in the Control and Risk Committee.

Having stated this, as regards offices held by our Directors as statutory auditors or directors of companies indicated in article 1C2 of the Code, we highlight - based on the information received - the following:

CHART OF RELEVANT OFFICES

Khaled Bishara	Member of the Board of Directors of Orascom Telecom Media and Technology Holding S.A.E., Member of the Board of Director of Orascom Construction Limited Member of the Board of Director of Orascom Hotels and Development S.A.E.
Antonio Converti	Member of the Board of Directors and Chief Executive Officer Italiaonline S.p.A. Member of the Board of Directors of ITnet S.r.l. Member of the Board of Directors of Joyent, Inc., San Francisco Member of the Board of Directors, President and Chief Executive Officer of Moqu Adv S.r.l.

David Alan Eckert	-
Sophie Sursock	Member of the Board of Director of DADA S.p.A.
Onsi Sawiris	-
Corrado Sciolla	-
Maria Elena Cappello	Member of the Board of Directors of A2A SpA Member of the Board of Directors of Saipem SpA and Chairman of the Appointment and Remuneration Committee Member of the Board of Directors of Banca Monte dei Paschi di Siena, Chairman of the Remuneration Committee and member of the Appointment Committee Member of the Board of Directors of FEEM (Fondazione Eni Enrico Mattei) Member of the Board of Directors of Prysmian SpA and member of the Control and Risk Committee
Cristina Finocchi Mahne	Member of the Board of Directors of Inwit Member of the Board of Directors, of the Control and Risk Committee, of the Related-Party Committee and of the Appointment and Remuneration Committee of Trevi Group Member of the Board of Directors and of the Control and Risk Committee, of the Related-Party Committee of Gruppo Banco Desio Member of the Board of Directors of Natuzzi
Antonia Cosenz	-

The current composition of the Board then complies with the abovementioned general criteria about the maximum number of positions held.

Operation of the Board of Directors (article 123-bis, paragraph 2, letter d) of the TUF)

As regards minimum frequency of Board **meetings**, article 16 of the Corporate By-Laws envisages that Board meetings be held - normally - at least on a quarterly basis and in any case whenever deemed appropriate, or when at least two Directors or one standing Auditor ask the Chairman in writing to call a meeting, also indicating the agenda. Note that, in accordance with the provision under article 151, II C, of the TUF, as renewed by the Savings Act, the Extraordinary Shareholders' Meeting of 19 April 2007, resolved to formally approve, under article 16 of the Corporate By-Laws, the power of each member of the Board of Statutory Auditors to individually call the Board of Directors' meeting upon prior request to the Chairman of the Board itself.

In consideration of the activities relating to the closing of the composition procedure that affected the Company, of the successions within Seat corporate bodies and the beginning of the integration process with Italiaonline, it should be noted that, over the course of the year, the Board of Directors held a high number of meetings: in particular, in the course of 2015, the Board of Directors in office met 4

times² as of its establishment, occurred on 8 October 2015. The participation of the Directors holding office in the meetings held in 2015 was significant; specifically, with regard to the Directors holding office on 31 December 2015, the attendance percentage was approximately 94% (the table attached to this report specifies the number of meetings attended by each Director). It should be noted that the average duration of the meetings held by the Directors holding office as at 31 December 2015 was equal to about 1.20 hours.

It should be pointed out that as at the date of this Report, the Board has, since 1 January 2016 met 4 times, due to the activities related to the beginning of the Seat IOL Merger process and that, for 2016, other 3 board meetings have already been planned, in line with the announcement made to the Market on 29 January 2016 on the occasion of the publication of the 2016 financial calendar.

It should be noted that calendar for year 2016 includes, at present, essentially the meetings of the Board of Directors concerning the approval of financial-corporate documents included on the financial calendar.

The Chairman of the Board of Directors strives for the information and documents necessary for the Board to take the decisions for which it is responsible to be provided to its members - where possible - in a satisfactory and timely manner. At the request, the Company's management may attend board meetings to supply any detailed information on the issues on the agenda that may be appropriate. Pursuant to the application criterion 1C5, in the course of the meeting of 24 April 2013 the Board resolved to set a time limits of 3 days for a fair prior notice for the transmission of the documents to be used by the Board on an ordinary basis. In urgent cases, this prior notice may be reduced to one day.

With regard to the exceptions to the non-competition obligation (as regards the critereon 1C4 of the Code), note that all the Directors have declared to the Board that they do not perform any activities that compete with those of the Issuer, also undertaking to notify any significant change if this event should occur.

Composition of the Board of Directors/Delegated bodies (Article 2 of the Code)

Within the Board of Directors currently in office the Company has appointed two different directors, the President and the Chief Executive Officer, to hold corporate positions further identifying a Vice-President entrusted with supporting functions to the Chief Executive Officer in specific areas. Pursuant to the application criterion 2C1, only the Chief Executive Officer – Mr. Antonio Converti – and Vice President - Mr. David Alan Eckert – may be considered executive Directors. The other directors, who are therefore non-executive directors, are therefore such, in terms of number, authority and authoritativeness, as to assure that their opinion carries significant weight in Board decision-making; specifically, they particularly supervise areas where conflicts of interest may arise.

² For the sake of completeness please note that (i) the Board of Directors the mandate of which expired with the shareholders' meeting of 23 April 2015 met on 6 occasions and that (ii) the Board of Directors appointed by the shareholders' meeting of 23 April 2015 met on 13 occasions until 8 October 2015.

For the sake of completeness, please further note that the administrative body appointed by the shareholders' meeting of 23 April 2015 – the mandate of which expired with the shareholders' meeting of 8 October 2015 - on 24 April 2015 deemed necessary to appoint a lead independent director in the person of David Alan Eckert because the Chairman in office at the time (Mr. Vincenzo Santelia) was also the main person responsible for business management.

Furthermore, subsequent to the resignation from the office of the Lead Independent Director of the Company by Mr. Eckert on 20 July 2015, Seat Board of Directors subsequently resolved to appoint Maria Elena Cappello as new Lead Independent Director.

As regards the application criterion 2C2 of the Code, pursuant to which the directors are required to be aware of the duties and responsibilities inherent to the position, it should be noted that the “Code of Conduct” of SEAT (as approved by the Company while adopting the regulation on market abuse, referred to below), as well as the “Internal Procedure for Board of Directors’ Meetings” allow directors to act knowledgeably and to be acquainted with the responsibilities and duties involved in their positions.

In order to enhance knowledge of the corporate activities and dynamics, it should also be noted that the Chairman sees that Board of Directors’ Meetings (i) normally envisage the attendance of the Company’s CFO (who is also the Manager responsible for preparing the Company’s financial reports pursuant to article 154-*bis* of the TUF, referred to below), also in order to supply the necessary information support to directors requiring clarification about corporate procedures; (ii) envisage the attendance of the corporate officers directly concerned when matters of specific corporate interest are to be considered, in order to ensure that the questions for which the directors are responsible can be properly dealt with; (iii) are held, where possible, at the Company’s offices, or in any case with modalities that may allow meetings to be arranged with the company’s management after the Board Meeting itself, so that corporate issues may be examined in greater depth.

It should be noted that, in consideration of the considerable number of board meetings in the context of the definition of the Seat IOL Merger plan, meetings have been held which allowed Directors to gain better knowledge of the business area in which the Issuer operates, of the business situation and operations.

Finally, it should be recalled that on 24 April 2013 the Board of Directors had granted an express mandate to the Chairman to identify, in the course of the financial year, meetings and initiatives aimed at allow an adequate knowledge of the Company and of the management.

For a more complete disclosure, below are listed the attributions of the Chairman and of the Chief Executive Officer, as well as information about the power delegation system.

The **Chairman** is vested with powers of corporate signature and legal representation of the Company vis-à-vis third parties and before courts. The Chairman - who is not ordinarily vested with operating powers - is ordinarily responsible for organising the board proceedings and for acting as a connection between the executive director and the non-executive directors.

The **Chief Executive Officer**, Mr. Antonio Converti, oversees the technical and administrative performance of the Company and ensures the execution of the resolutions passed by the Board of Directors; Mr. Converti is vested with powers of corporate signature and legal representation of the

Company vis-à-vis third parties and before courts, as well as – in accordance with the applicable obligations laid down by the law and by the Corporate By-Laws, in terms of matters that cannot be delegated by the Board of Directors – specific powers and responsibilities aimed at ensuring the operational management of the corporate activities, within a general limit of an amount up to Euro 5 million. For some types of deeds, specific limits are envisaged.

The Chief Executive Officer has also been appointed as director responsible for the internal audit and risk management system (referred to below).

The **Vice Chairman**, Mr. David Alan Eckert, is responsible – without prejudice to the powers of the Chief Executive Officer and/or Board of Directors and in addition to the powers provided for pursuant to the applicable laws and regulations – for supporting the Chief Executive Officer in defining and implementing the Company’s strategic plan, as well as in relation to commercial transactions of strategic relevance.

Independent directors (Article 3 of the Code)

The Board of Directors adopts a procedure to assess the independence of the directors, pursuant to which the Directors, after the appointment and on an annual basis, sign an appropriate declaration form (for submission to the Board of Directors and to the Chairman of the Board of Statutory Auditors), in which they certify that they meet the independence requirements under article 3 of the Code, if they in fact do so, with specific regard to the valuation criteria under the application criterion 3C1 of the Code.

On the basis of the information received, the Board – during the meeting of 15 March 2016 – considered whether the independence requirements as regards each of the non-executive directors were met and, accordingly, acknowledged and confirmed the independence of Directors Corrado Sciolla, Maria Elena Cappello, Antonia Cosenz and Cristina Finocchi Mahne. Note that the abovementioned Directors also meet the independence requirements under article 148, paragraph 3, of the TUF.

It should also be noted that, on the basis of the outcome of the Board’s “self-appraisal” questionnaires (referred to above, reference to the application criterion 1C1, letter g), of the Code), the number and the qualifications of the independent directors were considered satisfactory, also for the purposes of setting up committees.

It should be noted that on the occasion of the appointment of the Board of Directors currently in office by the Ordinary Shareholders’ Meeting held on 8 October 2015, the Directors Corrado Sciolla, Maria Elena Cappello, Cristina Mollis and Cristina Finocchi Mahne declared that they meet the independence requisites provided under the combined provisions of articles 147-ter, paragraph 4 and 148, paragraph 3, of Legislative Decree 58/1998 and the Corporate Governance Code of Listed Companies, as indicated the related press release issued by the Company and available on the Company’s website at www.seat.it, at the link

<http://www.seat.it/comunicati-stampa/-/listing/2015/insediato-il-nuovo-consiglio-di-amministrazione-definita-la-struttura-di-governance-antonio-converti-confermato-amministratore-delegato>.

Similar declaration has been given by the Board Member Antonia Cosenz in respect of the co-optation by the Board of Directors on 10 November 2015, as by the way indicated the related press release issued by the Company and available on the Company's website at www.seat.it, at the link <http://www.seat.it/comunicati-stampa/-/listing/2015/il-consiglio-di-amministrazione-approva-il-resoconto-intermedio-di-gestione-al-30-settembre-2015>.

It should be noted that, in accordance with the application criterion 3C5 of the Code, the Board of Statutory Auditors verified the application of the criteria and of the above procedure, adopted by the Board of Directors to assess the independence of its members.

Without prejudice to the frequency of board meetings in 2015 for the above stated reasons, please note that during the financial year, independent directors from time to time in office met several times, in particular with reference to (i) to issuance of the opinion of independent directors under art. 39 bis of Consob Issuers' Regulation for the purpose of the publication of the so called "Issuers Notice" in the context of the Public Tender Offer and (ii) the activities carried out by the Independent Directors Committee in its functions under the procedure in the matter of related parties transactions adopted by the Company in respect of the Seat IOL Merger.

however, we deem said meetings not to be relevant with reference to the provisions of criterion 3C6 of the Code - pursuant to which the independent directors must meet at least once a year in the absence of other directors – because in both cases said meetings did not concern all independent directors in office.

Internal committees of the Board of Directors (Article 4 of the Code; article 123-bis, paragraph 2, letter d) of the TUF)

In accordance with principle 4P1 and criterion 4C1 of the Code, the Board of Directors finally established, by resolution of 8 October 2015, the following internal committees:

- the **Appointments and Compensation Committee and**
- the **Control and Risk Committee,**

with proactive and consultative functions.

It should be noted that, in accordance with the comments on article 4, the Board, by reason of the organisational structure of the Group, as well as of the competences expressed by the designated members, has resolved that the functions referred to in articles 5 and 6 of the Corporate Governance Code must be carried out by a single Committee (Appointments and Compensation Committee) made up of three members provided with adequate professional skills for these functions.

A chairman has been appointed for both the Committees. Duties are defined by resolution of the Board of Directors, in line with the provisions of articles 6 and 7 of the Code, and may be supplemented or changed by a subsequent resolution of the Board.

Committees are entitled to access corporate information and departments as necessary for the performance of their functions.

In this regard, the Chairmen of the two Committees are also entitled to submit specific requests for resources for the Committees in consideration of specific requirements that will be reported to the Board from time to time.

Persons that are not members of a Committee, including any members of the Company's Board or structure, may attend meetings of each committee with reference to specific items on the agenda, upon invitation by the Chairman (note that minutes of meetings are recorded).

For precise information regarding the Appointments and Compensation Committee and the Control and Risk Committee (institution, composition, duties, work actually done during the financial year, number of meetings and members' attendance percentage), see comments to articles 5, 6 and 7 of the Code below, respectively.

[Appointment of directors - Remuneration of directors \(Articles 5 and 6 of the Code\)](#)

As specified above, the Board resolved to establish a single Committee with the task of performing the duties referred to in articles 5 and 6 of the Corporate Governance Code.

In accordance with the articles 5P1 and 6P3 of the Code, the Committee in question is currently fully composed of non-executive directors, who are independent directors, in the persons of Antonia Cosenz (Chairman), Cristina Finocchi Mahne and Corrado Sciolla.

It should be noted that the chairmanship is then entrusted with an independent Director and that all the members have adequate knowledge and experience of financial issues or remuneration policies.

Finally, the Committee was appointed by the Board of Directors on 8 October 2015.

As regards the **functions referred to in article 5 of the Code**, the Committee in question performs the following duties:

- to submit opinions to the board as to the size and composition of the same, and to express recommendations as to the professionals the presence of which within the Board is deemed appropriate, as well as on the arguments referred to in articles 1C3 and 1C4;
- to submit proposals to the Board on the candidates to the position of director in the cases of co-option where it is necessary to replace independent members.

Furthermore, with reference to article 5C2 of the Code, it should be noted that the Board did not assume any resolution as regards the adoption of a plan for the succession of executive directors.

As regards the duties performed by the Committee pursuant to article 6P4 of the Code, it should be noted that the same submits proposals to the Board of Directors on the remuneration policy of directors and executives with strategic responsibilities.

That said, on 4 April 2016 the Board adopted a Remuneration Policy, according to what illustrated in the Report on remuneration to which reference is made

On 8 October 2015, in accordance with the critera 6C5 of the Code, such Committee was assigned by the Board of Directors the task of:

- periodically assessing the adequacy, the overall consistency and the actual application of the policy for the remuneration of directors and of the executives with strategic responsibilities, with regard to

the latter, it will make use of the information provided by Chief Executive Officers; submitting proposals to the board of directors concerning this issue;

- submitting proposals or giving opinions to the board of directors concerning the executive directors' compensation and that of other directors holding particular positions, as well as the performance targets correlated to the variable component of such remuneration; monitoring application of the decisions adopted by the board itself, specifically verifying the actual achievement of the performance targets.

Unless expressly invited to provide supporting information, no director takes part in Committee meetings in which proposals regarding his/her emoluments are submitted to the Board of Directors (criterion 6C6 of the Code). Furthermore, should the Committee intend to make use of services rendered by a consultant in order to obtain information on market practices concerning remuneration policies, the Committee will preliminarily verify that he/she is not in a situation which could compromise his/her independence of opinion.

Finally, in accordance with the "comment" on the article 6 of the Code, it should be noted that the Appointments and Compensation Committee

- is supported, in performing its duties, by the competent corporate departments;
- provides for the participation of the Chairman of the Board of Statutory Auditors or of any other Statutory Auditor appointed by the latter in its own meetings, in which any other statutory auditors may also participate.

Remuneration policy

Pursuant to art. 6.P.4 and criterion 6.C.1, please note that the remuneration policy for the Chief Executive Officer and managers with strategic responsibilities of Seat, as defined by the Board of Directors upon proposal of the Appointment and Remuneration Committee, can be divided in some main components:

- a fixed remuneration linked to the type / relevance of the office held
- a variable remuneration comprised of:
 - a Short term incentive: MBO linked to economic, financial and functional annual targets
 - a Long Term Incentive that following the shareholders' resolution of 8 March 2016, and subject to the effectiveness of the Merger Seat IOL is represented by a Stock Option Plan; please note that this is a means to align the interests of long-term management and shareholders through a Stock Option Plan to align the long-term interests of the management and those of shareholders, structured in two 2 tranches:
 - 2014 – 2016 Plan (former IOL Plan)
 - 2016 – 2108 Plan
- corporate benefits such as health, life and accident Insurance, Supplementary pension scheme, Company car, Cell phone and IT devices
- tools and agreements to protect against competition risk and indemnities linked to the activity carried out, where appropriate

The remuneration components address different needs and are structured as follows:

- A) The fixed component and the variable component are adequately balanced depending on the strategic targets and the management policy of the Company, the organisational relevance and type of role, also taken account of the business sector in which it operates, of the features of the activity actually carried out and of the market practices.
- B) In terms of economic weighting balancing of the various elements, in case of achievement of the targets set, the annual bonus that can be paid at 100% target (MBO) is basically as follows:
 - a. For the Chief Executive Officer at 31%³ of the overall remuneration package that takes account of fixed remuneration, remuneration as board member, short-term Incentive and estimate of the Stock Option Plan annual value;
 - b. For the other Managers with Strategic Responsibilities, in a range between 30% and 40% of the overall remuneration that takes account of fixed remuneration plus short-term variable component; the percentage is linked to the organisational relevance and nature of the office held.

The annual bonus is capped at a maximum of 150% of the value at target.

In aggregate, the economic impact of the bonus compared to the fixed remuneration has the result that the relating cost for the Company is sufficiently variable, allowing for a good risk hedging, in case of business performance below expectations.

- C) The fixed remuneration guarantees an adequate and certain base remuneration for the service rendered also in case of failed payment of the variable component due to the failed achievement of the performance targets assigned.
- D) The annual bonus aims at the achievement of annual results for the Company and the Group. The logics and features of the MBO system, together with the main principles for the achievement of the bonus, are submitted to the Appointment and Remuneration Committee and approved by the Board of Directors. The Board of Directors of the Company, upon proposal of the Appointment and Remuneration Committee and with the support of the Human Resources Department, defines the remuneration policy of the Chief Executive Officer and of managers with strategic responsibilities.
- E) The short-term variable bonus (MBO) does not provide for deferral forms.
- F) Clawback mechanisms of bonuses paid are provided for.
- G) No indemnity payment for early cessation of relationship is provided for in favour of directors.

Please note that the Stock Option Plan rewards the achievement of key medium-term business targets:

- a. provides for a 36-month option vesting period from grant date;
- b. the vesting of option rights is triggered by the achievement of a minimum threshold of 85% of the cumulative ebitda for the reference period
- c. furthermore, the 2016 – 2018 Stock Option Plan provides for:
 - i. in respect of Managers with Strategic Responsibilities, a 24-month lock up clause from the subscription and/or purchase date, for a portion equal to 25% of the shares; for Managers with Strategic Responsibilities who also are Executive Directors, the time limit is extended until the end of the mandate, where later;

³ The percentage is calculated by reference to the compensation package that will be to the efficacy outcome of Seat IOL Fusion during 2016.

- ii. a claw back clause within 5 years of the vesting date.

It should be noted that during 2015 the Committee met 10 times – 3 of which by the Committee established on 8 October 2015 - (for an average of about 1 hour and 20 minutes) during which it essentially did the following:

- resolved upon the compensations to be paid to the members of the Board of Directors that resulted holding particular offices and functions. In particular it reviewed, expressing where possible recommendations to the Board, the remuneration due (i) to the members of internal committees of the Board of Directors, (ii) to the Lead Independent Director of the Company and (iii) to board members holding the offices of Chief Executive Officer and Vice Chairman, this latter in his supporting role to the Chief Executive Officer;
- approved the main guidelines of the MBO 2015 mechanism for the management of the Company;
- assessed the achievement level of the performance targets provided as basis for the MBO 2015 sheet and the finalization of the target sheet 2014 for the Chief Executive Officers
- assessed the size, composition and functioning of the Board of Directors and its internal committees;
- examined the terms of the agreements with Mr. Santelia applicable to the case of occurrence of a change of control of the Company;
- expressed – taking account of the successions occurred within the administrative body in the course of 2015 – recommendations to the Board in respect of the replacement of resigning directors;
- expressed recommendations to the Board of Directors in respect of temporary initiatives to be adopted in case of early termination of the mandate of Mr. Santelia and accordingly in respect of the temporary replacement thereof in the offices held thereby;
- expressed a recommendation to the Board of Directors in respect of the Lead Independent Director to be appointed in replacement of Mr. David Alan Eckert;
- examined, expressing in this respect a recommendation to the Board of Directors, the quantification of the amount accrued by Mr. Santelia on account of bonuses relating to financial year 2015 until the date of his cessation from the offices held within the Company;
- expressed recommendations in respect of the determination of the target sheet for the Chief Executive Officer.

The percentage of attendance at the Committee's meetings referred to each member is reported in the special table attached hereto.

For the purposes of the comments on article 6 of the Code, pursuant to which the shareholders must be notified of the methods to perform the duties of the Committee, it should be noted that, in the course of the Shareholders' Meeting on 23 April 2015, Mauro Pretolani, as Chairman of the Committee in office at the time, reported on the tasks and activities performed in 2014.

From 1 January 2016 up to the date of approval of this Report, the Committee met twice.

It should be noted that the incentive mechanisms of the Manager responsible for preparing the Company's reports are consistent with the duties allocated (criterion 6.C.3). As regards the Internal Audit Manager, reference is made to the information reported in this regard in the paragraph relating to article 7 of the Code.

Directors' compensation

Directors are entitled to receive - besides reimbursement of expenses incurred in performing their functions - annual compensation of an amount established by the Shareholders' Meeting of 8 October 2015. It should be noted that, pursuant to article 2389, paragraph 3, of the Italian Civil Code, the Board of Directors then decides upon compensation for directors holding particular positions, after having received the Board of Statutory Auditors' opinion.

Non-executive directors (whose compensation is proportioned to their commitment, also taking account of their participation in the Committees' meetings) are not the beneficiaries of share incentive schemes.

The Vice President's compensation – in his supporting role to the Chief Executive Officer as represented above - is fixed, whereas that of the Chief Executive Officer is to a large extent variable.

Please note that no specific compensation has been granted for the role of President.

Finally, it should be noted that top management's compensation features a variable component dependent on results achieved in the managers' respective sectors and on individual targets.

Committee of Independent Directors

It should be noted that, in the implementation of the Regulation of Transactions with Related Parties – as approved by Consob resolution no. 17221 of 12 March 2010, as amended – the Board of Directors' meeting held on 8 October 2015 resolved to assign to the Control and Risk Committee (referred to below) the functions of the Committee of Independent Directors pursuant to and for the purposes of the provisions laid down in the aforesaid Regulation.

Internal Audit system

Internal Audit and Risk Management system (Article 7 of the Code)

1) Control and Risk Committee

The Control and Risk Committee, which was finally appointed by the Board meeting held after the shareholders' meeting on 8 October 2015, is made up of the Directors Cristina Finocchi Mahne (Chairman), Maria Elena Cappello and Antonia Cosenz⁴.

⁴ On 6 November 2015 Mrs. Cristina Mollis, non-executive director of the Company, resigned, with immediate effect, from the offices held within the Board of Directors of the Company for supervened personal commitments together with the increased and incompatible needs of her professional activity. Mrs. Mollis, as independent director, was Chairman of the Appointment and Remuneration Committee and member of the Control and Risk committee of the Company.

Please note that the Committee was previously comprised, until 23 April 2015, of Mr: Chiara Burberi (Chairman), Luca Rossetto and Harald Rösch. After the Ordinary Shareholders' Meeting of 23 April 2015, it was comprised of Michaela Castelli (Chairman), Maria Elena Cappello and Francesca Fiore; subsequent to the resignation on 4 September 2015 of Board Members Castelli and Fiore, the Committee was comprised – until 8 October 2015 – by Board Members Maria Elena Cappello (Chairman), Corrado Sciolla and David Alan Eckert.

The current Committee is comprised of independent Directors and adequately experienced in accounting and financial issues or risk management (in accordance with article 7.P.4 of the Code).

Meetings may be attended by the Chairman of the Board of Statutory Auditors or by another auditor, the Secretary to the Board of Directors and Internal Audit Manager, in addition to the members of the Committee. Furthermore, depending on the items on the agenda, meetings may also be attended, upon invitation by the Committee, by the Chief Executive Officer, as well as by the representatives of the Independent Auditors and the Company's management.

During the aforesaid meeting of 8 October 2015, the Board of Directors resolved to confer on the Committee the tasks described in article 7.C.2 of the Code⁵.

The Regulations of the Committee contain, coherently with the information in the Code, the rules for the appointment, composition and functioning of the Committee itself. Specifically, pursuant to the Regulations, as most recently approved on 18 December 2012 and in accordance with the abovementioned article 7C2, the Committee:

1. evaluates, together with the manager responsible for preparing the Company's financial reports and having heard the independent auditor and the board of statutory auditors, the correct use of the accounting standards applied and, in the case of groups, their consistency for the purposes of the preparation of the consolidated financial statements;
2. expresses opinions on specific aspects concerning the identification of the main business risks;
3. examines interim reports concerning the assessment of the internal audit and risk management system, and those of particular importance prepared by the internal audit function;
4. monitors the independence, adequacy, effectiveness and efficiency of the internal audit function;
5. may ask the internal audit function to carry out checks on specific operating areas, giving notice thereof to the chairman of the board of statutory auditors;
6. reports to the Board, at least on a six-monthly basis, on the occasion of the approval of the annual and half-year financial report, on the work carried out, as well as on the suitability of the internal audit and risk management system.

In performing its Supervisory Board duties, the Committee is permanently supported by the Internal Audit function and may make use of both other internal functions and external persons, whose professionalism might be necessary from time to time.

On 10 November 2015 the Board of Directors of the Company resolved to co-opt, having verified that the independence requirements were met, Antonia Cosenz in substitution of Board Member Cristina Mollis. Antonia Cosenz has also been appointed as Chairman of the Appointment and Remuneration Committee and member of the Control and Risk Committee.

⁵ As previously mentioned, the Board, in consideration of the fact that all members of the Audit and Risks Committee meet the independence requirements envisaged for the directors, also resolved to assign to the same committee the functions of the Committee of Independent Directors pursuant to and for the purposes of the provisions laid down in the Regulation on transactions with related parties.

The Control and Risk Committee met 13 times in 2015 (the average duration of the meetings was equal to about 2 hours) and 5 times from 1 January 2016 and up to the date of approval of this Report. During the meetings the Committee performed, *inter alia*, the following activities:

- monitored the development of the organisational and operational structure of the Internal Audit Department;
- examined and assessed the progress of the activities envisaged in the audit programme prepared by the Internal Audit Function for FY2013 and the results of the action taken;
- met with the Manager responsible for preparing the Company's financial reports, the top management of the Administration, Finance and Control department, the Board of Statutory Auditors and the representatives of the Independent Auditors in order to examine the main features of the annual Financial Statements as at 31 December 2014, the correct use of the accounting standards and their uniformity for the purposes of preparing the consolidated financial statements;
- met with the representatives of the Independent Auditors to examine the outcome of the audit work done;
- examined and assessed the method adopted in the performance of the impairment test, which are already being examined by the Independent Auditors;
- examined and evaluated the outcomes of the Enterprise Risk Management (ERM) process aimed at defining an integrated approach to the identification, assessment, management and monitoring of business risks;
- examined the "document describing the organisational, administrative and accounting structure" prepared by the competent corporate functions in order to contribute to the assessment of the Company's corporate governance system, of the Group's structure and of the organisational, administrative and accounting structure of Seat pursuant to Article 1.C.1 of the Code;
- expressed favourable opinion on occasion of "minor transactions", pursuant to the Procedure in the matter of related parties transactions.
- As regards the activity carried out in 2016 until the date of this Report, please note, *inter alia*, that with reference to the Merger by incorporation transaction of ItaliaOnline S.p.A. into Seat Pagine Gialle S.p.A. and in accordance with the Procedure in the matter of related parties transactions, the Committee – in its role as Independent Directors Committee – expressed its favourable opinion on the existence of an interest for the Company in the execution of the Merger, based upon the terms specified by the management in the draft Merger plan, as well as on the convenience and substantial fairness of the terms and conditions of the Merger.

The Committee has also provided a preliminary opinion to the Board of Directors for the performance of the duties entrusted to it pursuant to article 7C1 of the Code (referred to below).

The percentage of attendance at the Committee's meetings held in 2015 is illustrated in the special Table attached hereto.

2)) Internal Audit System

Pursuant to article 7.P.1. of the Code, it should be noted that the Company is provided with an internal audit and risk management system aimed at allowing the identification, measurement, management and monitoring of the main risks; this system is integrated into the more general organisational and corporate

governance structures and takes due account of the reference models and best practices applied at a national and international level.

As specified in article 7.P.3. of the Code, the internal audit system involves the Control and Risk Committee referred to above, i) the Board of Directors, ii) the Director responsible for the internal audit and risk management system, iii) the Internal Audit Manager, iv) the Board of Statutory Auditors, as well as v) other specific corporate roles and functions. The Company establishes the methods to coordinate these persons by holding special collective meetings that provide for the participation of the various supervisory bodies (Control and Risk Committee, Board of Statutory Auditors, Supervisory Board, External independent auditor, the Manager responsible for preparing the Company's reports and the Head of the Internal Audit Function).

The Company has sought to disseminate a culture at all levels of its business which is fully aware of the existence and usefulness of checks and controls. The Company's Ethics Code imposes responsibility on all for creating and maintaining an internal audit system which is effective throughout the organisational structure. As a consequence all staff, in the context of their specific activities, have responsibility for the correct functioning of the audit system.

2.1) Board of directors

The Board of Directors carries out activities of direction and assessment of the suitability of the internal audit system.

Pursuant to article 7.C.1. of the Code, the Board, subject to the preliminary opinion of the Control and Risk Committee:

- defines the guidelines of the internal audit and risk management system;
- pursuant to article 7.C.1., letter b), of the Code, has assessed the suitability of the internal audit and risk management system with respect to the features of the Company and the risk profile assumed, as well as its efficacy: such evaluation was conducted after the Board carried out its review of the adequacy of both the Company's corporate governance system and of the Group's structure, and the organisational, administrative and accounting structure of the Company (see the paragraph above concerning the "role of the Board of Directors", reference is made to article 1 of the Code); pursuant to article 7.C.1., letter d), of the Code, it has resolved that it considers the Company's internal audit system to be adequate, efficient and effective;
- approves the work plan prepared by the Internal Audit manager on an annual basis;
- assesses, after having heard the Board of Statutory Auditors, the results reported by the Independent Auditors in the letter of suggestions (if any) and in the report on the basic issues that arose at the time of the statutory audit of accounts.

Specifically, it should be noted that the Board examines, on an annual basis, the results of the ERM process (Enterprise Risk Management, referred to below, Paragraph 2.4.1.), aimed at the identification, assessment and monitoring of the main risks to which the Company is exposed. In this circumstance, the Board approves the work plan of the Internal Audit Function, after having heard the Board of Statutory Auditors and the Director responsible for the internal audit and risk management system.

Furthermore, the Board, upon a proposal by the Director in charge of the internal control system and with the Board of Statutory Auditors' favourable opinion, (i) appoints and dismisses the Internal Audit Manager, (ii) ensures that the same is provided with adequate resources to perform his duties and (ii) defines his remuneration consistently with the company's policies (referred to below).

2.2.) Director responsible for the internal audit and risk management system

In accordance with article 7.C.4. of the Code, on 8 October 2015 the **Chief Executive Officer** was identified by the Board of Directors as the Director responsible for the internal audit and risk management system. Accordingly, the following functions were assigned to him:

- ensuring that the main business risks have been identified, taking account of the characteristics of the activities carried out by the issuer and its subsidiaries, submitting them for consideration by the board of directors on a periodical basis;
- executing the guidelines defined by the board of directors, taking care of the design, implementation and management of the internal audit and risk management system and constantly assessing its adequacy and efficacy;
- being responsible for adapting the system to the dynamics of the operational conditions and the legislative and regulatory framework;
- asking the Internal Audit Function to carry out checks on specific operating areas and on the compliance with internal rules and procedures in the performance of corporate transactions, giving notice thereof to the Chairman of the Board of Directors, the Chairman of the Control and Risk Committee and the Chairman of the Board of Statutory Auditors;
- promptly reporting to the Control and Risk Committee (or to the Board of Directors) as to problems and critical issues that arise in the performance of his activity or which he is become aware of, so that the Committee (or the Board) may take the appropriate initiatives.

2.3.) Internal Audit Manager

As previously mentioned, the Company makes use of the Internal Audit Function.

The Internal Audit function is structured in such a way as to (i) check and ensure the effectiveness and efficiency of the Internal Audit System and (ii) ascertain whether the system provides reasonable guarantees that the organisation will be able to achieve its objectives economically and efficiently.

It should be noted that, in the Board's meeting of 8 October 2015, as proposed by Mr. Converti, the Board (subject to the preliminary favourable opinion of the Control and Risk Committee, as well as after having heard the Board of Statutory Auditors), resolved (i) to acknowledge and confirm the Internal Audit Manager; (ii) to acknowledge that the Internal Audit Manager is not responsible for any operating unit and hierarchically reports to the Board of Directors; (iii) to ensure that the Internal Audit Manager is provided with adequate resources to perform his duties; (iv) to grant a mandate to the Appointments and Compensation Committee to assess the consistency of the fees due to the Internal Audit Manager with the business policies and to report the results of this assessment to the Board itself; (v) to entrust the Internal Audit Manager with the functions provided for by article 7C5 of the Code.

The Internal Audit Manager is appointed to verify that the internal audit and risk management system is functioning and adequate. Furthermore, in accordance with article 7.C.5. of the Code:

- a) he verifies, both on an ongoing basis and in relation to specific needs and in accordance with international standards, the operations and suitability of the internal audit and risk management system, through an audit plan, approved by the Board of Directors, based on a structured process of analysis and assessment of the main risks;

- b) he is not responsible for any operating unit and hierarchically depends on the Board of Directors;
- c) he has direct access to all useful information for the performance of his/her duties;
- d) he prepares interim reports containing adequate information on his/her activity, the manner in which risk management is carried out, as well as on compliance with the plans drawn up to deal with risks; interim reports contain an assessment of the suitability of the internal audit and risk management system;
- e) he promptly prepares reports on events of particular importance;
- f) he transmits the reports referred to in points d) and e) to the chairmen of the Board of Statutory Auditors, the Control and Risk Committee and the Board of Directors, as well as the Director in charge of the internal audit and risk management system;
- g) he verifies, within the audit plan, the reliability of the IT system, including accounting recognition systems.

In order to perform his/her duties, the Internal Audit Manager has access to all the information he/she deems useful, has the appropriate means for the fulfilment of the functions that have been assigned to him/her and acts in accordance with the action plan defined on the basis of risk-based methods and approved by the Control and Risk Committee. The action plan mainly includes activities relating to the Risk Assessment process, compliance with Legislative Decree 231/2001, compliance with Law no. 262/2005, checks on specific processes, checks carried out after events have been reported by the management and monitoring the effective implementation of the recommendations made on the occasion of previous actions (follow up).

During 2015, the Internal Audit Manager:

- carried out the checks set out in the action plan established for the financial year;
- periodically reported to the Director responsible for the Internal Audit and Risk Management System as to how activities are conducted and the results of the actions taken;
- participated in all the meetings of the Control and Risk Committee, illustrating the results of the actions taken;
- participated in all the meetings of the Supervisory Board and, on request, in the meetings of the Board of Statutory Auditors.

2.4.) Main features of the risk management and internal audit system in relation to the financial reporting process (pursuant to article 123-bis, paragraph 2, letter b) of the TUF)

2.4.1) Preamble

For years now the Company has been developing an Enterprise Risk Management (ERM) process aimed at identifying, assessing and monitoring the main business risks.

The ERM process is a process implemented by the management in order:

- to identify any events which could affect the achievement of the objectives the company has set, assessing their risk and establishing their acceptable level;
- to provide the Board of Directors and the Management with the information required to define operational and organisational strategies for the company;

- to provide reasonable confidence that the processes and the main checks identified are effective and aimed at ensuring the achievement of the company objectives.

For this purpose, a dedicated web-based application was developed for the collection, management and consolidation of information. Consistently with the international best practise, the risks identified and to which the Company is exposed, are classified under four macro-categories: strategic, operational, financial (reporting) and compliance risks.

The process, which is coordinated by the Internal Audit function, is conducted annually and, using a Self-Assessment activity which involves any and all company functions, has the objective to identify the key activities and checks that are suitable to reduce the occurrence of the identified risks and/or to mitigate their impact. On the basis of a calculation algorithm, which considers the initial assessment of the risk and the effectiveness of the audit system in place, each risk is attributed a “residual score rating”. On an annual basis, the risks identified which show a high residual score rating are reported to the Director responsible for the internal audit system, the Control and Risk Committee, the Board of Statutory Auditors and the Board of Directors.

2.4.2) Description of the main features of the risk management and internal audit system in relation to the financial reporting process.

With reference to financial and reporting risks identified within the ERM process, the Company has for some years now identified a sequence of specific activities which are deemed to be suitable to ensure that financial disclosure is reliable, accurate, trustworthy and up to date as required by Law no. 262/05. These activities include, *inter alia*:

- definition of the “scope”, that is the quantitative analysis of the significance of the companies included in the scope of consolidation. This analysis is conducted on the occasion of significant changes in the Group’s structure or in the relevant business of each subsidiary. On the basis of the scoping process it was assessed that, to date, in quantitative terms (as indicated by the Board) the other subsidiaries are not of significant size in quantitative terms (see, in this regard, the information reported above with regard to the assessment by the Board of the adequacy of the general organisational, administrative and accounting structure – article 1 of the Code);
- identification of the significant corporate processes and of the risks arising from the possible failure to achieve audit objectives. This activity entails the quantitative and qualitative analysis of current processes and the consequential identification of those considered to be the most sensitive;
- assessment of controls. The processes identified in the previous phase are subject to a specific analysis activity through the preparation and/or updating of the accounting and administrative procedure and in particular of the flowchart and process descriptions, and of the audit matrix. The latter identifies the main key controls and features of the same: type (automatic or manual), how often it is conducted, the person responsible for any process or sub-process and the person responsible for control;
- performance of tests on the key controls identified in order to check for compliance with the statements of preparation of the Financial Statements (Completeness, Existence, Rights & obligations, Valuation, Recognition, Presentation, Disclosures);

- identification of possible improvements to be made to the current Internal Audit System in order to ensure an increased monitoring of the areas and processes which are considered relevant in terms of impact on the financial disclosures.

These activities are carried out by the Internal Audit Function on the basis of an action plan defined on an annual basis. The results and the improvement actions (if any) identified are submitted to the Manager responsible for preparing the reports, the Control and Risk Committee and the Board of Statutory Auditors.

The Internal Audit Function, where required, carries out activities aimed at assessing the adequacy of the Internal Audit System in place within subsidiaries – within the administrative and accounting procedures in place with the same - on the basis of the instructions given by the supervisory bodies and by the Company's management.

2.5.) Organisational, management and control model pursuant to Legislative Decree no. 231/2001 - Supervisory Board

In 2004 the Company adopted an Organisational, Management and Control Model defined pursuant to Legislative Decree no. 231/2001 in relation to legal entities' administrative liability for criminal offences perpetrated by persons in top management positions and by those subject to their direction or supervision. In this context, the following documents have been issued which are considered to be suitable to illustrate the system of procedures and controls aimed at reducing the risk of those crimes being committed that are envisaged by the regulations in question: the "Group Code of Business Ethics", the "Principles and guidelines of the organisational, management and control model"; the "Organisational Model".

A special section dedicated to this subject can be consulted on the Company website at the following address www.seat.it.

It should be noted that the Organizational Model has been subject to a series of updates, the most recent of which took place in 2013, approved by the Board of Directors at the proposal of the Supervisory Board. The Model addresses and governs the following matters:

- summary of the relevant provisions of Legislative Decree 231/2001;
- system adopted for the realization of the organization, management and control model;
- composition, function and powers of the Supervisory Board;
- description of information flows concerning the Supervisory Board;
- sections governing the criminal offenses envisaged ((i) criminal offenses in relationships with Government and Public Entities; (ii) cybercrimes/computer-related crimes and the unlawful processing of data; (iii) criminal offenses of counterfeiting of instruments or distinctive marks and crimes against industry and commerce; (iv) corporate crimes; (v) crimes related to the abuse of privileged information and market manipulation; (vi) negligent homicide and serious or very serious bodily injury committed through breach of the laws and regulations for accident prevention and the protection of health and safety in the workplace; (vii) crimes involving the receipt of stolen goods, laundering and use of money, assets or goods of unlawful origin as well as self-laundering; (viii) crimes related to the breach of copyrights; (ix) environmental crimes; (xi) inducement to refrain from making statements to to make mendacious statements to the

Judicial Authorities; (xii) employment of citizens of foreign countries whose presence in Italy has not been legalized);

- the model also includes sections concerning training communication principles, the disciplinary system, as well as the Ethics Code in the form of a schedule.

It should also be noted that the implementation of the system pursuant to Legislative Decree 231/2001 (with consequent updating of the Organizational Models) concerned the main subsidiaries.

The Supervisory Board (pursuant to Legislative Decree no. 231/2001).

The Supervisory Board has most recently been appointed by the Board of Directors on 24 April 2015 in the persons of Mr. Alberto Mittone (Attorney, with the role as Chairman), Michaela Castelli (Board Member until 8 October 2015) and Francesco Nigri (Internal Audit Manager), with expiry of office coinciding with that of the Shareholders' Meeting that will be called to approve the financial statement as at 31 December 2016. Mrs. Castelli resigned from said office effective as of 8 October 2015.

Previously, until 24 April 2015, the Body was comprised of Marco Rigotti (Adjunct professor of commercial law at Bocconi University) as Chairman, and the Directors Chiara Burberi and Michaela Castelli.

This structure of this composition is in fact able to assure consistency with the guidance contained in the Accompanying Report of Legislative Decree no. 231/2001, endowing the Committee with the requisites of autonomy, independence, professionalism and continuity of action needed to perform the necessary activity efficiently. The Board has resolved that the Supervisory Board meetings shall always be attended by a member of the supervisory board envisaged by the Corporate By-Laws.

The Supervisory Board is assigned the following tasks:

- overseeing the effectiveness of the Model, in order to guarantee that the lines of conduct adopted in the company comply with the established Organisational, management and control Model;
- monitoring the effectiveness of the Model, in order to assess its appropriateness in preventing the occurrence of the envisaged crimes;
- managing updates to the Model, in order to propose appropriate adjustments following environmental and/or organisational changes in the company.

For purposes of performing the above activities, the Supervisory Board avails itself of the Internal Audit Function.

In carrying out the assigned tasks, the Supervisory Board has unlimited access to company information for the activities of investigation, analysis and control. Upon requests from the Supervisory Board or upon the occurrence of events or circumstances that are significant for purposes of the performance of the Supervisory Board's activities, all of the company's functions, employees and/or members of the corporate bodies are under a duty to provide information in such regard.

The Supervisory Board met five times in 2015 and, as of the date of this Report, once since 1 January 2016.

In 2015, the Supervisory Board continued to pursue its ordinary oversight activities. In particular it assessed and examined the update activities of the Organizational Model pursuant to Legislative

Decree 231/2001 of the Company, which ended with the adjustment of the document in light (i) of the completion of the Merger transaction of Seat PG Italia S.p.A. into Seat P.G. S.p.A and (ii) of the recent legislative news.

As a consequence, on 5 August 2015, the Board of Directors approved (upon proposal of the Supervisory Body) the updates made to the Organizational Model and to the Principles and Guidelines of the Model. Subsequently, the disclosure activity to employees and agents has been completed.

Independent Auditors

The Ordinary Shareholders' Meeting held on 12 June 2012 appointed, pursuant to article 159 of the Consolidated Act, the Independent Auditors PricewaterhouseCoopers S.p.A. to carry out the statutory audit of the Company's annual and consolidated financial statements relating to financial years 2012-2020, to carry out a limited audit of the six-monthly reports as at 30 June of the financial years 2012-2020 and to verify the regularity of the company's bookkeeping and the correct recognition of the management events in the accounting records during the course of the said financial years.

Manager responsible for preparing the Company's reports (pursuant to article 154-bis of the TUF)

In accordance with the provisions under article 154-bis of Legislative Decree no. 58/98, introduced by the so-called "Savings Act", the Extraordinary Shareholders' Meeting of the Company held on 19 April 2007 resolved to amend article 19 of the Corporate By-Laws, providing for the Board of Directors (subject to the mandatory opinion of the Board of Statutory Auditors) to be granted the power to appoint and dismiss the Manager responsible for preparing the Company's financial reports (hereinafter also referred to as the "Manager Responsible") determining his/her term of office. Only persons with at least three years of experience in a position of appropriate responsibility in the administrative and/or financial area of the Company or of another company of comparable size or organisational structure may be appointed as Manager responsible for preparing the Company's financial reports.

Most recently, at the Board meeting held on 24 April 2015, Dr. Andrea Servo (who was also placed in charge of the Company's Administration, Finance and Control Department) was appointed as "Manager responsible for preparing the Company's financial reports", since the position held by him fully meets the technical and professional requirements under article 154-bis no. 3 of the TUF and article 19 of the Corporate By-Laws. The Board of Statutory Auditors has given its favourable opinion as to this proposed appointment. The term of office of this assignment has been set up to the shareholders' meeting which will be called to approve the financial statements as at 31 December 2016.

The Board also resolved that the Manager responsible for preparing the Company's financial reports should exercise the powers and have the means at his disposal that are necessary for the effective performance of the duties referred to in the abovementioned article 154-bis of Legislative Decree no. 58/98. The Manager Responsible reports at least every six months on the manner in which the management and control activity is carried out with regard to the process of preparing the accounting

documents, on any criticalities found during the relevant period and on the adequacy of the structure and means put at his disposal.

As it is known, the position of the Manager Responsible takes on a fundamental role in the light of the strengthening of the Company's internal audit system, attributing express importance to the internal process of preparing the draft of the annual report in particular, and to the main information documents concerning the Company's financial position in general.

Directors' interests and transactions with related parties

It should be noted that the Company has adopted an appropriate procedure governing the performance of disclosure obligations under the abovementioned article 16 of the Corporate By-Laws and article 150, paragraph 1, of the TUF, whose purpose is to ensure transparency, not only as regards transactions with related parties in which an interest is held, either on its own account or on behalf of third parties, or which are influenced by the person that performs the activity of guidance and coordination (including inter-group transactions), but also as regards all transactions that have been conducted, the most important transactions in business, financial and capital terms undertaken by the Company and atypical or unusual transactions.

The Procedure is in any event effective in drawing attention to situations in which a director may have an interest on his/her own account or on behalf of third parties. As regards this aspect, it should also be noted that it is the Company's practice to circulate the documents regarding the items on the agenda before board meetings so that the Directors are fully informed before taking decisions. One of the purposes of this is in fact to preliminarily allow to see whether there are any transactions in which a Director has an interest (see the document available on the Company's website at the address <http://www.seat.it/procedura-per-l-adempimento-degli-obblighi-di-cui-all-art.150>).

Furthermore, it should be noted that the "Procedure as to Transactions with Related Parties" regulates the procedural regime which must be applied by the Company on the occasion of the implementation, either directly or through subsidiaries, of Transactions with Related Parties.

In short, the Procedure provides:

1. For Minor Transactions
 - for approval by the Board of Directors and/or the bodies responsible for the transaction, subject to a non-binding opinion of the Control and Risk Committee, in consultation with the Board of Statutory Auditors, on the Company's interest in completing the same
 - that the Committee is entitled to make use of one or more independent experts of its own choice
 - that the board of directors' approval resolution must contain adequate reasons supporting the Company's interest in completing the transaction, as well as the appropriateness and material correctness of the related conditions;
2. for Major Transactions (i.e. those in which at least one of the significance ratios exceeds 5%)
 - that the approval by the Board of Directors is exclusive, excluding the transactions which pertain to the shareholders' meeting, subject to the prior favourable opinion of the Committee of Independent Directors (referred to above) and/or with the favourable vote of the majority of the Independent Directors

- that the Committee of Independent Directors (i) must receive, well in advance, complete and adequate information on the transaction, (ii) must be preliminarily involved in the negotiations and in the preliminary investigation phase, (iii) may express, on a preliminary basis, a reasoned opinion on the Company's interest, as well as on the appropriateness and material correctness of the related conditions.

The Procedure is available on the Company's website at the address:

<http://www.seat.it/procedura-in-materia-di-operazioni-con-parti-correlate>.

In accordance with the provisions of the Procedure, on 26 January 2016, the Company made available to the public the Informative Document related to the merger by incorporation of Italiaonline S.p.A. into Seat Pagine Gialle S.p.A. drafted in accordance with art. 5 of Consob Regulation No. 17221 of 12 March 2010, as subsequently amended, on related party transactions by filing it its registered office and its secondary office and by publication on its website at www.seat.it, governance section, and also on Borsa Italiana S.p.A.'s website at www.borsaitaliana.it.

For the sake of thoroughness, let us point out that on 5 August 2014, following the examination performed on the Related Party Transactions Procedure approved at the Board meetings held on 19 October 2010 and 10 November 2010, the Company's Board of Directors resolved not to revise such Procedure.

Statutory Auditors (Article 8 of the Code; article 123-bis, paragraph 2, letter d) of the TUF)

Provisions of the Corporate By-Laws governing the appointment of the Board of Statutory Auditors

In accordance with the Corporate By-Laws, statutory auditors too are appointed on the basis of slates that must be lodged at the Company's registered headquarters before the meeting.

It should be noted that the Extraordinary Shareholders' Meeting of 12 June 2012 approved the proposed amendments to article 22 (*Board of Statutory Auditors*) of the Corporate By-Laws in order to adopt the same needs to comply with the regulations previously indicated with reference to the composition of the Board of Directors and contained in the TUF, as amended by Law no. 120/2011, as well as in the Issuers' Regulations (the so-called "female quotas"). Specifically, it was provided:

- (i) that the slates for the appointment of the Board of Statutory Auditors, which present an overall number of candidates equal to or higher than three, must necessarily include, both with reference to regular members and with reference to alternate members, candidates of different genders, in accordance with the current regulations;
- (ii) for a mechanism to replace regular members that takes account of the regulations governing gender equality;
- (iii) that, should gender equality appear to be not ensured as a result of the procedures specified in the Corporate By-Laws, the shareholders' meeting shall take steps with the majorities prescribed by law, without prejudice to the compliance with the regulations governing gender equality.

As already anticipated, the regulations governing gender equality apply to the renewals after 12 August 2012: for this reason, it impacted for the first time on the renewal of the Company's Board of Statutory Auditors (which took place on 23 April 2015).

Again pursuant to article 22 of the Corporate By-Laws (as attached hereto), it is provided that all statutory auditors must be entered in the Register of Statutory Auditors (*Registro dei Revisori Legali*) under chapter III of Legislative Decree no. 39 of 27 January 2010⁶ and must have carried out statutory auditing activities for a period of not less than three years.

Only those shareholders who, alone or together with others, own voting shares representing at least 2% of the voting capital in the Ordinary Shareholders' Meeting, or representing the lower percentage determined by CONSOB pursuant to Article 147-ter, I C, of Legislative Decree no. 58/1998, are entitled to submit slates.

In such regard, let us point out that on 28 January 2016, through Resolution No. 19499, Consob set, pursuant to article 144-septies, first paragraph, of the Issuers Regulation, at 42.5% the shareholding percentage necessary for the submission of candidate slates for the election of the management and control bodies, subject to the possibility for a lower percentage to be set forth in the Corporate By-Laws; therefore, in accordance with the Corporate By-Laws provision currently in force, the threshold for the submission of slates for the appointment of the management body must be deemed to be 2%.

The slates must be filed at the Company's registered offices by the end of the twenty-fifth day before the date of the shareholders' meeting convened to resolve appointment of the members of the Board of Statutory Auditors. In order to prove the aforesaid title, a copy of the certificates issued by authorised intermediaries and proving ownership of a number of shares necessary to present the slates themselves is to be filed with the registered offices of the Company by the deadline established for publication of the slates.

No shareholder, as well as shareholders belonging to the same group, may submit, personally or through a trustee, more than one slate and vote for different slates. Each candidate may appear on only one slate, or shall otherwise be disqualified.

Candidates who do not meet the ethical and professional requirements established in applicable legislation may not be included in the slates. Exiting statutory auditors may be re-elected.

Together with each slate, within the term indicated above, the designated parties' professional resumes are lodged, plus the declarations with which each candidate accepts the nomination and attests, under his or her own responsibility, that there is no cause for ineligibility or disqualification, and to his/her compliance with the requirements of law and the Corporate By-Laws prescribed for the position.

Any slates which fail to observe the foregoing requirements shall be considered as not having been submitted.

⁶ It should be noted that Legislative Decree No. 39 of 27 January 2010 (which implemented the Community Directive 2006/43/EC) concerning statutory auditing activities replaced, *inter alia*, the word "accounting control" by "statutory auditors".

As a result, the name of the Register was also changed.

The procedures indicated below are to be followed in electing the Statutory Auditors:

- 1) two permanent members and one alternate are to be selected from the slate that received the greatest number of votes in the Shareholders' Meeting, based upon the order of priority in which they are listed in the sections of the slate;
- 2) the remaining permanent member and alternate member are to be selected from the slate that received the second greatest number of votes in the Shareholders' Meeting and which is not connected, either directly or indirectly, with the shareholders who have presented or voted the slate which has ranked first in the number of votes, based upon the order of priority in which they are listed in the sections of the slate.

The chairman of the Board of Statutory Auditors is the candidate appointed from the second slate, if any, that receives the greatest number of votes.

If the requirements of pertinent laws or the Corporate By-Laws are not met, the statutory auditor is dismissed from the position.

In the event of replacement of a statutory auditor, the alternate auditor from the same slate as the auditor being replaced shall be the substitute. If this replacement does not allow compliance with the current regulations governing gender equality, the second alternate member, if present, belonging to the less represented gender and elected from the slate of the replaced candidate, will be the alternate member. Should the application of the procedures referred to above not allow compliance with the current regulations governing gender equality, the shareholders' meeting shall be called as soon as possible in order to ensure compliance with the provisions under these regulations.

The foregoing requirements for appointing the Board of Statutory Auditors do not apply to the Shareholders' Meetings, which, according to law or the Corporate By-Laws, must appoint the permanent and/or alternate auditors and the chairman as necessary to compose the Board of Statutory Auditors following replacement or dismissal and for appointing auditors for any reason if they are not appointed in accordance with the previous paragraphs. In these cases, the Shareholders' Meeting is to proceed according to the quorum required by law, without prejudice to the requirement – where applicable – of Article 144-sexies, paragraph 12, of the Issuers' Regulation, adopted by CONSOB with its resolution no. 11971 of 14 May 1999, as well as in accordance with the regulations governing gender equality and any additional applicable provisions of law.

Composition and operation of the Board of Statutory Auditors

The Board of Statutory Auditors consists of three standing auditors and two alternate auditors, appointed by the Shareholders' Meeting, which also fixes their remuneration.

Slate submitted on the occasion of the appointment of the Board of Statutory Auditors (information pursuant to article 144-decies of the Consob Issuers' Regulations)

On the occasion of the Ordinary Shareholders' Meeting held on 23 April 2015, within the terms set out by the regulations in force, information was provided and the documentation was prepared referred to in article 144-sexies, paragraph 4, of the Consob Issuers' Regulations. Furthermore, the shareholders - The San Bernardino County Employees' Retirement Association, GT NM LP, GoldenTree SG Partners LP and Goldentree Asset Management Lux S.à.r.l., though Goldentree Asset Management LP

as relating asset manager - which submitted the slate, as well as the aggregate stake held (29.022% of the ordinary share capital).

The Company has promptly taken steps to make public the documentation concerning the slate submitted through the internet website at the address <http://www.seat.it/documents/10184/166117/Lista+nomina+CdiA+e+CS+.pdf/187c87b0-17cd-4c37-b74f-3d126a2778e8>.

Furthermore, with reference to the provisions under article 144-*octies*, paragraph 2, of the Consob Issuers' Regulations, the Company has notified that, at the date of expiry of the time limit set for filing the slates for the appointment of the Board of Statutory Auditors, no minority slates had been submitted. Therefore, in accordance with the provisions under article 144-*sexies*, paragraph 5, of the aforesaid Issuers' Regulations, it was notified that additional slates for the appointment of the Board of Statutory Auditors could be deposited by and no later than 22 April 2015 and that the percentage of interest necessary for submitting slates, as per the Corporate By-Laws, was reduced to half (and it was then equal to 1% of the voting share capital at the ordinary shareholders' meeting). See, for this purpose, the press release circulated by the Company:

<http://www.seat.it/comunicati-stampa/-/listing/2015/deposito-di-liste-di-minoranza-per-la-nomina-del-collegio-sindacale-di-seat-pagine-gialle-s-p-a->.

Finally, it should be noted out that the Company – following the Shareholders' Meeting of 23 April 2015 – informed the public of the appointment of the Board of Directors and of the Board of Statutory Auditors in the press release available through the website at the address

<http://www.seat.it/comunicati-stampa/-/listing/2015/-l-assemblea-degli-azionisti-approva-il-bilancio-di-esercizio-al-31-dicembre-2014-e-nomina-cda-e-collegio-sindacale>

Having said this, it should be noted that

- the Shareholders' Meeting of 27 January 2015 took the necessary measures to supplement the Board of Statutory Auditors and as a result, the Board of Statutory Auditors resulted comprised – until the approval of the financial statements relating to the financial year closed on 31 December 2014 – of Maurizio Michele Eugenio Gili, Guido Nori and Ada Alessandra Garzino Demo as standing auditors and Roberta Battistin and Marco Benvenuto Lovati as alternate auditors. Dr. Gili was confirmed in his role as Chairman of the Board of Statutory Auditors.
- The Shareholders' Meeting of 23 April 2015 appointed Maurizio Gili, Ada Garzino Demo and Guido Nori as standing auditors and Mrr. Massimo Parodi and Roberta Battistin as alternate auditors, until the approval of the financial statement for the financial year closed on 31 December 2017, also appointing Maurizio Gili as Chairman of the Board of Statutory Auditors. Please note that Mr. Massimo Parodi died on past 5 September. The Company Ordinary Shareholders' Meeting of 8 March 2016 approved the appointment, as Alternate Auditor, of Dott. Giancarlo Russo Corvace.

It should be pointed out that the relevant table attached hereto reports indications as to the number of Board meetings held in the course of 2014 and the percentage of attendance of each Statutory Auditor.

Below is reported the composition of the Board of Statutory Auditors at the date of this Report, accompanied by the information on personal and professional characteristics of the members:

Maurizio Michele Eugenio GILI (Chairman of the Board of Statutory Auditors)

GILI Maurizio, born in Turin on 17/7/1956, earned his degree in Economics from the University of Turin on 13/3/1981.

He has been enrolled with the Register of Tax and Corporate Affairs Specialists of Turin at no. 551 since 12/5/1982 and with the Register of Certified Auditors (Ministerial Decree 12/4/1995 published in G.U. no. 31 bis – 4th special series).

He has been enrolled with the Register of Court-appointed Technical Consultants since 19/1/1996 prot. no. 187/5.

He manages his professional practice from his office at via Perrone, 14, Turin, and in particular:

He provides consultancy services on legal, corporate and tax matters for capital companies, groups of publicly held companies operating in the following sectors: industrial, insurance, real estate and construction, hotel.

He also advises companies and groups on restructuring and debt management in the context of financial difficulties and composition procedures.

He has been granted mandates as Court-Appointed Consultant appointed by the Court of Turin on accounting, banking, corporate and business and asset valuation matters. He has also been granted mandates by the Court of Turin as Inspector and Administrator pursuant to art. 2409 C.C.. His most recent appointment was as Judicial Administrator of Bertone S.p.A.. He has also been appointed by the Protective Judge of the Court of Turin as “Supporting Administrator” and as “Tutor”.

He has held and continues to hold the role of Bankruptcy Trustee and Judicial Commissioner for numerous insolvency proceedings at the Court of Turin and the Court of Ivrea.

He is often appointed consultant in the context of insolvency proceedings before several Courts in Piedmont.

He has been appointed Consultant by several Prosecutors’ Offices in Piedmont.

He has held and continues to hold roles as statutory Auditor of several companies.

He is a professor of preparation courses for the State qualification exam given by the *Scuola di Alta Formazione Piero Piccatti* of the Guild of Tax and Corporate Affairs Specialists and Accounting Experts of Turin.

He is part of the Research Group for bankruptcy issues established by the Guild of Tax and Corporate Affairs Specialists, and holds the role of “contact person for the sub-group focusing on tax issues”.

He is a member of the Board of Directors of the “Piero Piccatti” Foundation of the Guild of Tax and Corporate Affairs Specialists and Accounting Experts of Ivrea-Pinerolo-Turin.

Ada Alessandra GARZINO DEMO (Standing Auditor)

Born in Ivrea (TO) on 29 May 1963.

She earned her degree in Economics, with honors, from the University of Turin on 10 November 1987. Her thesis was entitled “Taxation of credit instruments: its influence on investor’s decisions”, presenter Prof. V. Bennani.

Since 22 July 1991 she has been registered with the Guild of Tax and Corporate Affairs Specialists and Accounting Experts of Turin and since 23 November 2006 she has been enrolled with the Register of Court-appointed Technical Consultants.

She is enrolled in the Register of Certified Auditors (Legislative Decree 39/2010, GU no. 31 bis dated 21/4/95 Ministerial Decree 12/4/1995).

Following a brief experience at an auditing firm, in 1988 she started her apprenticeship and since 1991 practices as a Tax and Corporate Affairs Specialist focusing on tax and corporate consulting for medium/large companies and multinationals and is specialized in tax matters concerning the telecommunications sector and tax planning.

She is a statutory auditor for various companies and entities.

Guido Nori (Standing Auditor)

1979 – Degree in Economics Università Cattolica of Milan

1983 – Enrolled with the Register of Tax and Corporate Affairs Specialists

1995 – Enrolled with the Register of Certified Auditors

PROFESSIONAL PRACTICE - Guido Nori joined Studio Legale Delfino e Associati Willkie Farr & Gallagher LLP in 2000 and is currently head of the Firm's tax department. His practice focuses on tax advisory services in connection with extraordinary transactions, mergers & acquisitions, corporate planning and restructuring, cross-border transactions, generational transitions and litigation.

He has extensive experience as a statutory auditor and certified auditor of industrial, financial and other large companies. He also holds roles as director and liquidator of several companies.

He has been granted business valuation mandates as expert consultant appointed by the Court of Milan and is an expert on corporate valuations on behalf of national and international investors and investment funds.

1990-2000 – Head of the tax and corporate department of Studio Legale Ughi e

Nunziante for the firm's Milan and Rome offices

1982-1990 – Tax consultant at Studio Tributario Deiore - Milan

1980-1982 – Auditor at Price Waterhouse S.a.s. – Milan.

Roberta Battistin (Alternate Auditor)

Born in Genoa in 1971, she earned her degree in Business Administration, focusing on studies for the profession of Tax and Corporate Affairs Specialist at Bocconi University in Milan.

She passed the state qualification exam to practice as a Tax and Corporate Affairs Specialist.

She has been enrolled in the Guild of Tax and Corporate Affairs Specialists of Milan since January 2001.

She has been enrolled in the Register of Certified Auditors since February 2002.

She is enrolled in the Register of Court-Appointed Technical Consultants of the Court of Milan.

Professional specialization: corporate control/auditing and corporate governance for listed and non-listed companies; matters concerning administrative liability of companies pursuant to Legislative Decree No. 231/2001; tax consultancy on domestic and international matters; administrative-accounting and financial statement activities; tax and corporate consultancy in connection with M&A transactions; preparation of valuations of businesses and corporate assets.

She is an independent Director at Industria e Innovazione S.p.A., Chairman of the Board of Statutory Auditors of Bausch & Lomb IOM S.p.A., Standing Auditor of Henry Schein Krugg S.r.l., Standing Auditor of Henry Schein Italia S.r.l., Standing Auditor of Gilead Sciences S.r.l. and Standing Auditor of other smaller companies.

Giancarlo Russo Corvace (Alternate Auditor)

Giancarlo Russo Corvace is degreed in Economics from the Free University of Social Studies in Rome, he attended master in Business Administration at school of Business Administration of the University of Turin. He is professional accountant and auditor.

He has worked until 1985 at Banca Nazionale del Lavoro as manager at financial affairs office. In particular he oversaw the opening of the euro market and the swap of the lira, following the first operations took place on the market.

In the past he has worked also for Bank of America of London. Until 1988 he was CEO in Ifigest Fiduciaria Sim S.p.A (now Banca Ifigest).

From the 1989 advisor of the Graziadei office and Ferreri & Partners of Rome with referring to finance and to commercial law about Italian and international issues for big and medium companies groups. He also oversaw the listing of A.S. Roma S.p.A., the privatization of Aeroporti di Roma S.p.A., the reorganization of Enel, corporate restructuring and project financing.

It should be noted that the abovementioned Legislative Decree no. 39 of 27 January 2010 implemented the community directive concerning activities of statutory auditing of annual and consolidated accounts. As a result, the directive provides for the obligation of the Italian issuing companies to appoint a committee for internal audit and auditing to monitor the financial reporting process, to check efficiency of the internal control, internal audit and risk management systems, to monitor statutory auditing activities and to ascertain the auditor's independence. As is known, the Italian legislator has provided that the duties of this committee must be performed by the supervisory board, or by the Board of Statutory Auditors.

- With specific regard to the application criteria of article 8 of the Code, it should be noted that the Board of Statutory Auditors proceeded to formally comply with the recommendations therein. Specifically, the Board of Statutory Auditors resolved as follows: the statutory auditors act autonomously and independently also vis-à-vis the shareholders who elected them and spend as much time as is necessary on the diligent performance of the duties assigned to them. In this connection, the statutory auditors keep the information and documents that they acquire in the course of their duties confidential and observe the procedures that have been adopted for the disclosure of sensitive data outside the Company.
- The statutory auditors acknowledge that the issuer has adopted procedures and methods of behaviour that ensure the effective performance of the duties proper to the Board of Statutory Auditors, such as, but not limited to: (i) the participation of the Board of Statutory Auditors' members in the Control and Risk Committee's meetings; (ii) the participation of at least one member of the Board of Statutory Auditors in the meetings of the Appointments and Compensation Committee and of the Supervisory Board set up pursuant to Legislative Decree no. 231/2001; (iii) direct and constant contact with the Internal Audit Manager; during the course of their duties, the statutory auditors may ask the Internal Audit Department to verify specific areas of operations or corporate transactions; (iv) the participation, on request, of the company officers concerned in the Board of Statutory Auditors' Meetings.

- The Board of Statutory Auditors verifies annually that the requirements regarding the independence of the statutory auditors are satisfied; the outcome of the verification is transmitted to the Board of Directors that includes it in the report on corporate governance.
- The statutory auditor who has an interest, either on his/her own account or on behalf of third parties, in any transaction proposed by the Company proceeds to inform the other statutory auditors and the Chairman of the Board of Directors exhaustively and in good time of the nature, the terms, the origin and the extent of his/her interest.
- The Board of Statutory Auditors and the Control and Risk Committee promptly exchange the information discovered in connection with the performance of their respective duties.
- In the framework of the duties assigned to it by law, the Board of Statutory Auditors verifies that the criteria and the procedures adopted by the Board of Directors for the assessment of the independence of its members are correctly applied, subsequently disclosing the outcome of these controls to the market within the report on corporate governance and the statutory auditors' report to the Shareholders' Meeting.

It should be noted that, as regards critterion 8C1 of the Code, the Board of Statutory Auditors verified that the independence requirements for each statutory auditor were satisfied, also on the basis of the criteria laid down for Directors in this Code.

Furthermore, in accordance with critterion 3C5 of the Code, the Board of Statutory Auditors verified that the criteria and the procedures for the assessment of the independence requirements regarding each member were properly applied (for this purpose, see what is indicated above with reference to Article 3 of the Code).

In particular, in the course of 2015, the Board of Statutory Auditors verified the independence of its members on 4 February 2015 and 23 April 2015, at the end of the Ordinary Shareholders' Meeting that resolved the appointment of the controlling body. In this respect, the risk approach criteria have been used together with the criteria provided for by the Code for the assessment of the independence of independent directors.

It should be recalled that the Board of Statutory Auditors currently in office was appointed by the ordinary shareholders' meeting of the Company held on 23 April 2015; the high number of board meetings held in consideration of the successions within the corporate bodies as well as due to the beginning of the integration process with Italiaonline, represents a circumstance that contributed toward limiting the possibility to take special initiatives to provide the Board of Statutory Auditors with adequate knowledge of the Company's business sector, corporate dynamics and trends in the same, as well as the relevant legal framework and self-regulatory framework.

The on-going contacts and various meetings held with management have nonetheless provided the opportunity to give the Board of Statutory Auditors an initial general information on the Company and its special context.

The main activities performed by Standing Statutory Auditors are highlighted below:

Maurizio Gili	Chairman of the Board of Statutory Auditors of Profilmec S.p.A. and Panda Market S.r.l., Standing Auditor of Ispadue S.p.A., Sit S.p.A., Sis S.c.p.a., Molino Chiavizza S.p.A.
Guido Nori	Chairman of the Board of Statutory Auditors of Lucchini RS S.p.A., Statutory

	Auditor of BNP Paribas Investment Partners Società di Gestione di Risparmio S.p.A., Statutory Auditor of Ifitalia S.p.A. - Gruppo BNP Paribas, Statutory Auditor of Roberto Cavalli S.p.A., Statutory Auditor of Rothschild S.p.A.
Ada Alessandra Garzino Demo	Chairman of the Board of Statutory Auditors of Elior Ristorazione S.p.A., Gemeaz Elior S.p.A., Ringmaster S.r.l., Santer S.p.A., Valeo S.p.A., Valeo Service Italia S.p.A., Standing Auditor of Elior Concessioni S.r.l., Elichef Holding S.p.A., Faiveley Transport Italia S.p.A., LFoundry S.r.l., Leoni Italy S.r.l., Mychef Ristorazione Commerciale S.p.A., Micron Semiconductor Italia S.r.l., Reply S.p.A., Smurfit Kappa Italia S.p.A., Vishay Semiconductor Italiana S.p.A.

It should be noted that in 2015, the Board of Statutory Auditors met 13 times, with an average duration of the meetings that can be quantified at 3 hours.

From 1 January 2016 up to the date of approval of this Report, the Board of Statutory Auditors met once.

Relations with Shareholders (Article 9 of the Code)

In accordance with principles under article 9 of the Code, pursuant to which the Board of Directors promotes initiatives aimed at encouraging participation of the shareholders in the meetings as widely as possible and helping them to exercise their rights, it should be noted that, as to the selection of the location, the shareholders' meetings are generally held at the Company's office located in Turin.

Documents to be consulted for the purposes of the Shareholders' Meetings, which are made available pursuant to the regulations in force, must be sent to all shareholders that request them, also by means of an appropriate e-mail address. Information may also be given by phone.

As regards application criteria under article 9 of the Code, it should be noted that in 2015 the Company gave precise and timely notice in order to guarantee correct and transparent disclosures on the Company's activities, in compliance with the "Procedure of Seat Pagine Gialle S.p.A. for the management and market disclosure of inside information" (referred to above).

Appropriate corporate functions guarantee, in particular, relations with the national and international financial community (Investor Relations) and the shareholders (Corporate Affairs).

To encourage dialogue with all operators on the financial markets, the Company published on its, all of its economic and financial documentation (financial statements, half-year and quarterly reports), supporting documents (presentations to the financial community), a special section named "Investors & Governance" (including the documentation relating to the Company's governance system, information on corporate bodies, as well as the reports and material to be used by the shareholders' meeting), as well as press releases issued by the Company, both in Italian and English. The website also has a section with useful information for all Shareholders and the update of the price and volumes performance of Seat PG stock.

You may contact the Investor Relations Department as follows:

Telephone no.: +39 011 4352600; Fax no.: + 39 011 6948222; e-mail investor.relations@seat.it.

Shareholders' Meetings (pursuant to article 123-bis, paragraph 2, letter c) of the TUF)

As is known, the so-called "Shareholders Rights" rule (Legislative Decree no. 27 of 27 January 2010, as amended and supplemented) adopted the EU directive no. 2007/36/EC on the exercise of certain rights of shareholders in listed companies. Specifically, the decree amended articles 2366/2373 of the Italian Civil Code and strongly affected Legislative Decree no. 58 of 1998 (TUF), introducing new important provisions for listed companies, with specific regard to the carrying out of the activities of the shareholders' meetings.

In light of these new regulatory developments, the current text of article 8 of the Corporate By-Laws (as attached hereto), as finally amended by the resolution passed by the Shareholders' Meeting on 22 October 2012, provides that those who are entitled to vote and are authorised according to the applicable regulations may attend the Shareholders' Meeting, in the manner and at the terms and conditions set out⁷. Each party who has the right to vote and who has the right to attend shareholders' meetings can cause himself/herself to be represented by means of a written proxy or a proxy granted via electronic mail pursuant to the applicable regulations.

It should be remembered that the Extraordinary Shareholders' Meeting held on 20 April 2011 resolved to amend article 8 in order to make it more compliant with article 135-*novies* of the TUF, which provides for the possibility of granting proxies by electronic means: each party who has the right to vote and who has the right to attend shareholders' meetings can cause himself/herself to be represented by means of a written proxy or a proxy granted via electronic mail pursuant to the applicable regulations.

The proxy may be issued to an individual or legal entity.

The proxy can be notified electronically via use of a specific section of the Company's website, according to the procedures indicated in the meeting notice, or via certified email sent to the email address indicated at any given time in the meeting notice.

It should be noted that, pursuant to article 135-*undecies* of the TUF, as introduced by Legislative Decree 27/2010, the companies with listed shares may designate, for each Shareholders' Meeting, a person to which the shareholders may grant a proxy with voting instructions on all or some of the proposals on the agenda, according to procedures and time limits set out by the rule itself. It is also provided for the application of the rule, except for any provisions to the contrary laid down in the Corporate By-Laws. Having stated this, the Board has deemed it appropriate, in the interests of the Company, not to deprive itself of the possibility of resorting, in specific circumstances, to the designation of the person specified by paragraph 1 of article 135-*undecies* of the TUF referred to above; for this reason, the Extraordinary Shareholders' Meeting of 20 April 2011 resolved to grant the Board itself, where it deems appropriate, the right to make this designation, giving specific notice thereof in the notice of call of the related Shareholders' Meeting.

In order to ensure the best possible management with regard to the organisation of the shareholders' meeting's proceedings (in technical/logistics terms), the Extraordinary Shareholders' Meeting of 20 April 2011 also resolved to provide for the place of calling of the shareholders' meetings to coincide

⁷ Under the provisions in force, the persons who are the holders of the securities account at the end of the trading day on the seventh trading day prior to that scheduled for the Shareholders' Meeting are entitled to vote at the Shareholders' Meeting. Furthermore, as the ownership of the shares could vary between the seventh day prior to the shareholders' meeting and the date of the shareholders' meeting, it is not necessarily correct to talk about shareholders, but about "those who are entitled to vote".

with the Municipality district where the registered office or, if required, the secondary office of the Company is located (article 10 of the Corporate By-Laws).

Pursuant to the article 10 of the Corporate By-Laws, as amended by the aforesaid Extraordinary Shareholders' Meeting⁸, note the following.

The Shareholders' Meeting is convened in accordance with law in the municipal district in which the registered office of the company is located or, if required, the secondary office, by means of a notice published in the manner and within the terms envisaged by applicable regulations. The Ordinary Shareholders' Meeting for approval of year-end financial statements must be held within 180 days after the end of the company's financial year, according to the relevant law, due to the Company being required to prepare consolidated financial statements or, in any case, whenever specific needs concerning the structure and the corporate purpose of the Company render it necessary.

Shareholders' meetings are also held whenever the Board deems it to be appropriate or when the law requires that they be held.

The Extraordinary Shareholders' Meeting held on 22 October 2012 amended article 10 of the Corporate By-Laws, providing for the ordinary and extraordinary shareholders' meetings, the notice of call of which was published after 1 January 2013, to be held on a single call, pursuant to law.

Pursuant to article 11 of the Corporate By-Laws, the quorum for the establishment and resolutions of Shareholders' Meetings is provided for by the law.

The Shareholders' Meeting, upon the proposal of the meeting's Chairman, appoints a secretary, who need not be a shareholder. In the possible cases contemplated by law and when the meeting's Chairman deems it to be necessary, meeting minutes are prepared in the form of a public deed by a notary designated by the Chairman.

It should be noted that article 19 of the Corporate By-Laws - pursuant to article 2365, paragraph 2, of the Italian Civil Code - states that the attributions provided for therein do not fall within the competence of the shareholders' meeting and must instead be allocated to the Board of Directors (see, in this regard, the information reported above in the paragraph "The role of the board of directors - Article 1 of the Code").

⁸ In fact, the Shareholders' Meeting of 20 April 2011 resolved, with reference to article 10, as follows:

Amendments to paragraph 2

The combined provisions of articles 154-ter of the TUF, as amended by Legislative Decree 27/2010, and by article 2364, paragraph 2, of the Italian Civil Code, allow companies that are required to prepare consolidated accounts to make use, once again, of the right to call the Shareholders' Meeting for the approval of the financial statements within the higher time limit of 180 days from the closure of the company's financial year, without prejudice to the time limit of 120 days to make available the related documentation to the public. The Shareholders' Meeting has resolved to make use of this right in order to allow greater flexibility.

Amendment to paragraph 4 and introduction of a new paragraph 5

Legislative Decree 27/2010 has amended article 2369 of the Italian Civil Code, providing for the Articles of Association of companies that resort to the risk capital market to exclude calls subsequent to the first one and providing that the single call shall be subject, for the Ordinary Shareholders' Meeting, to the majorities specified for the second call and, for the Extraordinary Shareholders' Meeting, to the majorities envisaged for calls subsequent to the second one. Having stated this, the Shareholders' Meeting of 20 April 2011 resolved to amend article 10 of the Articles of Association, providing for the Ordinary and Extraordinary Shareholders' Meetings to be held normally following more than one call, without prejudice to the fact that the Board of Directors may consider the opportunity for the Ordinary and Extraordinary Shareholders' Meetings to be held following one single call.

Directors make every effort to facilitate shareholders' attendance of shareholders' meetings. Whenever possible, all directors and statutory auditors (especially those directors who - by virtue of the position held - can make a useful contribution to meeting discussions) take part in shareholders' meeting.

As regards application criterion 9C3 of the Code, the characteristics of the shareholders' meetings – i.e. streamlined proceedings and absence of criticalities – have allowed us not to propose, thus far, adoption of a shareholders' meeting regulation. It is also pointed out that article 2371 of the Italian Civil Code expressly provides, as regards meeting chairmanship, for the meeting's Chairman to check proper constitution of the meeting and the identity and the legitimate right of those present, to manage proceedings and to ascertain the results of voting (pursuant to article 12 of the Corporate By-Laws, the meeting's Chairman checks - also through specifically appointed officers - the right to attend, compliance of proxies with current legislation, the valid constitution of the meeting as such, and the identity and the legitimate right of those present. He then manages meeting proceedings and takes appropriate measures to assure orderly discussion and voting, defining the latter's approach and ascertaining results.

In particular, it should be noted that:

- With reference to the matters from time to time on the agenda, the Board has taken action to ensure that the shareholders are provided with adequate disclosure on the elements necessary in order to make decisions falling under their responsibility;
- In order to ensure that each shareholder is guaranteed the right to speak on items on the agenda, the Chairman of the meeting, prior to addressing each item on the agenda, reminds the attendees who intend to take the floor to book their speech and that during discussions such speeches must be concise and pertain to the agenda and be completed within a maximum of 10 minutes per speaker; most recently, those who have already taken part in the discussions may take the floor once against for a short speech not to exceed, in general, 5 minutes, in order to reply.

With reference to the market capitalization of the Company's ordinary shares and savings shares, as illustrated in the following table, let us point out that between 30 December 2014 and 30 December 2015, an increase in capitalization was recorded equal to about € 14 million (from € 187 to € 201 million).

Shares

		As at 12.31.2015	As at 12.31.2014
Share capital	euro	20.000.000,00	20.000.000,00
Number of ordinary shares	n.	64.267.615.339	64.267.615.339
Number of savings shares	n.	6.803	6.803
Market capitalization			
<i>- based on average market price on 30 December</i>			
Ordinary shares	euro/mln	199	186
Saving shares	euro/mln	2	1
Total	euro/mln	201	187

As regards the composition of the corporate organisation, reference is made to the information reported above with regard to ownership structures.

Meetings held in 2015

In 2015, the following Meetings were held:

1) Ordinary and Extraordinary Shareholders' Meetings

a) On 27 January 2015, the Ordinary Shareholders' Meeting:

i) approved the settlement offer received by the Company and, therefore, the settlement of the liability action against the former directors who held office of the period from 8 August 2003 until 21 October 2012 and the settlement of relationships with additional persons other than the former directors summonsed as defendants upon payment of a sum totaling Euro 30 million;

ii) took the necessary steps to supplement the Board of Statutory Auditors in consideration of the resignations submitted by the standing members of the control body in office until 14 October 2014. As a result, the Board of Statutory Auditors came to include as standing auditors Maurizio Michele Eugenio Gili, Guido Nori and Ada Alessandra Garzino Demo and as alternate auditors Roberta Battistin and Marco Benvenuto Lovati. Dr. Gili was confirmed as Chairman of the Board of Statutory auditors. Such auditors remained in office until the shareholders' meeting that approved the financial statement for year ended 31 December 2014.

The above-mentioned shareholders' meeting was attended by 2 directors.

b) On 23 April 2015 met the Ordinary Shareholders' Meeting of the Company, which approved the Company 2014 financial statements, the draft of which was approved by the Board of Directors of 12 March 2015, recording a positive result equal to € 1,390,295,399.26, allocated as per € 12,203,233.78 to covering for accrued losses, per € 1,340,610,506.94 to covering for the deficit deriving from the merger of Seat Pagine Gialle Italia S.p.A. into Seat Pagine Gialle S.p.A. and the remaining € 37,481,658.54 to available reserves.

The same Shareholders' Meeting further resolved

- to determine at 7 the number of members of the Board of Directors, setting the term of office until the approval of the financial statements for the financial year closed on 31 December 2016, and to determine in € 75,000 the annual compensation for each board member – plus € 5,000 per each day of board activities additional to the threshold of No. 18 days per year -, authorising the entering into of an insurance policy to cover for the civil liability of directors with annual premium up to a maximum of € 350,000;
- to appoint as Directors Mr. Vincenzo Santelia, Maria Elena Cappello, Michaela Castelli, Mauro Del Rio, David Eckert, Francesca Fiore and Corrado Sciolla, also appointing Vincenzo Santelia as Chairman of the Board of Directors. The directors appointed were all drawn from the only slate submitted for the Shareholders' Meeting, proposed, through GoldenTree Asset Management LP as relating asset manager, by shareholders The San Bernardino County Employees' Retirement Association, GT NM LP, GoldenTree SG Partners LP and GoldenTree Asset Management Lux S.à.r.l. and voted by the majority;

- to appoint as Statutory Auditors, until the approval of the financial statements for the financial year closed on 31 December 2017, Mr. Maurizio Gili, Ada Garzino Demo and Guido Nori and as Alternate Auditors Mrr. Massimo Parodi and Roberta Battistin, also appointing Maurizio Gili as Chairman of the Board of Statutory Auditors and determining in € 90,000 the annual compensation for the Chairman of the Board of Statutory Auditors and in € 60,000 the annual compensation due to the each Statutory Auditor. The Board of Statutory Auditors has been appointed based on the only slate submitted for the Shareholders' Meeting, proposed, through GoldenTree Asset Management LP as relating asset manager, by shareholders The San Bernardino County Employees' Retirement Association, GT NM LP, GoldenTree SG Partners LP and GoldenTree Asset Management Lux S.à.r.l. and voted by the majority;
- to adjust the compensation due to the auditing firm PricewaterhouseCoopers S.p.A. for financial years included in the period 2015-2020;
- to express favourable opinion to Section I of the Report on Remuneration pursuant to art. 123-ter of Legislative Decree No. 58 of 24 February 1998 ("Report on Remuneration").

The aforementioned meeting was attended by 4 directors.

- c) On 8 October 2015 the Ordinary Shareholders' Meeting of the Company resolved to revoke the members of the Board of Directors in office as appointed by the Ordinary Shareholders' Meeting on 23 April 2015 and, subsequently, adopted the necessary decisions for the purpose of appointing the new Board of Directors, resolving to the effect:
- to determine at 9 the number of members of the Board of Directors, setting the term of office until the approval of the financial statements for the financial year closed on 31 December 2017 and to determine in € 75,000 the annual compensation for each board member – plus € 5,000 per each day of board activities additional to the threshold of No. 18 days per year -, authorising the entering into of an insurance policy to cover for the civil liability of directors with annual premium up to a maximum of € 350,000;
 - to appoint as Directors Mr. Khaled Galal Guirguis Bishara, Antonio Converti, Sophie Surssock, Onsi Naguib Sawiris, David Alan Eckert, Corrado Sciolla, Maria Elena Cappello, Cristina Mollis and Cristina Finocchi Mahne, also appointing Khaled Galal Guirguis Bishara as Chairman of the Board of Directors. The directors appointed are all drawn from the only slate submitted for the Shareholders' Meeting, proposed by the shareholder Italiaonline S.p.A. and voted by the majority.

The meeting was attended by one director.

2) Savings Shareholders' Meeting

- d) On 16 July 2015 the Special Meeting of the Savings Shareholders resolved to authorise the Common Representative, Mrs. Stella d'Atri, to start the initiatives necessary to appeal – pursuant to and to the effects of art. 2377 et seq. of the Italian Civil Code -, the resolution adopted by the Ordinary Shareholders' Meeting of Seat Pagine Gialle S.p.A. of 23 April 2015, for the part concerning the allocation of the result of the financial year closed on 31 December 2014.

The above-mentioned shareholders' meeting was attended by two directors.

- For the sake of completeness, please note that on 8 March 2016 the Ordinary and Extraordinary Shareholders' Meeting of the Company approved: the merger by reverse incorporation plan of Italiaonline into the Company, according to the exchange ratio set at no. 1,350 ordinary shares of the Company per each Italiaonline share.
- the "2014-2018 Stock Option Plan of Seat Pagine Gialle" (the "**Stock Option Plan**") and the granting of a delegation to the Board of Directors to increase the share capital to service said Stock Option Plan pursuant to article 2441, paragraphs 5, 6 and 8, of the Italian Civil Code;
- the delegation to the Board of Directors to increase in one or more issues the share capital, with exclusion of option rights pursuant to article 2441, comma 4, the Italian Civil Code;
- the appointment, as member of the Board of Directors, of Attorney Antonia Cosenz, co-opted by the Board of Directors of 10 November 2015;
- the appointment, as Alternate Auditor, of Dott. Giancarlo Russo Corvace.

Changes since the closure of the relevant financial year

No material changes have occurred.

Seat Pagine Gialle S.p.A.
for the Board of Directors
The Chief Executive Officer

Milan, 15 March 2016

TABLE 1 – STRUCTURE OF THE BoD AND THE COMMITTEES as at the approval date of this Report

Consiglio di Amministrazione ^{(1) (2)}												Control and Risk Committee		Appoint. and Remun. Committee	
Office	Members	Year of Birth	Date of first appointment	In office since	In office until	Slate **	Exec	Non-exec	Indep Daunder code and TUF	N. other offices ***	(*)	(*)	(**)	(*)	(**)
Chariman	Khaled Galal Guirguis Bishara	1971	8/10/2015	8/10/2015	App. Financial statement as of 31/12/2017	M		x		3	4/4				
Mangaing Directors	Antonio Converti	1955	9/9/2015	8/10/2015	App. Financial statement as of 31/12/2017	M	x				4/4				
Vice Chariman	David Alan Eckert	1955	23/4/2015	8/10/2015	App. Financial statement as of 31/12/2017	M	x				4/4				
Director	Sophie Sursock	1979	9/9/2015	8/10/2015	App. Financial statement as of 31/12/2017	M		x		1	4/4				
Director	Onsi Naguib Sawiris	1992	8/10/2015	8/10/2015	App. Financial statement as of 31/12/2017	M		x			4/4				
Director	Corrado Sciolla	1963	23/4/2015	8/10/2015	App. Financial statement as of 31/12/2017	M		x	x		3/4			3/3	M
Director	Maria Elena Cappello	1968	23/4/2015	8/10/2015	App. Financial statement as of 31/12/2017	M		x	x	3	3/4	4/5	M		
Director	Cristina Finocchi Mahne	1965	8/10/2015	8/10/2015	App. Financial statement as of 31/12/2017	M		x	x	4	4/4	5/5	P	3/3	M
Director	Antonia Cosenz ⁽³⁾	1975	8/10/2015	8/10/2015	App. Financial statement as of 31/12/2017	M		x	x		1/1	3/3	M	2/3	P

<p><i>Number of meetings held during the reference year with respect to the Board of Directors appointed by the Ordinary Shareholders' Meeting of 8 October 2015</i></p>	<p><i>BoD: 4</i></p>	<p><i>Control and Risk Committee appointed by the Ordinary Shareholders' Meeting of 8 October 2015: 5</i> (average duration of the meetings: about 2 hours)</p>	<p><i>Appointments and compensation committee appointed by the Ordinary Shareholders' Meeting of 8 October 2015: 3</i> (average duration of the meetings: about 1 hour and 20 minutes)</p>	
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NOTE

* The phrase “date of initial appointment of each Director” means the date on which the Director was appointed for the very first time to the Issuer’s BoD

** This column indicates the slate from which each Director was elected (“M” majority slate; “m” minority slate; “BoD”: slate submitted by BoD)

*** This column indicates the number of roles as director or statutory auditor held by the person in question in other companies listed on regulated markets, including abroad, financial, banking, insurance companies or large companies (see the paragraph on the Board of Directors in office, where the roles are indicated in detail)

(*) This column indicates the attendance by the directors at the meetings of, respectively, the BoD and the Committees (no. of meetings attended out of the total number of meetings that could have been attended, and average duration of the meetings)

(**) This column indicates the role of the director within the Committee: “C: chairman”; “M”: member)

- (1) It should be noted that on the occasion of the appointment of the current Board of Directors, which took place on 8 October 2015, a single slate was submitted. The quorum required for the submission of slates: 2%
- (2) For a comprehensive information as regards the succession in the composition of the Board of Directors intervened during the course of 2015 reference is made to what illustrated on page ... and following of this Report
- (3) On 8 March 2016 the Ordinary Shareholders' Meeting resolved to appoint Antonia Cosenz member of the Board of Directors

TABLE 2: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS as of the approval date of this Report

Role	Members	Year of birth	Date of initial appointment *	In office since	In office until	Slate **	Independence under Code	Attendance at the meetings of the Board of Statutory Auditors ***	No. of other roles ****
Chairman ⁽¹⁾	Maurizio Michele Eugenio Gili	1956	25/7/2013	14/10/2014	App. Financial statement as of 31/12/2017	M	Yes	13/13	1
Standing auditor ⁽¹⁾	Guido Nori	1955	27/1/2015	27/1/2015	App. Financial statement as of 31/12/2017	M	Yes	13/13	-
Standing Auditor ⁽¹⁾	Ada Alessandra Garzino Demo	1963	27/1/2015	27/1/2015	App. Financial statement as of 31/12/2017	M	Yes	13/13	1
Alternate Auditor ⁽¹⁾	Roberta Battistin	1971	27/1/2015	27/1/2015	App. Financial statement as of 31/12/2017	M	Yes		

AUDITORS WHO CEASED TO HOLD OFFICE DURING THE YEAR IN QUESTION

Role	Members	Year of birth	Date of initial appointment *	In office since	In office until	Slate **	Independence under Code	Attendance at meetings of the Board of Statutory Auditors ***	No. of other roles ****
Alternate Auditor ⁽²⁾	Giancarlo Russo Corvace	1953	08/03/2016	08/03/2016	App. Financial statement as of 31/12/2017	-	Yes	-	-

⁽¹⁾ Appointed by the Ordinary Shareholders' Meeting on 23 April 2015 with term of office until the approval of the financial statements closed on 31 December 2017 Please note that on occasion of such appointment a single slate was submitted. The required quorum for the submission of slates: 2%.

⁽²⁾ Appointed by the Ordinary Shareholders' Meeting on 8 March 2016, in place of Mr. Parodi, died on 5 September 2015.

Number of meetings held in year 2015: 13; since 1 January 2016 until the date of this Report: 1

Average duration of the meetings: 3 hours

NOTES

* The phrase "date of initial appointment of each auditor" means the date on which the auditor was appointed for the very first time to the Issuer's Board of Statutory Auditors

** This column indicates the slate from which each auditor was elected ("M" majority slate; "m" minority slate; "BoD": slate submitted by BoD)

*** This column indicates the attendance by the auditors at the meetings of the board of statutory auditors (no. of meetings attended out of the total number of meetings that could have been attended, and average duration of the meetings)

**** This column indicates the number of roles as director or auditor held by the person in question (other than that held in the Company) that are relevant pursuant to art. 148 *bis* TUF and the related implementing provisions set forth in the Consob Issuers Regulation. The complete list of roles is published by Consob on its website pursuant to art. 144-quinquiesdecies of the Consob Issuers Regulation

Annex

Sections of the Corporate By-Laws of SEAT Pagine Gialle SpA referred to in this Report

TITLE II

SHARE CAPITAL AND BONDS

ARTICLE 5 - SHARE CAPITAL SIZE

The Company's share capital, subscribed and paid in, is equal to EUR 20,000,000.00 (twenty million) divided into 64,267,615.339 (sixty four billion two hundred sixty seven million six hundred fifteen thousand three hundred thirty nine) ordinary shares and 6,803 (six thousand eight hundred three) savings shares, of no par value.

In resolutions concerning paid capital increases, the option right can be excluded to the maximum extent of 10 per cent of previously existing capital, on condition that the issue price corresponds to the shares' market value and that this is confirmed in a specific report by the firm appointed to perform the legal audit of accounts.

The Extraordinary Shareholders' Meeting held on 4 March 2014 resolved to conclude a paid, divisible capital increase, excluding the option right pursuant to art. 2441, paragraphs 5 and 6, of the Italian Civil Code, for up to a maximum amount of Euro 100,000.00 (one hundred thousand/00), referring solely to the par value (to which any share premium due will be added), to be paid possibly in more than one tranche, through the issue of up to a total of 3,391,431,376 ordinary shares having the same characteristics of the outstanding ordinary shares (delegating the Board of Directors to determine the subscription price), to be applied exclusively and irrevocably to servicing the warrants to be issued in accordance with the resolution passed by the above-mentioned Extraordinary Shareholders' Meeting and, therefore, the exercise of the subscription right by the holders of the warrants; such increase must be completed by the final deadline of 1 May 2019.

ARTICLE 6 - SHARES

The Shareholders' Meeting may resolve to issue shares with varying rights, in accordance with law.

Within the limits and conditions established by law, the shares may be bearer shares.

Bearer shares may be converted into registered shares and vice versa at the request and expense of the interested party.

Shares are issued according to the dematerialisation system.

Savings shares have the privileges and rights described in this article.

Net profits reported in the regularly approved financial statements, less allocations to legal reserves, must be distributed to holders of savings shares up to an amount equal to five per cent of EUR 600.00 per share.

Any profits remaining after allocating the preferred dividend to the savings shares as established in the previous paragraph and as resolved by the Shareholders' Meeting shall be distributed among all shares so that savings shares receive a greater cumulative dividend than ordinary shares, equal to two per cent of EUR 600.00 per share.

When a dividend that is less than the amount indicated in the sixth paragraph from above is allocated to savings shares during any financial year, the difference shall be added to the preferred dividend during the two subsequent financial years.

In the case of distribution of reserves, savings shares have the same rights of other shares. Moreover, the meeting that approves the financial statements has the option - in case such financial statements show no or insufficient net profit -, to use the available reserves in order to meet the capital rights mentioned under item six above as possibly increased according to item eight above.

A share capital reduction due to losses shall not affect the savings shares except for the portion of the loss that is not met by the portion of share capital represented by the other shares.

At the winding up of the company, savings shares shall have preference in redemption of share capital up to the amount of EUR 600.00 per share. If there is subsequent reverse split or share-splitting (also as regards capital transactions, should any be necessary in order not to affect the rights of holders of savings shares should the shares have a par value), this fixed amount per share will be modified accordingly.

In order to provide the common representative with sufficient information on operations that may impact on the price development of savings shares, said representative shall be sent notices with regard to this matter, as it is relevant and required by law.

If at any time ordinary or savings shares of the company are excluded from trading, savings shares shall retain their rights and characteristics, unless savings shareholders are given the right to request conversion of their shares to ordinary or preferred shares listed on the exchange, with the same characteristics as the savings shares, in accordance with pertinent legal provisions in effect at that time, and the right to vote only in Extraordinary Shareholders' Meetings. The right to convert may be exercised by savings shareholders according to the terms and conditions to be defined by a resolution of the Extraordinary Shareholders' Meeting convened for this purpose, subject to approval by a meeting of savings shareholders, if applicable.

TITLE III

SHAREHOLDERS' MEETING

ARTICLE 8 - RIGHT TO ATTEND

Those who have the right to vote in compliance with applicable regulations, in the ways and terms envisaged, can attend shareholders' meetings.

Each party who has the right to vote and who has the right to attend shareholders' meetings can cause himself/herself to be represented by means of a written proxy or a proxy granted through a document duly signed in electronic form pursuant to the applicable regulations.

The proxy may be issued to an individual or legal entity.

The proxy can be notified electronically via use of a specific section of the Company's website, according to the procedures indicated in the meeting notice, or via certified email sent to the email address indicated at any given time in the meeting notice.

The Company may appoint, for each Shareholders' Meeting, by indicating in the notice of call, a person that the members may appoint as a proxy with voting instructions for all or some of the proposals on the agenda, within the time limits and according to the procedures required by law.

ARTICLE 10 - MEETING NOTICE

The Shareholders' Meeting is convened in accordance with law in the municipal district in which the registered office of the company is located or, if required, the



secondary office, by means of a notice published in the manner and within the terms envisaged by applicable regulations.

The Ordinary Shareholders' Meeting for approval of year-end financial statements must be held within 180 days after the end of the company's financial year, according to the relevant law, due to the Company being required to prepare consolidated financial statements or, in any case, whenever specific needs concerning the structure and the corporate purpose of the Company render it necessary.

Shareholders' meetings are also held whenever the Board deems it to be appropriate or when the law requires that they be held.

The ordinary and extraordinary Shareholders' Meetings whose notice of call will be published after 1 January 2013 will be held in a single call, pursuant to law.

ARTICLE 11 - ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETINGS

Only ordinary shares are entitled to vote in Ordinary Shareholders' Meetings.

At Extraordinary Shareholders' Meetings ordinary shares are entitled to vote and, if issued, preference shares that have voting rights.

The quorum for the establishment and resolutions of Shareholders' Meetings is provided for by the law.

TITLE IV

ADMINISTRATIVE AND GOVERNING BODIES

ARTICLE 14 – COMPOSITION OF THE BOARD OF DIRECTORS

The Company is managed by a Board of Directors composed of a minimum of 7 (seven) and a maximum of 21 (twenty-one) Directors.

The Shareholders' Meeting determines the number of members of the Board of Directors, which remains unchanged until otherwise resolved and throughout the term of office, subject to the maximum limits established by law.

Directors may be re-elected.

Whenever, for any reason whatsoever, the majority of Directors elected by the Shareholders' Meeting cease to perform their duties before their term of office has elapsed, the term of office of the remaining directors on the Board of Directors is considered to have expired and they shall cease to perform their duties when the Board of Directors is reappointed by the Shareholders' Meeting.

The appointment of the Board of Directors shall be based on a slate submitted by the shareholders, in accordance with the following paragraphs, or by the exiting Board of Directors, in any case without prejudice to the application of different and further provisions under mandatory legal or regulatory rules. The candidates must be listed progressively.

Each slate must contain and expressly indicate at least two candidates who meet the independence requirements required in Article 147-ter, IV C, of Legislative Decree no. 58/1998.

The slate submitted by the outgoing Board of Directors and the slates submitted by the shareholders shall be deposited at the registered office of the Company by the end of the 25th (twenty-fifth) day before the date of the shareholders' meeting convened to resolve appointment of the members of the Board of Directors and must be made available to the public at the Company's registered office, on its website, and with the other methods established by CONSOB [Italian securities and

exchange commission] via regulation, at least 21 (twenty-one) days before the date of the shareholders' meeting concerned.

Every shareholder may submit or agree to the submission of only one slate, and every candidate may list himself/herself on only one slate, or otherwise shall be disqualified.

Only those shareholders who, alone or together with other shareholders, own voting shares representing at least 2% of the voting capital in ordinary shareholders' meetings, or representing the lower percentage determined by CONSOB pursuant to Article 147-ter, I C, of Legislative Decree no. 58/1998, shall be entitled to submit a slate. In order to prove the aforesaid title a copy of the certificates issued by authorised intermediaries and proving ownership of a number of shares necessary to present the slates themselves is to be filed at the registered offices of the Company by the deadline established for publication of the slates.

Together with each slate, within the term indicated above, professional resumes and statements are to be submitted in which each candidate accepts the nomination and attests, under his or her own responsibility, that there is no cause for ineligibility or disqualification, and to his/her compliance with the requirements of law and the Corporate By-Laws prescribed for the position, and mentions the possibility of being qualified as independent pursuant to Article 147-ter, IV C, of Legislative Decree no. 58/1998. Furthermore, slates with three or more candidates must include candidates of different genders, as per the provisions in the notice of the Shareholders' Meeting, in order to allow the composition of the Board of Directors to comply with the regulations in force on the subject of gender equality. Any slates which fail to observe the foregoing requirements shall be considered as not having been submitted.

All shareholders with voting rights may only vote one slate.

Except as otherwise required by the below listed conditions for compliance with the minimum number of directors who, in accordance with applicable regulations, must meet the independence requirements or be appointed, where possible, by minority interests and in any case in compliance with the regulations in force on the subject of gender equality, the procedures indicated below are to be followed in electing the Board of Directors:

- 1) from the slate that received the greatest number of votes in the Shareholders' Meeting, a number of directors corresponding to the number of members of the Board of Directors, less two are selected, based upon their order of priority on the slate;
- 2) the remaining directors are elected from other slates; for this purpose, the votes received by the slates are divided by one and subsequently by two. The resulting quotients shall be progressively assigned to the candidates on each of these slates, according to the respective order of priority.

The quotients assigned to the candidates on the various slates shall be arranged in a single slate in decreasing order. Those who receive the highest quotient shall be elected. If quotients are even, the candidate on the slate that has not elected any director shall be elected.

In the event of an equal number of votes and the same quotients, a new vote shall be held, and the candidate who receives the simple majority vote shall be elected.

It is understood that

- (i) at least one director must be appointed from a slate, if any, which is not connected, either directly or indirectly, with the shareholders who have presented or voted the slate which has ranked first in the number of votes, and
- (ii) at least one director appointed from the slate which has obtained the majority of the votes at the shareholders' meeting, as well as at least one of the directors appointed from the slate ranking second in the number of votes obtained, shall meet the independence requirements under Article 147-ter, IV C, of Legislative Decree no. 58/1998.

If the application of the procedure under items 1) and 2) above does not allow compliance with the regulations in force on the subject of gender equality, the quotient of votes attributable to each candidate from the slate is calculated by dividing the number of votes obtained by each slate by the position in the slate of said

candidates; the candidate of the most represented gender that has the lowest quotient out of the candidates from all the slates is replaced, in compliance with the provisions of paragraph (ii) above, by a person of the less represented gender, if any, that is indicated (with the next highest position in the slate) in the same slate as that of the replaced candidate; failing that, the relevant missing directors will be appointed in accordance with the procedure referred to in the second-last paragraph of this article. In the event that candidates from different slates obtain the same quotient, the candidate from the slate from which the highest number of directors have been taken will be replaced or, alternatively, the candidate from the slate that obtained the lowest number of votes or, in the event of an equal number of votes, the candidate that obtains the least votes by the Shareholders' Meeting in a special vote.

In order to appoint directors for any reason who are not appointed in the manner described above, the Shareholders' Meeting shall pass resolutions with the majority provided by law, without prejudice to the obligation to comply with the minimum number of directors who meet the abovementioned independence requirements as well as compliance with the regulations in force on the subject of gender equality.

If, during the course of the financial year, one or more directors cedes from his post, the procedures indicated in Article 2386 of the Italian Civil Code shall prevail in compliance with regulatory requirements relating to independent directors and gender equality..

ARTICLE 22 - STATUTORY AUDITORS

The Board of Statutory Auditors is composed of three permanent auditors and two alternate auditors appointed by the Shareholders' Meeting, which shall also establish their compensation. The duties and responsibilities of the Statutory Auditors are subject to current law.

They are entitled to be reimbursed for expenses they incur in performing their duties.

In order to allow minority interests to elect a permanent auditor and an alternate, the Board of Statutory Auditors is appointed based upon a slate submitted by shareholders pursuant to the following paragraphs, in any case without prejudice to the application of different and further provisions under mandatory legal or regulatory rules. The candidates must be listed progressively. the slate consists of two sections: one for candidates for the position of permanent auditors, and the other for candidates for the position of alternate auditors. Slates that, taking both sections into consideration, have three or more candidates and compete for the appointment of the majority of members of the board of statutory auditors, must include, in the section relating to candidates for the position of permanent auditor, candidates of different genders in the first two positions of the slate, as specified in the Meeting notice, in order to comply with the regulations in force on the subject of gender equality. In the event that the alternate auditors section of said slates indicates two candidates, these candidates have to be of different genders.

All statutory auditors must be registered in the Central Register of Legal Auditors as indicated under Heading III of Italian Legislative Decree no. 39 of 27 January 2010 and must have performed legal auditing of accounts for a period of not less than three years.

Only those shareholders who, alone or together with others, own voting shares representing at least 2% of the voting capital in the Ordinary Shareholders' Meeting, or representing the lower percentage determined by CONSOB pursuant to Article 147-ter, I C, of Legislative Decree no. 58/1998, are entitled to submit slates.

The slates must be filed at the Company's registered offices by the end of the 25th (twenty-fifth) day before the date of the shareholders' meeting convened to resolve appointment of the members of the Board of Statutory Auditors.

In order to prove the aforesaid title, a copy of the certificates issued by authorised intermediaries and proving ownership of a number of shares necessary to present the slates themselves is to be filed with the registered offices of the Company by the deadline established for publication of the slates.

No shareholder, as well as shareholders belonging to the same group, may submit, personally or through a trustee, more than one slate and vote for different slates. Each candidate may appear on only one slate, or shall otherwise be disqualified.

Candidates who do not meet the ethical and professional requirements established in applicable legislation may not be included in the slates. Exiting statutory auditors may be re-elected.

Together with each slate, within the term indicated above, the designated parties' professional resumes are lodged, plus the declarations with which each candidate accepts the nomination and attests, under his or her own responsibility, that there is no cause for ineligibility or disqualification, and to his/her compliance with the requirements of law and the Corporate By-Laws prescribed for the position.

Any slates which fail to observe the foregoing requirements shall be considered as not having been submitted.

The procedures indicated below are to be followed in electing the Statutory Auditors:

- 1) two permanent members and one alternate are to be selected from the slate that received the greatest number of votes in the Shareholders' Meeting, based upon the order of priority in which they are listed in the sections of the slate;
- 2) the remaining permanent member and alternate member are to be selected from the slate that received the second greatest number of votes in the Shareholders' Meeting and which is not connected, either directly or indirectly, with the shareholders who have presented or voted the slate which has ranked first in the number of votes, based upon the order of priority in which they are listed in the sections of the slate.

The chairman of the Board of Statutory Auditors is the candidate appointed from the second slate, if any, that receives the greatest number of votes.

If the requirements of pertinent laws or the Corporate By-Laws are not met, the statutory auditor is dismissed from the position.

In the event of replacement of a statutory auditor, the alternate auditor from the same slate as the auditor being replaced shall be the substitute. If this replacement does not allow compliance with the regulations in force on the subject of gender equality, the second alternate auditor, if any, who belongs to the less represented gender and is appointed from the slate of the replaced candidate, will be the substitute. In the event that enforcement of the procedures above does not allow compliance with the regulations in force on the subject of gender equality, a shareholders' meeting must be called as soon as possible in order to guarantee compliance with the terms of such regulations.

The foregoing requirements for appointing the Board of Statutory Auditors do not apply to the Shareholders' Meetings, which, according to law or the Corporate By-Laws, must appoint the permanent and/or alternate auditors and the chairman as necessary to compose the Board of Statutory Auditors following replacement or dismissal and for appointing auditors for any reason if they are not appointed in accordance with the previous paragraphs. In these cases, the Shareholders' Meeting is to proceed according to the quorum required by law, without prejudice to the requirement – where applicable – of Article 144-sexies, paragraph 12, of the Issuers' Regulation, adopted by CONSOB with its resolution no. 11971 of 14 May 1999, as well as in compliance with the regulations on the subject of gender equality and other applicable provisions of law.

For the purposes of the Ministry of Justice decree, dated March 30th 2000 no. 162, art.1, paragraph 3 it is established that publishing, advertising and other communication services, irrespective of its means or used device are activities that are covered by the purpose of the company.

Meetings of the Board of Statutory Auditors, should the Chairman ascertain that they are necessary, can be validly held by video conference or audio conference, on condition that all the participants can be identified by the Chairman and by all those in attendance, that they are allowed to follow the discussion and to intervene in real time in dealing with the arguments being discussed, that they are allowed to exchange documents relating to these matters and that note is made of all the above

in the relevant minutes. When these conditions are met, the meeting of the Board of Statutory Auditors shall be considered held in the place in which the Chairman is located.

ARTICLE 23 - TRANSACTIONS WITH RELATED PARTIES

The Company approves any transactions with related parties in accordance with the provisions of law and regulations in force, the requirements under its Corporate By-Laws and the procedures adopted on the subject.

The Procedure regarding Transactions with Related Parties can provide:

- 1) for the Board of Directors to approve the Significant Transactions, even despite the contrary opinion of a majority of Independent Directors, provided that i) the performance of the same has been previously authorised by the Shareholders' Meeting, pursuant to article 2364, paragraph 1, no. 5, of the Italian Civil Code; (ii) a majority of the Shareholders not Related to the Significant Transaction, present at the Shareholders' Meeting and representing at least 10% of the voting capital, has not voted against the Transaction itself;
- 2) that, when the proposed resolution of the Board of Directors concerning the performance of a Significant Transaction to be submitted to the Shareholders' Meeting is approved with the contrary opinion of the Committee of Independent Directors or of the Board of Statutory Auditors, the Shareholders' Meeting may pass resolutions with the legal quorum, provided that the majority of Shareholders not related to the Significant Transaction, present at the Shareholders' Meeting and representing at least 10% of the voting capital, has not voted against the Transaction itself;
- 3) that, in case of urgency, Transactions with Related Parties, whether for approval by the board or by the shareholders' meeting, are concluded in exception to the provisions governing the Company's Procedure on Transactions with Related Parties, in compliance with the legislative and regulatory provisions on the subject.