

## **BIESSE S.P.A.**

**DIRECTORS' REPORT FOR THE ORDINARY AND EXTRAORDINARY MEETING OF SHAREHOLDERS OF BIESSE S.P.A. OF 29 AND 30 APRIL 2015, PREPARED IN ACCORDANCE WITH ARTICLE 125-TER OF LEGISLATIVE DECREE OF 24 FEBRUARY 1998 N. 58 ( CONSOLIDATED FINANCIAL LAW -"TUF") AND ARTICLES 72 AND 84-TER OF THE ISSUERS' REGULATIONS RATIFIED BY CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AND SUBSEQUENT AMENDMENTS (THE "ISSUERS' REGULATION").**

19 MARCH 2015

Dear Shareholders,

with the notice of convocation published in the newspaper LIBERO of 19 March 2015 and on the website of Biesse S.p.A. (the "**Company**" or "**Biesse**") on the same date, the Meeting of Shareholders of the Company has been called in ordinary and extraordinary session, for the 29 and 30 April 2015, in first and second convocation respectively, at the registered offices of the Company in Pesaro, Via della Meccanica, 16 at 09.30, to discuss and approve the following:

### **Agenda**

#### *Ordinary session*

1. Approval of the Financial Statements for the year to 31 December 2014, the Directors' report on operations, the report of the Board of Statutory Auditors and the Independent Auditors' report on the Financial Statements for the year to 31 December 2014; and to discuss all matters arising therefrom. Presentation of the Consolidated Financial statements for the year to 31 December 2014.
2. Allocation of the results of Biesse S.p.A. for the financial year 2014.
3. Appointment of the Board of Directors, given prior approval of the number of directors of which it is composed, and to discuss all matters arising therefrom.
4. Appointment of the Board of Statutory Auditors, and to discuss all matters arising therefrom.
5. Approval of a new incentive plan to be known as the "Long Term Incentive 2015-2017 of Biesse S.p.A."
6. Approval of the remuneration policy of Biesse Group.
7. Approval of a treasury share purchase and sale programme in accordance with articles 2357 and 2357-ter of the Italian Civil Code and the conferral of powers of execution on the Board of Directors, and to discuss all matters arising therefrom.

#### *Extraordinary Session*

1. Amendment of articles 16 and 19bis of the Articles of Association relating to list voting procedures for the election of members of corporate bodies.

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#### **A. ORDINARY SESSION**

1. **APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2014; DIRECTORS' REPORT ON OPERATIONS; REPORT OF THE STATUTORY AUDITORS AND THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2014; ALL**

**MATTERS ARISING THEREFROM. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2014.**

Dear Shareholders,

The Shareholders' Meeting called for 29 and 30 April 2015 has been called to approve the Company's Financial Statements for the year to 31 December 2014. Biesse will make available to shareholders, in the manner required by law, the Company's Annual Financial Report for 2014 (including the preliminary Financial Statements to 31 December 2014, the Consolidated Financial Statements, the Report on Operations and the declaration required by article 154-bis of the Consolidated Financial Law - TUF) by 31 March 2015, together with the Independent Auditors' report on the aforementioned Parent and Consolidated Financial Statements and the report required by article 153 of the Consolidated Financial Law - TUF. Please refer to these documents for further information on the first item on the agenda for the Shareholders' Meeting.

The Board of Directors, therefore, submit for the approval of the Shareholders' Meeting the following proposal regarding the first item on the agenda of the Ordinary Session:

*"The Ordinary Meeting of shareholders of Biesse S.p.A.,*

*- taking note of the Directors' Report on Operations,*

*- taking note of the Statutory Auditors' Report and the Independent Auditors' Report,*

*- having examined the Preliminary Financial Statements of Biesse S.p.A. for the year to 31 December 2014,*

**RESOLVES**

*(a) the approval of the Financial Statements of Biesse S.p.A. for the year to 31 December 2014, the Board of Directors' Report on Operations, the Report of the Board of Statutory Auditors and the Independent Auditors' Report, which shows a profit of Euro [●]*

*(b) [provision regarding profit/loss];*

*(c) to make note of the presentation of the Consolidated Financial Statements for the year ended 31 December 2014.*

*The said proposals put forward for approval*

*Are therefore put to the vote and are declared approved with [●] votes in favour. As detailed in the appendices."*

**2. ALLOCATION OF THE RESULT FOR 2014 OF BIESSE S.P.A.;**

Dear Shareholders,

The Shareholders' Meeting called for 29 and 30 April 2015 is also called to approve the allocation of the result for the financial year ended 31 December 2014. The Board of Directors, in its meeting of 12 March 2015, agreed to propose to the Shareholders Meeting the distribution of a dividend of Euro 0.36 per share, gross of taxes.

The dividend as approved by the Shareholders' Meeting will be paid, in accordance with the law and relevant regulations, on 20 May 2015 with the date of detachment of coupon no. 11 on 18 May 2015. In accordance with article 83-terdecies of the Consolidated Financial Law - TUF, those legally entitled to receive the dividend must be shareholders who appear on the register as reported at the end of the accounting day of 19 May 2015 (record date).

For the proposal submitted to the Shareholders' Meeting regarding the second item on the agenda of the Ordinary Session, please see point (b) of the proposal regarding the first item on the agenda of the Ordinary Session.

**3. APPOINTMENT OF THE BOARD OF DIRECTORS, GIVEN PRIOR APPROVAL OF THE NUMBER OF DIRECTORS OF WHICH IT IS COMPOSED, AND TO DISCUSS ALL MATTERS ARISING THEREFROM.**

Dear Shareholders,

the mandate of the current Board of Directors expires with the approval of the Financial Statements to 31 December 2014 and the Shareholders' Meeting called for 29 and 30 April 2015 is therefore called to renew the administrative body, in the first instance by determining the number of members of which it is composed.

In this regard, the outgoing Board – taking into account the size, the composition and the functioning of the body and the committees through which it has operated in the period and, with the aim of enhancing its operating efficiency and speed – proposes a reduction in the number of Directors from eight to six.

The outgoing Board also advises that, with the renewal of the corporate administrative bodies for the period 2015 - 2017 to be discussed during the Shareholders' meeting of 29 and 30 April 2015 (the first such appointments since the relevant regulations have come into force), the Company must comply with the regulations governing gender representation in the composition of the administrative body as defined in article 147-ter, paragraph 1-ter of Legislative Decree 24 February 1998, no. 58 (Consolidated Financial Law - "**TUF**" - the so-called "quote rosa" regulation). In this regard, the Board would highlight that article 2 of Law 120/201 provides that, for the first mandate in application of the law being referred to, at least one-fifth of the body must be made up of Directors belonging to the less-represented gender.

It should also be noted that, in accordance with article 147-ter, paragraph 4, of the Consolidated Financial Law - TUF, it is necessary that – in view of the number of members of the Board proposed above – at least one new director should possess the credentials of independence established by the statutory auditors as defined in article 148, paragraph 3, of the Consolidated Financial Law - TUF. The outgoing Board would further highlight that Biesse adheres to the Self-Regulatory Code for quoted companies (the "**Self-Regulatory Code**") and that, therefore, in accordance with principle 3.C.3, final paragraph, contained therein, the number of independent directors should number no fewer than two.

The outgoing Board therefore recommends the appointment of two independent directors to the new Board, as it believes that this number is appropriate to the size and activity of the Board and its committees and to the organisational structure of the Company.

The outgoing Board also proposes that the new administrative body should be appointed for three years, with expiry, therefore, on approval of the Financial Statements of Biesse for the year to 31 December 2017.

The renewal of the Board of Directors will take place on the basis of voting lists, in accordance with article 16 of the Company's Articles of Association, which are reported below (regarding the section relating to the procedures for appointments to the Board).

*"16) The Company is managed by a Board of Directors made up of from 2 to 15 members, who are not necessarily shareholders.*

*The Board of Directors is nominated by the Meeting of Shareholders based on lists presented by the Shareholders in which a number of candidates not exceeding the number to be nominated must be indicated and which are listed in numerical order*

*Each candidate may be presented on one list only. Failure to comply will mean ineligibility.*

*Only those Shareholders who, either alone or together with other Shareholders, represent at least 2.5% (two point five percent) of the share capital, or who are shareholders of a different amount established by the Consob Regulation are entitled to present lists.*

*No shareholder may present or participate in the presentation, either in person or through a proxy company, of more than one list.*

*Shareholders who form part of a voting syndicate may present or participate in the presentation of one list only.*

*If the event of violation of this rule, the vote of the Shareholder in question will not be taken into account for any of the lists presented.*

*Each Shareholder may vote for one list only.*

*The lists of candidates, accompanied by a comprehensive curriculum regarding the candidates' personal and professional credentials, with a statement, should it be necessary, of the suitability of the same to be qualified as independent, are to be deposited at the Company's registered office at least twenty-five days prior to the date set for the Shareholders' Meeting and will be made public, in the manner provided for by law and by the Consob Resolution, at least twenty-one days before the date of the Shareholders' Meeting.*

*Together with each list, individual candidates must file declarations in which they accept the candidacy and certify under their own responsibility that nothing is liable to render them ineligible or incompatible for election as prescribed by the law, and that they are in possession of any requirements set by law and by the regulations for membership of the Board of Directors.*

*Any list which does not comply with the aforementioned statutory requirements shall be considered as not presented.*

*The members of the Board of Directors will be elected in the following manner:*

*a) from the list that receives the majority of votes in the Shareholders' Meeting will be drawn in the numerical order in which they are presented in the list, the total number of directors to be elected less one;*

*b) The remaining board member will be taken from the list that obtained the second highest number of votes at the Meeting, in the person of the candidate at the top of said list;*

*The candidate listed at the top of the list that obtained the majority of votes at the Meeting will be appointed Chairman of the Board of Directors.*

*If only one list is presented or voted all the Board members will be taken from that list.*

*If no lists are submitted, the Board of Directors will be appointed by the Shareholders' Meeting according to the majority votes established by law. [...]"*

It should be noted, however, that the minimum shareholding necessary for the presentation of lists for the election of the Board of Directors is confirmed to be 2.5% in accordance with Consob Resolution no. 19109 of 28 January 2015.

\* \* \* \*

The outgoing Board of Directors therefore invites Shareholders to submit lists for the appointment of the Board of Directors taking into consideration the size of the administrative body and the gender requirements and independent director requirements recommended above.

With regard to the **procedures for presentation of lists** for the election of new directors it should be noted that:

- a) Lists presented by Shareholders must be deposited at the Company's registered office (**in Pesaro, Via della Meccanica 16**) by 17.00 hours on the twenty-fifth day prior to the date set for the Shareholders' Meeting (**Saturday 4 April 2015**) called to approve the appointment of the members of the Board of Directors; the lists will be made publicly available at the registered office, on the Company's website and at the management company of the stock market at least twenty-one days prior to the date set for the Shareholders' Meeting (**Wednesday 8 April 2015**), without prejudice to the publication of lists in accordance with the procedures established by law.
- b) Lists may be deposited via registered e-mail to [investor@biesse.it](mailto:investor@biesse.it) from a registered e-mail address. Each Shareholder may present or participate in the presentation of one list only. Shareholders who are part of the same shareholder pact as defined in article 122 of the Consolidated Financial Law (TUF) and its subsequent amendments, as the controlling shareholder, subsidiaries and those subject to common control may present or combine to present one list only. Attendance and votes cast in violation of the prohibition referred to in the

present paragraph will not be attributed to any list. Each candidate can present themselves in one list only or risk being declared ineligible. The right to present lists is restricted to shareholders who individually or jointly with other shareholders have a total shareholding representing at least 2.5% of the share capital with rights to vote in ordinary meetings of shareholders.

- c) Shareholders must present at the Company's registered offices, together with the lists or even subsequent to the deposition provided that it is done so within the time limits set for the publication of lists (**Wednesday 8 April 2015**), the appropriate communication proving their shareholding. Declarations from each individual candidate accepting their candidacy and testifying, under their own responsibility, to the inexistence of any reason that may make them ineligible or unfit for the position and their possession of any requirements that may be needed for the relevant positions must be deposited together with these lists. Together with these declarations, each candidate must deposit a curriculum vitae regarding their personal and professional credentials with, where necessary, indication of their suitability to be qualified as independent. Any person with a right to vote can vote for one list only. It should also be noted that the Board of Directors must be in possession of the necessary credentials required by law or by the relevant regulations and by the Self-Regulatory code as previously indicated.

\* \* \* \*

Finally, with regard to the remuneration of the new directors, the outgoing Board proposes that the Shareholders Meeting undertakes to determine an amount for the compensation of Directors equal to Euro 1,200,000. (on top of fringe benefits) for each financial year that the Board remains in office, which will be subsequently distributed amongst the Directors in accordance with article 2389 of the Italian Civil Code, taking into consideration the principles established by the Company's remuneration policy and the recommendations expressed on this matter by the Remuneration Committee.

\* \* \* \*

The Board of Directors, therefore, submit for the approval of the Shareholders' Meeting the following proposal regarding the third item on the agenda of the Ordinary Session:

*"The Ordinary Meeting of shareholders of Biesse S.p.A.,*

***resolves***

- (a) *to approve [●] as the number of members of which the Board of Directors is composed;*
- (b) *to establish the duration of the mandate of the Board of Directors for a period of three years, and therefore until the date of the meeting convened to approve the Financial Statements for the year ending 31 December 2017;*
- (c) *to set the gross annual compensation for the members of the Board of Directors at Euro [●], without prejudice to the authority of the same Board to establish the amount of compensation for each individual director in accordance with article 2389 of the Italian Civil Code;*

*The said proposals put forward for approval*

Are therefore put to the vote and are declared approved with [●] votes in favour. As detailed in the appendices."

The Chairman continues:

- (i) noting that the Shareholders' Meeting has established the number of members of the Board of Directors to be [●]; in accordance with the Articles, therefore [●] Directors will be drawn from the list which obtains the majority of votes, while the remaining Director will instead be drawn from the list which has received the second greatest number of votes.
- (ii) verifying that the lists presented for the renewal of the Board of Directors, as per the file distributed at the entrance to the meeting room, are [●] and specifically:  
  
List 1, presented by [●]: [●]  
  
List [●], presented by [●]: [●]
- (iii) inviting the shareholders who intend to abstain before voting begins to communicate their decision to the auxiliary personnel present in the meeting room so that their shareholdings shall not be considered present;
- (iv) communicating that at [●] hours, the number of shares present is [●], having right to an equal number of votes representing [●]% of the total ordinary share capital;
- (v) the lists presented are put to the vote at [●] hours.

The vote produced the following results.

List 1: (i) in favour: [●] shares; (ii) against: [●] shares; (iii) abstained: [●] shares;

List [●]: (i) in favour: [●] shares; (ii) against: [●] shares; (iii) abstained: [●] shares;

As detailed in the appendices.

The Chairman therefore declares that List [●] has obtained the majority of votes, and that from that List will be drawn, in the order in which they are listed, [●] Directors and specifically: [●]. From the list that received the second greatest number of votes will be drawn the remaining Director [●]. Therefore, the Chairman declares that the new Board of Directors for the financial years 2015, 2016 and 2017 has been duly elected in the persons of the individuals named above.

The Chairman then declares that the verification that the newly elected Directors possess the required credentials will be carried out by the Board of Directors at their first available meeting, as indicated the Company's Self-Regulatory Code."

#### **4. APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS. DISCUSSION OF ALL MATTERS ARISING THEREFROM.**

Dear Shareholders,

the mandate of the current Board of Statutory Auditors expires with the approval of the Financial Statements for the year 31 December 2014 and the Shareholders' Meeting called for 29 and 30 April 2015 is therefore called to renew the supervisory body.

The renewal of the Board of Statutory Auditors will be conducted on the basis of list voting, in accordance with article 19-bis of the Articles of Association, which are given below (for the section relating to procedures for appointment to the Board of Statutory Auditors).

*"19 bis) The Board of Statutory Auditors comprises three Standing Statutory Auditors and two Substitute Statutory Auditors elected by the Shareholders' Meeting, which also sets down the wages to be paid to said auditors. Minority shareholders are entitled to elect one Standing Statutory Auditor and one Substitute Statutory Auditor.*

*The appointment of the Board of Statutory Auditors is carried out on the basis of lists presented by Shareholders, in which the candidates are listed numerically.*

*The number of candidates must not exceed the number of candidates to be elected. Shareholders from voting syndicates will only be entitled to present a single list.*

*The list comprises two sections: one for candidates to the position of Standing Statutory Auditor, the other for candidates to the position of Substitute Statutory Auditor.*

*Only those Shareholders who, either alone or together with others, are the owners of voting Shares representing at least 2% (two percent) of the capital with voting rights at Ordinary Meetings of Shareholders, or, alternatively, who own a shareholding of the minimum size established by the Consob Resolution are entitled to present lists. No Shareholder, including Shareholders belonging to the same pact, is entitled to present more than one list, individually or through another person or through a proxy company, nor may he/she vote for different lists. In the event of violation of this rule, the vote of the Shareholder in question will not be taken into account for any of the lists presented. Each candidate may only be present in one list, at the risk of ineligibility.*

*The lists may not contain the names of candidates who already hold the office of Auditor in five other listed companies, with the exception of entities controlling and controlled by the Company, or candidates who are not in possession of the necessary credentials of reputation and professionalism established by applicable regulations.*

*For the purposes of article 1, paragraph 2, letters b) and c), and paragraph 3 of Ministerial Decree No. 162 dated 30 March 2000 on the subject of the professional requirements for members of the Board of Statutory Auditors of listed companies, the subjects and sectors strictly pertaining to those of interest to the company are intended to comprise commercial and company law, business economics, financial and statistical sciences, and all the other subjects of the same or similar nature, although with different names, whereas the sectors strictly connected or relating to those in which the company operates are understood to comprise the manufacture, distribution and sale of machines and tools, automation systems, software and precision components.*

*Statutory Auditors standing down from office may be re-elected.*

*The lists presented must be filed at the Company's registered office at least twenty-five days prior to the date set for the Shareholders' Meeting and will be made publicly available, in the manner provided for by law and the Consob Regulation, at least twenty-one days before the Shareholders' Meeting*

*The professional curriculum of each candidate must be filed together with each list along with the declarations with which each candidate accepts candidacy and certifies, at his/her own responsibility, that there is no cause of ineligibility or incompatibility, and that the legal and statutory requirements foreseen for the respective positions are met.*

*Any list for which the above requirements are not met will be considered not to have been presented.*

*The Statutory Auditors will be elected as follows: two Standing Statutory Auditors and one Substitute Statutory Auditor will be drawn from the list that has attained the largest number of votes at the Meeting according to the numerical order in which they are listed in the various sections of the list; the remaining Standing Statutory Auditors, who will take the office of Chairman, and the other Substitute Statutory Auditor, will be drawn from the list that has obtained the second largest number of votes at the Meeting and will be drawn according to the numerical order in which they are listed in the various sections of the list.*

*In the event of two or more lists with an equal number of votes, the most senior candidates by age will be elected to cover the positions that have to be assigned. [...].*

It should, however be noted that the shareholding necessary to submit lists for the election of the Board of Statutory Auditors was established to be 2.5% by Consob Resolution no. 19109 of 28 January 2015. However, the lower threshold of 2% permitted by the Company's Articles will be applied.

It should also be noted that, with the renewal of the corporate bodies for the financial periods 2015 - 2017 to be carried out during the Shareholders' Meeting called for 29 and 30 April 2015 (the first such appointments since the relevant regulations have come into force), the composition of the Company's supervisory body must comply with the regulations governing gender representation in the Board of Statutory Auditors as defined in article 148, paragraph 1-*bis* of the Consolidated Financial Law - "TUF" (the so-called "quote rosa" regulation). Accordingly, the Board also highlights that article 2 of Law 120/201 allows that, for the first mandate granted under the aforementioned regulations, at least one-fifth of the body must be made up of Statutory Auditors belonging to the less-represented gender.

The outgoing Board proposes that the Shareholders' Meeting undertakes to determine the emoluments of the Board of Statutory Auditors on the basis of the proposals put forward by Shareholders during the course of the Meeting.

\* \* \* \*

The outgoing Board therefore invites Shareholders to submit lists for the appointment of the Board of Statutory Auditors taking into account the gender requirements indicated above.

With regard to the procedures for the presentation of lists for the election of members of the Board of Statutory Auditors, it should be noted that these lists must be deposited at the Company's registered office (in **Pesaro, Via della Meccanica 16**) by 17.00 hours on the twenty-fifth day prior to the date set

for the Meeting (**Saturday 4 April 2015**); the lists will be made publicly available at the registered office, on the Company's website and at the management company of the Italian stock market at least twenty-one days prior to the date set for the Shareholders' Meeting (**Wednesday 8 April 2015**), without prejudice to the publication of lists in accordance with the procedures established by law. The publication of the lists will be at the expense of the shareholders presenting the lists with costs being reimbursed by the Company.

Lists may be deposited via registered e-mail to [investor@biesse.it](mailto:investor@biesse.it) from a registered e-mail address in accordance with article 144-sexies, paragraph 4-ter of the Issuers Regulation. Only those shareholders who, severally or jointly with other shareholders, have a total shareholding of at least 2% of the share capital with rights to vote in Ordinary Meetings of Shareholders, are entitled to present lists. Together with the lists, or subsequent to the submission of lists as long as it within the time frame for the publication of lists (**Saturday 4 April**), shareholders must deliver to the Company's registered office a document showing proof of shareholding. Where lists are submitted by registered e-mail a valid document proving the identity of the person(s) presenting the list must also be sent.

In the event that only one list has been presented within the aforementioned time frame, or where lists presented are submitted by shareholders acting together, notice will immediately be given and lists may consequently be presented until 17.00 hours on the third day following the original deadline (**Tuesday 7 April 2015**) by shareholders who severally or jointly with other shareholders hold 1% of the share capital with voting rights at Ordinary Meetings of Shareholders. Each shareholder is entitled to vote for one list only.

It should be noted that the Board of Statutory Auditors is composed of

3 (three) Standing Statutory Auditors and 2 (two) Substitute Statutory Auditors, who may be re-elected. Responsibilities, duties and duration of office of Statutory Auditors are established by law. Statutory Auditors may not be elected, or if elected their appointment is withdrawn, if the candidates, either with regard to the law or other regulations, are ineligible or in forfeit or do not possess the required credentials. The requirement defined in article 1, paragraph 2, sections b) and c), and paragraph 3 of Ministry of Justice Decree no. 162 of 30 March 2000 subsists whenever the credentials of professionalism conforms to respectively: (i) the company's operating sectors; (ii) legal, economic, financial, technical and scientific subjects relating to the sectors referred to in (i) above. In addition to the other circumstances described by law, Statutory Auditors may not be elected, or if elected their appointment is withdrawn, any candidate who occupies the position of Statutory Auditor in more than 5 (five) Italian companies listed on Italian regulated markets. The further provisions regarding accumulation of positions contained in article 144-*terdecies* of the Consolidated Financial Law – TUF will be applied.

Lists presented will be composed of 2 (two) sections: one for the appointment of Standing Statutory Auditors and the other for the appointment of Substitute Statutory Auditors. The lists should contain a number of candidates that must not exceed the number of members to be elected and candidates must be listed in numerical Order.

\* \* \* \*

The Board of Directors, therefore, submit for the approval of the Shareholders' Meeting the following proposal regarding the fourth item on the agenda of the Ordinary Session:

*"The Ordinary Meeting of Shareholders of Biesse S.p.A., having verified that:*

- (i) *that the lists presented for the renewal of the Board of Statutory Auditors, as per the file distributed at the entrance to the meeting room, are [●] and specifically*

*List 1, presented by [●]: [●]*

*List [●], presented by [●]: [●]*

- (ii) *having given prior invitation to the shareholders who intend to abstain before voting begins to communicate their decision to the auxiliary personnel present in the meeting room so that their shareholdings shall not be considered present, at [●] hours, the number of shares present is [●] shares, having right to an equal number of votes representing [●]% of the total ordinary share capital,;*

*the lists presented are put to the vote at [●] hours.*

*The vote produced the following results.*

*List 1: (i) in favour: [●] shares; (ii) against: [●] shares; (iii) abstained: [●] shares;*

*List [●]: (i) in favour: [●]shares; (ii) against: [●]shares; (iii) abstained: [●]shares;*

*As detailed in the appendices.*

*The Chairman therefore declares that List [●] has obtained the majority of votes, and that from that List will be drawn, in the order in which they are listed, two Standing Statutory Auditors and one Substitute Statutory Auditor while list [●] received the second greatest number of votes from which will be drawn one Standing Statutory Auditor (who will be appointed Chairman of the Board of Statutory Auditors) and one Substitute Statutory Auditor.*

*Therefore, the Chairman declares that as a result of this vote the new Board of Statutory Auditors has been elected with a mandate for the three years 2015, 2016 and 2017 in the persons of: [●], Chairman, [●] and [●] (Standing Statutory Auditors) and [●] and [●], (Substitute Statutory Auditors). The mandate of the new Board of Statutory Auditors will expire on approval of the Financial Statements of Biesse S.p.A. for the year ended 31 December 2017.*

*The Shareholders' Meeting with votes in favour of [●], votes against of [●] and abstentions of [●], also approves to provide the Statutory Auditors with the following emoluments : [●]. As detailed in the appendices .*

*The Chairman therefore declares that the verification that the newly elected Statutory Auditors possess the required credentials will be carried out by the Board of Statutory Auditors at their first meeting, as indicated in the Company's Self-Regulatory Code."*

**5. APPROVAL OF A NEW INCENTIVE PLAN TO BE KNOWN AS THE "LONG TERM INCENTIVE 2015-2017 OF BIESSE S.P.A."**

Dear Shareholders,

you are called to approve the adoption by the Company of an incentive plan for the top management of Biesse and the Group called the "Long Term Incentive plan 2015 - 2017 of Biesse S.p.A." which provides for the payment of cash bonuses and the free issue of shares held as treasury stock to beneficiaries subject to the achievement of economic and financial objectives.

Information on the "Long Term Incentive Plan 2015 - 2017 of Biesse S.p.A." is contained in the information document in accordance with articles 114-bis of the Consolidated Financial Law - TUF and 84-bis of the Issuers' Regulation and in the attached draft of the Rules of the "Long Term Incentive Plan 2015 - 2017 of Biesse S.p.A." which will be published in accordance with and under the terms of the law, which illustrate, amongst other things, the beneficiaries, the reasons supporting the adoption of the new plan, the time-scale for allocation of the shares and the characteristics of the same.

In addition, it should be noted that the "Long Term Incentive Plan 2015 - 2017 of Biesse S.p.A." is a significant plan according to the definition given in article 84-bis, paragraph 2, of the Issuers' Regulation.

Finally it should be noted that allocations of cash bonuses and shares held in treasury relating to the period 2012 – 2014 are currently in progress, distributable to the beneficiaries of the previous incentive plan "Long Term Incentive Plan 2012 - 2014 of Biesse S.p.A." and that this plan will expire by 30 June 2015 or, if before, on the date that these incentives are allocated.

The following proposal relating to item five on the agenda for the Ordinary Session is therefore submitted for the approval of the Meeting:

*"The Shareholders' Meeting, taking note of the matters illustrated by the Chairman and the supporting documentation,*

### **RESOLVES**

*1. to approve, in accordance with and by effect of article 114-bis of the Consolidated Financial Law - TUF, the Biesse and Group top management investment and loyalty plan called the "Long Term Incentive Plan 2015 - 2017 of Biesse S.p.A.", referred to in the Report of the Board of Directors attached sub (a) to the present proposal, and the related Rules appended to the same report;*

*2. to recognise as beneficiaries of the plan the following persons: Stefano Porcellini, Cesare Tinti, Rodolfo Scatigna and Fabrizio Pierini, expressly authorising the Board of Directors to extend the plan to additional beneficiaries, in whole or in part, and, if necessary, to exclude beneficiaries, in whole or in part, from the same in accordance with the terms and means provided by the related Rules;*

*4. to provide the Board of Directors with express delegated authority with all the necessary and appropriate powers to implement the "Long Term Incentive Plan 2015 - 2017 of Biesse S.p.A." in accordance with the provisions of the related Rules;*

*5. to confer upon the Board of Directors, with express delegated authority, all the necessary and appropriate powers to implement the present proposal in accordance with applicable laws.*

*The said proposals put forward for approval*

*are hereby put to the vote and declared approved with [●] votes in favour. As detailed in the appendices."*

**6. APPROVAL OF THE REMUNERATION POLICY OF BIESSE GROUP**

Dear Shareholders,

you are called to approve, in accordance with article 123-ter paragraph 6, Consolidated Financial Law - TUF on the section of the remuneration report defined in article 123-ter, paragraph 3, Consolidated Financial Law - TUF, which is to say the section regarding the company's policy regarding the remuneration of the members of its administrative bodies, General Directors and managers with strategic responsibility, and the procedures employed for the adoption and implementation of this policy.

The remuneration report of Biesse Group provided by article 123-ter of the Consolidated Financial Law - TUF, containing the relevant policy and the procedures for its adoption and implementation, will be made publicly available in accordance with the law and regulations.

In view of the above, following proposal relating to item six on the agenda for the Ordinary Session is therefore submitted for the approval of the Meeting:

*"The Shareholders' Meeting, taking note of the matters illustrated by the Chairman and the supporting documentation,*

**RESOLVES**

*To approve, in accordance with and by effect of article 123-ter, paragraph 6, of Legislative Decree 58/98 the section of the report on remuneration referred to in article 123-ter, paragraph 3 of Legislative Decree 58/98.*

*The said proposals put forward for approval*

*are hereby put to the vote and declared approved with [●] votes in favour. As detailed in the appendices."*

**7. APPROVAL OF A TREASURY SHARE PURCHASE AND SALE PROGRAMME IN ACCORDANCE WITH ARTICLES 2357 AND 2357-TER OF THE ITALIAN CIVIL CODE AND THE CONFERRAL OF POWERS OF EXECUTION ON THE BOARD OF DIRECTORS, AND TO DISCUSS ALL MATTERS ARISING THEREFROM.**

Dear Shareholders,

you are called to approve, in accordance with articles 2357 and 2357-ter of the Italian Civil Code **and** of the Consolidated Financial Law - TUF , the adoption by the Company of a plan to buy and sell the company's own shares.

Information on the said plan to buy and sell the company's own shares, and the complete text of the proposal to be adopted are contained in the Board of Directors' Information Report contained in article 73 which will be published in accordance with and under the terms of the law.

**B. EXTRAORDINARY SESSION**

**1. AMENDMENT OF ARTICLES 16 AND 19BIS OF THE ARTICLES OF ASSOCIATION RELATING TO LIST VOTING PROCEDURES FOR THE ELECTION OF MEMBERS OF CORPORATE BODIES.**

Dear Shareholders,

There follows an illustration of the Board of Directors' proposed amendments to articles 16 and 19-*bis* of the Company's Articles of Association relating to list voting procedures for members of corporate bodies which relates to the first item on the agenda for the Shareholders' Meeting.

The Board would remind shareholders that the Consolidated Financial Law (TUF) was amended by Law 120 of 2011, which introduced articles 147-*ter*, paragraph 1-*ter* and 148, paragraph 1-*bis*, requiring quoted companies to adjust the composition of their corporate bodies such that the minority gender is represented by at least one third of the elected members for at least three consecutive mandates (so called "quote rosa"). Shareholders should note that the aforementioned law provides for a transitional period during the first mandate of the Board of Directors post introduction of the so called "quote rosa" which allows the possibility that, initially, only one fifth of the members of the body may be composed of persons of the minority gender.

This regulation is to be applied at the time of the first renewal of the corporate bodies following the expiry of a period of one year following the introduction of the law (i.e. after 12 August 2012). Since the corporate bodies in office at the date of the present report were elected at the shareholders' meeting of 27 April 2012 until approval of the Financial Statements to 31 December 2014, the first renewal of the corporate bodies following the aforementioned date will be at the Shareholders' Meeting meeting on 29 and 30 April 2015 to which you have been called to attend.

The regulations governing the so-called "quota rosa" also provide for the inclusion of gender balance regulations in companies' Articles of Association and the Board therefore proposes the following amendments.

In detail, the proposed amendments provide for a reformulation of articles 16 and 19-*bis* of the Articles of Association to include the criteria for the preparation of lists for election to the Board of Directors and the Board of Statutory Auditors, requiring the inclusion of a sufficient number of minority gender candidates to ensure that the composition of the bodies required by law is respected as well as introducing clauses designed to ensure the substitution of members of bodies and the integration of the latter respects the gender quotas demanded by law. It is also proposed that the Shareholders' Meeting in adopting the new regulations in the Articles takes advantage of the possibility offered by the transitional guidelines to apply the quota of one fifth representation by the minority gender to members of corporate bodies.

In accordance with Appendix 3A of the Issuers Regulation, the text of articles 16 and 19-*bis* of the Company's Articles of Association are reproduced below along with the proposed revised text with amendments shown in bold type.

| Existing text  | Proposed text   |
|--|---|
| <b>Art. 16</b>   | <b>Art. 16</b>  |
| <p>The Company is administered by a Board of Directors composed of 2 to 15 members, who are not necessarily shareholders.</p> <p>The Board of Directors is appointed by the Meeting of Shareholders based on lists presented by the Shareholders in which a number of candidates not exceeding the number to be appointed must be indicated and which are listed in numerical order.</p> <p>Each candidate may presented on one list only. Failure to comply will mean ineligibility.</p> <p>Only those Shareholders who, either alone or together with other Shareholders, represent at least 2.5% (two point five percent) of the share capital or who own a shareholding of the minimum size established by the Consob Resolution are entitled to present lists.</p> <p>No shareholder may present or participate in the presentation, either in person or through a proxy, of more than one list.</p> <p>Shareholders who form part of a voting syndicate may present or participate in the presentation of one list only.</p> <p>In the event of violation of this rule, the vote of the Shareholder in question will not be taken into account for any of the lists presented.</p> <p>Each Shareholder may vote for one list only.</p> <p>Each list submitted must be accompanied by comprehensive information documents regarding the personal and professional credentials of candidates, with an indication of their potential suitability to be classified as independent, to be deposited at the Company’s registered office by the twenty-fifth day preceding the date set for the</p> | <p>The Company is administered by a Board of Directors composed of 2 to 15 members, who are not necessarily shareholders.</p> <p><b><u>The Board of Directors is appointed by the Meeting of Shareholders based on lists presented by the Shareholders in which a number of candidates not exceeding the number to be appointed must be indicated and which are listed in numerical order. In order to ensure gender balance on the Board, at least one-third (orv one fifth for the first manadate in application of the regulations) of candidates presented in lists must belong to the less-represented gender.</u></b></p> <p>Each candidate may presented on one list only. Failure to comply will mean ineligibility.</p> <p>Only those Shareholders who, either alone or together with other Shareholders, represent at least 2.5% (two point five percent) of the share capital or who own a shareholding of the minimum size established by the Consob Resolution are entitled to present lists.</p> <p>No shareholder may present or participate in the presentation, either in person or through a proxy, of more than one list.</p> <p>Shareholders who form part of a voting syndicate may present or participate in the presentation of one list only.</p> <p>In the event of violation of this rule, the vote of the Shareholder in question will not be taken into account for any of the lists presented.</p> <p>Each Shareholder may vote for one list only.</p> <p>Each list submitted must be accompanied by comprehensive information documents regarding</p> |

| Existing text   | Proposed text   |
|---|---|
| <p>shareholders' meeting and made publicly available, in the manner prescribed by law, at least twenty-one days before the shareholders' meeting.</p> <p>Each list submitted must be accompanied by statements from individual candidates in which they accept the candidacy and certify under their own responsibility that nothing is liable to render them ineligible or incompatible for election as foreseen by law, and that they are in possession of any requirements set by law and by the regulations for members of the Board of Directors.</p> <p>Any list that fails to comply with the statutory requirements above shall be considered as not presented.</p> <p>Elections to the Board of Directors will proceed as follows:</p> <p>a) From the list that obtained the highest number of votes at the Meeting will be taken a number of Members representing the total number to be elected less one;</p> <p>b) The remaining board member will be taken from the list that obtained the second highest number of votes at the Meeting, in the person of the candidate in first position on the said list.</p> <p>The first named candidate on the list that obtained the highest number of votes at the Meeting will be appointed Chairman of the Board of Directors.</p> | <p>the personal and professional credentials of candidates, with an indication of their potential suitability to be classified as independent, to be deposited at the Company's registered office by the twenty-fifth day preceding the date set for the shareholders' meeting and made publicly available, in the manner prescribed by law, at least twenty-one days before the shareholders' meeting.</p> <p>Each list submitted must be accompanied by statements from individual candidates in which they accept the candidacy and certify under their own responsibility that nothing is liable to render them ineligible or incompatible for election as foreseen by law, and that they are in possession of any requirements set by law and by the regulations for members of the Board of Directors.</p> <p>Any list that fails to comply with the statutory requirements above shall be considered as not presented.</p> <p>Elections to the Board of Directors will proceed as follows:</p> <p>a) From the list that obtained the highest number of votes at the Meeting will be taken a number of Members representing the total number to be elected less one;</p> <p>b) The remaining board member will be taken from the list that obtained the second highest number of votes at the Meeting, in the person of the candidate in first position on the said list.</p> <p><b><u>Whenever, as a consequence of the aforementioned mechanism, the composition of the Board fails to meet the gender quota set by law, instead of the numerically last named candidate on the list obtaining the majority of votes having the right to be elected, the membership election will go to the first</u></b></p> |

| Existing text  | Proposed text  |
|--|--|
| <p>If only one list is presented or voted all the Board members will be taken from that list.</p> <p>If no lists are presented, the Board of Directors will be appointed by the Shareholders Meeting according to the majority votes set by law.</p> <p>The Board of Directors remains in office for a period of three years, and may be reelected.</p> <p>If during the course of the financial year one or more Directors is dismissed or leaves office, the Board of Directors will provide for his/her replacement by means of a resolution approved by the Board of Auditors. The Members of the Board nominated in this way will remain in office until the next Shareholders' Meeting.</p> <p>Should the number of Board Members in office be reduced to less than half, through resignation or other causes, all the Members of the Board will be considered to have resigned from office, and it will be necessary to call a Shareholders' Meeting to appoint the entire Board of Directors.</p> <p>The Board of Directors may also appoint one or more Managing Directors, the Executive Committee and one or more Board Members with special tasks, or create other committees,</p> | <p><b><u>subsequent numerically listed candidate on the same list who belongs to the less-represented gender.</u></b> The first named candidate on the list that obtained the highest number of votes at the Meeting will be appointed Chairman of the Board of Directors.</p> <p>If only one list is presented or voted all the Board members will be taken from that list.</p> <p>If no lists are presented, the Board of Directors will be appointed by the Shareholders Meeting according to the majority votes set by law, <b><u>without prejudice to adherence to the gender quotas set by the law.</u></b></p> <p><b><u>If during the course of the financial year one or more Directors leave office, the Board of Directors will provide for his/her replacement by co-opting candidates with the same credentials taking into account the legal requirements regarding gender balance.</u></b></p> <p>The Board of Directors remains in office for a period of three years, and may be reelected.</p> <p>If during the course of the financial year one or more Directors is dismissed or leaves office, the Board of Directors will provide for his/her replacement by means of a resolution approved by the Board of Auditors. The Members of the Board nominated in this way will remain in office until the next Shareholders' Meeting.</p> <p>Should the number of Board Members in office be reduced to less than half, through resignation or other causes, all the Members of the Board will be considered to have resigned from office, and it will be necessary to call a Shareholders' Meeting to appoint the entire Board of Directors.</p> <p>The Board of Directors may also appoint one or more Managing Directors, the Executive Committee and one or more Board Members with special tasks, or create other committees,</p> |

| Existing text   | Proposed text  |
|---|--|
| <p>granting them any powers considered appropriate, also in order to implement codes of conduct drawn up by the companies managing regulated markets or trade associations.</p> <p>Meetings of the Board of Directors will be held at the registered office of the Company or in another location to be indicated in the notice of convocation, provided it is within the territory of the European Community.</p> <p>Meetings of the Board of Directors will be considered valid when the majority of its members in office are present, and resolutions will be passed with a majority vote by those present. If votes are even, the President will cast the deciding vote.</p> <p>Unless otherwise stipulated by current regulations, meetings are normally called by the Chairman on his own initiative or, if the Chairman is absent or incapacitated, by the Managing Director/s, on the request of at least two thirds of the Board. Members subject to notification in advance of the Chairman of the Board of Directors, by the Board of Statutory Auditors or individually by each member of the Board of Statutory Auditors.</p> <p>The notice of convocation must be sent by mail, telegram, telex, telefax, or other similar telematic means, provided it is legally recognised, at least five days in advance, and in case of urgency by telegram, telefax and other similar telematic means at least one day (24 hours) in advance of the date set for the meeting.</p> <p>The Board of Directors will in any case be considered validly met even without notice of convocation, provided that all its Members and all Standing Statutory Auditors are present.</p> <p>Meetings may also be held in teleconference and/or videoconference (and in this case the notice of convocation must contain the time at</p> | <p>granting them any powers considered appropriate, also in order to implement codes of conduct drawn up by the companies managing regulated markets or trade associations</p> <p>Meetings of the Board of Directors will be held at the registered office of the Company or in another location to be indicated in the notice of convocation, provided it is within the territory of the European Community.</p> <p>Meetings of the Board of Directors will be considered valid when the majority of its members in office are present, and resolutions will be passed with a majority vote by those present. If votes are even, the President will cast the deciding vote.</p> <p>Unless otherwise stipulated by current regulations, meetings are normally called by the Chairman on his own initiative or, if the Chairman is absent or incapacitated, by the Managing Director/s, on the request of at least two thirds of the Board. Members subject to notification in advance of the Chairman of the Board of Directors, by the Board of Statutory Auditors or individually by each member of the Board of Statutory Auditors.</p> <p>The notice of convocation must be sent by mail, telegram, telex, telefax, or other similar telematic means, provided it is legally recognised, at least five days in advance, and in case of urgency by telegram, telefax and other similar telematic means at least one day (24 hours) in advance of the date set for the meeting.</p> <p>The Board of Directors will in any case be considered validly met even without notice of convocation, provided that all its Members and all Standing Statutory Auditors are present.</p> <p>Meetings may also be held in teleconference and/or videoconference (and in this case the notice of convocation must contain the time at</p> |

| Existing text   | Proposed text   |
|---|---|
| <p>which the telematic connection will commence), provided that all participants can be identified and that they are able to follow the discussion and intervene in real time to deal with the questions discussed, and provided that they are able to view, receive and discuss the documentation.</p> <p>Given the conditions described above the Board of Directors will be considered to have met at the place in which the Chairman is present, which must coincide with the location indicated in the convocation, except in the case of a full meeting. The Secretary for the Meeting must be present at the same place, to draw up the minutes in the special minutes book and sign it, together with the Chairman's signature.</p> <p>The Secretary and the Chairman, should they consider it appropriate, may, either at the time or at a later date, collect signed approval from those taking part at the teleconference and/or videoconference, by fax, network, electronic signature or other similar form of copy of draft of the minutes. When instructed to do so by the Chairman or the Board Members, the Secretary may keep and file recordings of the videoconference and/or teleconference.</p> <p>The Board of Directors has ordinary and special management powers, with the exception of those reserved by law for the Meeting of Shareholders.</p> <p>The Board of Directors likewise is entitled to vote on proposals relating to:</p> <ul style="list-style-type: none"> <li>- Merger and de-merger of companies in the circumstances and in the manner provided by law;</li> <li>- Amendments to the Articles to comply with the provisions of law.</li> </ul> <p>The Executive Committee, if appointed, will comprise a maximum of three members, and will be presided over by the Chairman of the Board of</p> | <p>which the telematic connection will commence), provided that all participants can be identified and that they are able to follow the discussion and intervene in real time to deal with the questions discussed, and provided that they are able to view, receive and discuss the documentation.</p> <p>Given the conditions described above the Board of Directors will be considered to have met at the place in which the Chairman is present, which must coincide with the location indicated in the convocation, except in the case of a full meeting. The Secretary for the Meeting must be present at the same place, to draw up the minutes in the special minutes book and sign it, together with the Chairman's signature.</p> <p>The Secretary and the Chairman, should they consider it appropriate, may, either at the time or at a later date, collect signed approval from those taking part at the teleconference and/or videoconference, by fax, network, electronic signature or other similar form of copy of draft of the minutes. When instructed to do so by the Chairman or the Board Members, the Secretary may keep and file recordings of the videoconference and/or teleconference.</p> <p>The Board of Directors has ordinary and special management powers, with the exception of those reserved by law for the Meeting of Shareholders.</p> <p>The Board of Directors likewise is entitled to vote on proposals relating to:</p> <ul style="list-style-type: none"> <li>- Merger and de-merger of companies in the circumstances and in the manner provided by law;</li> <li>- Amendments to the Articles to comply with the provisions of law.</li> </ul> <p>The Executive Committee, if appointed, will comprise a maximum of three members, and will be presided over by the Chairman of the Board of</p> |

| Existing text  | Proposed text  |
|--|--|
| <p>Directors.</p> <p>The rules provided for the Board of Directors will also be applied when calling Executive Committee meetings and for the resolutions passed by said Committee.</p> <p>The Board of Directors, through the Chairman (also in his/her position as Chairman of the Executive Committee, if there is one) or the Managing Director/s, reports to the Board of Statutory Auditors on the activities carried out and on the operations of greatest economic, financial and capital importance carried out by the Company and its subsidiaries, if there are any, and in particular reports on operations where there is a potential conflict of interests. Reporting is normally carried out at the time of Board meetings, and in any case at least once a quarter.</p> <p>The Board of Directors may delegate all or part of its powers to the Chairman, and may delegate to its own members and to third parties the practical implementation of resolutions that have been duly passed.</p> <p>The Managing Directors and the Executive Committee, if appointed, will have all or part of the powers granted to the Board of Directors, with the sole exception of those powers that by law cannot be delegated.</p> <p>The Board of Directors may therefore proceed with purchase and disposal of assets and real estate; take on obligations, including liability on bills of exchange and mortgages; take on shareholdings in existing or future businesses or companies, including underwriting, carry out any operation with the Public Debt and the Savings and Loans Bank, with Banks, Issuing bodies and any other Public or Private Office, allow establishment, subrogation and deferment, cancellation and renunciation of mortgages and annotations of all kinds, exonerating the keepers</p> | <p>Directors.</p> <p>The rules provided for the Board of Directors will also be applied when calling Executive Committee meetings and for the resolutions passed by said Committee.</p> <p>The Board of Directors, through the Chairman (also in his/her position as Chairman of the Executive Committee, if there is one) or the Managing Director/s, reports to the Board of Statutory Auditors on the activities carried out and on the operations of greatest economic, financial and capital importance carried out by the Company and its subsidiaries, if there are any, and in particular reports on operations where there is a potential conflict of interests. Reporting is normally carried out at the time of Board meetings, and in any case at least once a quarter.</p> <p>The Board of Directors may delegate all or part of its powers to the Chairman, and may delegate to its own members and to third parties the practical implementation of resolutions that have been duly passed.</p> <p>The Managing Directors and the Executive Committee, if appointed, will have all or part of the powers granted to the Board of Directors, with the sole exception of those powers that by law cannot be delegated.</p> <p>The Board of Directors may therefore proceed with purchase and disposal of assets and real estate; take on obligations, including liability on bills of exchange and mortgages; take on shareholdings in existing or future businesses or companies, including underwriting, carry out any operation with the Public Debt and the Savings and Loans Bank, with Banks, Issuing bodies and any other Public or Private Office, allow establishment, subrogation and deferment, cancellation and renunciation of mortgages and annotations of all kinds, exonerating the keepers</p> |

| Existing text   | Proposed text   |
|---|---|
| <p>of Real Estate Registers, the Director of Public Debt and the Savings and Loans Bank and any other Public or Private Body from all responsibility.</p> <p>The Board will be entitled to act in legal action, including appeals and revocation, in preliminary agreements and transactions, and will be entitled to nominate arbitrators and persons in charge of arbitration.</p> <p>It will be entitled to approve all commercial contracts, appoint and suspend personnel, and set their remuneration; it will be entitled to nominate and revoke the appointment of Managers and Attorneys with similar or more limited powers.</p> | <p>of Real Estate Registers, the Director of Public Debt and the Savings and Loans Bank and any other Public or Private Body from all responsibility.</p> <p>The Board will be entitled to act in legal action, including appeals and revocation, in preliminary agreements and transactions, and will be entitled to nominate arbitrators and persons in charge of arbitration.</p> <p>It will be entitled to approve all commercial contracts, appoint and suspend personnel, and set their remuneration; it will be entitled to nominate and revoke the appointment of Managers and Attorneys with similar or more limited powers.</p> |

| Existing text  | Proposed text  |
|--|--|
| <b>Art. 19-bis</b>   | <b>Art. 19-bis</b>   |
| <p>The Board of Auditors comprises three Standing Statutory Auditors and two Substitute Statutory Auditors elected by the Shareholders' Meeting, which also sets down the emoluments to be paid to said auditors. Minority shareholders are entitled to elect one Standing Statutory Auditor and one Substitute Statutory Auditor.</p> <p>Appointments to the Board of Statutory Auditors is conducted on the basis of lists presented by Shareholders, in which the candidates are listed in numerical order.</p> <p>The number of candidates presented must not exceed the number of candidates to be elected. Shareholders participating in voting syndicates will only be entitled to present one list only.</p> <p>Lists must be composed of two sections: one for candidates to the position of Standing Statutory Auditor, the other for candidates to the position of Substitute Statutory Auditors.</p> <p>Only those Shareholders who, jointly or severally, are the owners of voting Shares representing at least 2% (two percent) of the capital with rights to vote in shareholders' meetings or who own a shareholding of the minimum size established by the Consob Resolution entitled to vote at the Ordinary Shareholders' Meeting are entitled to present lists. No Shareholder, including Shareholders belonging to the same group, is entitled to present more than one list, even through a different person or proxy, nor may</p> | <p>The Board of Auditors comprises three Standing Statutory Auditors and two Substitute Statutory Auditors elected by the Shareholders' Meeting, which also sets down the emoluments to be paid to said auditors. Minority shareholders are entitled to elect one Standing Statutory Auditor and one Substitute Statutory Auditor</p> <p>Appointments to the Board of Statutory Auditors is conducted on the basis of lists presented by Shareholders, in which the candidates are listed in numerical order.</p> <p>The number of candidates presented must not exceed the number of candidates to be elected. Shareholders participating in voting syndicates will only be entitled to present one list only.</p> <p>Lists must be composed of two sections: one for candidates to the position of Standing Statutory Auditor, the other for candidates to the position of Substitute Statutory Auditors.</p> <p><b><u>In order to ensure gender balance in the Board of Statutory Auditors, at least one third (or one fifth for the first mandate following adoption of the regulations) of the candidates presented in both lists must belong to the less represented gender.</u></b></p> <p>Only those Shareholders who, jointly or severally, are the owners of voting Shares representing at least 2% (two percent) of the capital with rights to vote in shareholders' meetings or who own a shareholding of the minimum size established by the Consob Resolution entitled to vote at the Ordinary Shareholders' Meeting are entitled to present lists. No Shareholder, including Shareholders belonging to the same group, is entitled to present more than one list, even through a different person or proxy, nor may</p> |

| Existing text   | Proposed text  |
|---|--|
| <p>he/she vote for different lists. In the event of violation of this rule, the vote of the Shareholder in question will not be taken into account for any of the lists presented. Each candidate may only be present in one list, or risk ineligibility in the event of violation of this rule.</p> <p>Lists may not contain the names of candidates who already hold the office of Statutory Auditor in five other listed companies, with the exception of those controlling and controlled by the Company, or candidates who do not have the necessary requirements regarding reputation and professionalism established by applicable regulations.</p> <p>For the purposes of article 1, paragraph 2, sections b) and c), and paragraph 3 of Ministerial Decree No. 162 dated 30 March 2000 regarding professional requirements for members of the board of statutory auditors of listed companies, the subjects and sectors strictly pertaining to those of interest to the company are intended to comprise commercial and company law, business economics, financial and statistical sciences, and all the other subjects of the same or similar nature, although with different names, whereas the sectors strictly connected or relating to those in which the company operates are understood to comprise the production, distribution and sale of machines and tools, automation systems, software and precision components.</p> <p>Statutory auditors standing down from office may be re-elected.</p> <p>The lists presented must be deposited at the registered office of the Company at least twenty-five days before the date set for the shareholders' meeting and will be made publicly available, in the manner provided for by law and the Consob Regulation, at least twenty-one days before the Shareholders' Meeting.</p> <p>The professional curriculum of each candidate</p> | <p>he/she vote for different lists. In the event of violation of this rule, the vote of the Shareholder in question will not be taken into account for any of the lists presented. Each candidate may only be present in one list, or risk ineligibility in the event of violation of this rule.</p> <p>Lists may not contain the names of candidates who already hold the office of Statutory Auditor in five other listed companies, with the exception of those controlling and controlled by the Company, or candidates who do not have the necessary requirements regarding reputation and professionalism established by applicable regulations.</p> <p>For the purposes of article 1, paragraph 2, sections b) and c), and paragraph 3 of Ministerial Decree No. 162 dated 30 March 2000 regarding professional requirements for members of the board of statutory auditors of listed companies, the subjects and sectors strictly pertaining to those of interest to the company are intended to comprise commercial and company law, business economics, financial and statistical sciences, and all the other subjects of the same or similar nature, although with different names, whereas the sectors strictly connected or relating to those in which the company operates are understood to comprise the production, distribution and sale of machines and tools, automation systems, software and precision components.</p> <p>Statutory auditors standing down from office may be re-elected</p> <p>The lists presented must be deposited at the registered office of the Company at least twenty-five days before the date set for the shareholders' meeting and will be made publicly available, in the manner provided for by law and the Consob Regulation, at least twenty-one days before the Shareholders' Meeting.</p> <p>The professional curriculum of each candidate</p> |

| Existing text  | Proposed text   |
|--|---|
| <p>must be filed together with each list along with the declarations with which each candidate accepts their candidacy and certifies, at his own responsibility, that there is no cause of ineligibility or incompatibility, and that the legal and statutory requirements foreseen for the respective positions are met.</p> <p>Any list for which the above requirements are not met will be considered not to have been presented.</p> <p>The Statutory Auditors will be elected as follows: two Standing Statutory Auditors and one Substitute Statutory Auditor will be drawn in the numerical order in which they are presented in each section of the list from the list that has attained the largest number of votes at the Meeting; the remaining Standing Statutory Auditor, who will take the office of Chairman, and the other Substitute Statutory Auditor, will be drawn in the numerical order in which they are presented in each section of the list , will be taken from the list that has attained the second largest number of votes at the Meeting.</p> <p>In the event of two or more lists receiving an equal number of votes, the most senior candidates by age will be elected to positions that have to be assigned.</p> <p>Should the conditions set down in the regulations</p> | <p>must be filed together with each list along with the declarations with which each candidate accepts their candidacy and certifies, at his own responsibility, that there is no cause of ineligibility or incompatibility, and that the legal and statutory requirements foreseen for the respective positions are met.</p> <p>Any list for which the above requirements are not met will be considered not to have been presented.</p> <p>The Statutory Auditors will be elected as follows: two Standing Statutory Auditors and one Substitute Statutory Auditor will be drawn in the numerical order in which they are presented in each section of the list from the list that has attained the largest number of votes at the Meeting; the remaining Standing Statutory Auditor, who will take the office of Chairman, and the other Substitute Statutory Auditor, will be drawn in the numerical order in which they are presented in each section of the list , will be taken from the list that has attained the second largest number of votes at the Meeting.</p> <p>In the event of two or more lists receiving an equal number of votes, the most senior candidates by age will be elected to positions that have to be assigned.</p> <p><b><u>Where, as a result of the aforementioned procedure, the composition of the Board of Statutory Auditors fails to respect the gender balance required by law, instead of the last candidate in numerical order on the list receiving the majority of votes and having the right to be elected, the next available candidate in numerical order on the same list who belongs to the less represented gender will be appointed Standing Statutory Auditor or Substitute Statutory Auditor</u></b></p> <p>Should the conditions set down in the regulations and in the Statute cease to exist, the Auditor will</p> |

| Existing text  | Proposed text   |
|--|---|
| <p>and in the Statute cease to exist, the Auditor will cease to hold office.</p> <p>In the event that a Standing Statutory Auditor must be replaced or leaves office, he/she will be replaced by the Substitute Statutory Auditor from the same list as the replaced or lapsed auditor.</p> <p>Whenever it is necessary to reconstitute the Board of Statutory Auditors when a Standing Statutory Auditor and/or Substitute Statutory Auditor leaves office office, the Standing Statutory Auditor or Substitute Statutory Auditor from the same list as the lapsed Auditor will take over. Should this not be possible, the Shareholders' Meeting will vote, with the majority required for the ordinary Shareholders' meeting to pass resolutions, without prejudice to the reservation made in paragraph 1 of this article.</p> | <p>cease to hold office.</p> <p><del>In the event that a Standing Statutory Auditor must be replaced or leaves office, he/she will be replaced by the Substitute Statutory Auditor from the same list as the replaced or lapsed auditor.</del></p> <p>Whenever it is necessary to reconstitute the Board of Statutory Auditors when a Standing Statutory Auditor and/or Substitute Statutory Auditor leaves office office, the Standing Statutory Auditor or Substitute Statutory Auditor from the same list as the lapsed Auditor will take over <b><u>without prejudice to compliance with the legal requirements for gender balance.</u></b> Should this not be possible, the Shareholders' Meeting will vote, with the majority required for the ordinary Shareholders' meeting to pass resolutions, without prejudice to the reservation made in paragraph 1 of this article <b><u>and without prejudice to compliance with the legal requirements for gender balance.</u></b></p> |

The Board of Directors believes that the proposed changes to the Articles does not give rise to withdrawal rights on the part of shareholders as defined by article 2437 of the Italian Civil Code.

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In the light of the matters illustrated above, that you should agree with the proposal made by the Board of Directors, you are invited to approve the following regarding the first item on the agenda for the Extraordinary Session:

**RESOLUTION**

*The Meeting of Shareholders of Biesse S.p.A.,*

*- taking note of the matters illustrated*

**APPROVES**

*The amendments to articles 16 and 19-bis of the Company's Articles of Association incorporating the criteria for the preparation of lists for the election of members of the Board of Directors and the Board of Statutory Auditors to provide for the inclusion in the same of a sufficient number of candidates of the less represented gender to ensure that the composition of these bodies complies with article 147-ter, paragraph 1-ter, and article 148, paragraph 1-bis, of the Consolidated Financial Law (Testo Unico della Finanza) and the introduction of clauses designed to ensure the substitution of members of the bodies and the integration of the latter complies with the gender quotas required by law, according to the formulation given in the revised text of the aforementioned attached articles”.*

\* \* \*

Pesaro, 19 March 2015

The Chairman of the Board of Directors