

TREVISAN & ASSOCIATI

STUDIO LEGALE

Viale Majno 45 – 20122 Milano

Tel. +39.02.80.51.133 - Fax +39.02.86.90.111

mail@trevisanlaw.it

www.trevisanlaw.it

MULTIPLE VOTING/LOYALTY SHARES

Dear Investor,

I am writing in connection with law n. 116/2014 that introduced multiple voting (loyalty share) in Italy, enabling listed companies to modify their own increasing voting rights attributable to each interest held by shareholders who have maintained their participation, as will result from a special register, for more than 2 years.

In this regard, I should point out that the introduction of multiple voting system is misaligned with the principle of international best practice known as “one share one vote”.

Furthermore I consider this provision has been issued only to help families and foundations' shareholders to increase their voting powers at the AGM of Italian issuers without having the economic power to do it. Not least, it was also provided that, for the introduction of such a measure, if the meeting were held by 31 January 2015, there were no special quorum of the extraordinary general meeting, (a threshold to be calculated on the total share capital plus two third of votes “for” on the total voting shares in order to pass a resolution) but just ordinary ones (majority of those presents), which is sincerely a very notable exception to the voting system taken so far. At the present time there were only three listed companies (controlled by a families' shareholder) Astaldi, Campari and Amplifon which called the shareholders meeting to adopt such bylaws amendment in accordance to the quorum provided for the ordinary resolution and the same has been approved. See below the voting results:

Campari

participant share capital 81,23%

% of the majority shareholder 51,00%

votes in favor 61,78%

votes against (and/or abstaining as not favorable, even if minimally) 19,45% (Italian and foreign funds)

If there had not been the majority shareholder, the vote of the market would have been as follows:

votes in favor 10,78%

votes against 19,45%

Astaldi

participant share capital 75,02%

% of the majority shareholder 52,52%

votes in favor 53,62%

votes against (or abstaining as not favorable, even if minimally) 21,40% (Italian and foreign funds)

If there had not been the majority shareholder, the vote of the market would have been as follows:

votes in favor 1,10%

votes against 21.40%

Amplifon

participant share capital 82,01%

% of the majority shareholder 54,84%

votes in favor 57,32%

votes against (There were no abstained) 24,68% (Italian and foreign funds)

If there had not been the majority shareholder, the vote of the market would have been as follows:

votes in favor 2,49%% (because of a local investor)

votes against 24,68%

The results of the shareholders meeting at Campari, Astaldi and Amplifon have confirmed that institutional investors are adamantly against the adoption of multiple voting by the companies listed on the Italian stock market. Without the vote of the majority shareholder in these companies, the proposed resolution would have never been approved, even applying the most favorable quorum of the ordinary meeting. This concerns not only long term investors such as pension funds but also involves a variety of other funds!!!

The proposed measure appears to have benefited only the acquisition of control of the votes of the extraordinary general meeting (where special quorum is required) by the shareholders owning the majority of shares in the share capital.

Furthermore the different approach taken by the above mentioned companies (and the obvious difficulties), to regulate at the by-laws level who has the right to obtain the multiple voting specifically regarding the ownerships involving foreign investors regulated by different laws worldwide and issues related to the figure of the "legal owner" and the "beneficial owner", makes even more complicated (or confusing) the application of this measure and how to keep the record of "loyal" shareholders.

Notwithstanding, due to the fact that there were only few companies which called the meetings and adopted such measures within 31st January 2015 with the ordinary quorum provided instead of the special quorum required for extraordinary resolutions, some members of our Parliament are willing to ask an extension of this term (already expired) to 31 December 2015 to encourage other companies to do it!!

I hope this will not take place !!

If you are interested in this matter, I will keep you informed about it. I am available for any further information you might require.

Best regards.



Dario Trevisan