

**ELICA S.p.A.**

Registered office in Fabriano (AN), Via Ermanno Casoli No. 2

Share capital Euro 12,664,560.00 fully paid-in

Registered at the Ancona Company's Registration Office

Tax and VAT No.: 00096570429

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO  
THE SHAREHOLDERS' MEETING  
(pursuant to Article 153 of Legislative Decree No. 58/1998  
and Article 2429 of the Civil Code)**

Dear Shareholders,

in view of our appointment by you at the Shareholders' Meeting of April 29, 2015, during the year ended December 31, 2015, in continuity with the previous Board of Statutory Auditors, we have performed the supervisory activities required by law, in accordance with the "Conduct principles for the Board of Statutory Auditors" and recommended by the Italian Accounting Profession (Consigli Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

In particular, also in accordance with the instructions issued by Consob, we performed the following:

- we verified compliance with law, the By-Laws and Regulations;
- the Board of Statutory Auditors met 9 times in 2015; we attended 1 Shareholders' Meeting, 8 Board of Directors' meetings, 4 Internal Control & Risk Management Committee meetings and 3 Appointments and Remuneration Committee meetings, which were all carried out in accordance with the legislative, statutory and regulatory provisions which govern their functioning. The motions passed were in compliance with law and the company by-laws and were not imprudent, reckless or such as to compromise the integrity of the company's assets;
- periodically, we received information from the Directors on the general performance and on the outlook, as well as on the most significant operations, in terms of size or nature, carried out by the Company and its subsidiaries.

In relation to such, we can reasonably assure that the actions taken are in conformity with law and the by-laws of the company and were not imprudent, risk

related, in potential conflict of interest or contrary to the motions passed, or such as to compromise the integrity of the company assets.

In 2015 no significant economic, financial or equity operations took place;

- at the Shareholders' Meeting of April 29, 2015, taking account of the report of the Directors and the proposal of the Board of Statutory Auditors, the Independent Audit Firm KPMG S.p.A. was appointed to audit the accounts for the 2015-2023 period;
- the following assignments were awarded to the Audit Firm and its network:

Type of service	Service provider	Company	Fees (Euro thousands)
Audit	Kpmg SpA	Elica SpA	165
Audit	Kpmg SpA	Air Force SpA	15
Audit	Kpmg Cardenas Dosal, S.C.	Elicamex S.A. de C.V.	19
Audit	Kpmg Polska	Elica Group Polska S.p.z.o.o.	19
Audit	Kpmg AG	Exklusiv Hauben Gutmann GmbH	33
Audit	Kpmg China	Zhejiang Elica Putian Electric Co. Ltd	22
Audit	B S R & Co. LLP (KPMG network)	Elica PB India Private Ltd	9
Audit	Kpmg Japan	Ariafina CO., LTD	10
Other services	Kpmg Advisory S.p.A.	Elica S.p.A.	51
Other services	Kpmg	Zhejiang Elica Putian Electric Co. Ltd	3
<b>Total</b>			<b>346</b>

- we constantly monitored the independence of the Independent Audit Firm, noting the absence of any critical aspects;
- we held meetings with the head of the independent audit firm, in accordance with Article 150, paragraph 3 of Legislative Decree 58/1998. During the meetings no significant information warranting disclosure became evident;

- we have noted the new organisational structure approved and put in place by the Company, overseeing its adequacy for the efficient and lean management of the Company; in relation to this, there are no matters to report;
- we assessed the adequacy of the internal control system, assigned in the previous year to the Company Protiviti S.r.l., and the administration and accounting system and its reliability to correctly represent operations, through the obtaining of information from managers and the review of company documents.
- we reviewed the adequacy of the instructions given by the Parent Company to its subsidiaries in order that they could provide all necessary information to comply with the obligations required by law;
- we did not note the existence of atypical or unusual transactions with Group companies, related parties or with third parties;

We note the following significant non-recurring events:

- a) the recognition of restructuring charges, net of the tax effect, for Euro 0.4 million, due principally to the reorganisation plan in place (at consolidated level Euro 1.3 million);
- b) the recognition of taxes of Euro 0.3 million, as a result of the tax assessment and taxes of Euro 0.2 million due to the change in the IRES rate;
- in relation to inter-company and related party transactions of an ordinary nature, these were adequately described in the Notes to the financial statements to which reference should be made. These transactions are appropriate and are in line with the corporate objectives of the Company;
- no petitions were received pursuant to art. 2308 of the Civil Code;
- the previous Board of Statutory Auditors drew up and issued on March 19, 2015 a proposal for the appointment of KPMG S.p.A. as the independent audit firm in accordance with Article 13 of Legislative Decree 39/2010 for the 2015-2023 period;
- the previous Board of Statutory Auditors issued its opinion on March 19, 2015, confirmed by us on April 29, 2015, in relation to the 2015 remuneration of the Executive Chairman, the Chief Executive Officer, the Executive Director, members of the Internal Control and Risks Management Committee and the Appointments and Remuneration Committee;
- we issued on April 29, 2015 an opinion upon the appointment of the Executive Responsible for the preparation of corporate accounting documents;

- the Company complied with the Self-Governance Code of the Committee for the Corporate Governance of listed companies of Borsa Italiana S.p.A.;
- we verified, at the meeting of 29/04/2015, in accordance with point 3.C.5 of the Self-Governance Code, the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members. In our verifications we did not note irregularities;
- during the meeting of 29/04/2015 we evaluated our independence in accordance with point 8.C.1 of the Self-Governance Code of listed Companies;
- we examined the declarations of the Chief Executive Officer and the Executive Responsible for the preparation of the corporate accounting documents, pursuant to Article 154-*bis* of the Consolidated Finance Act;
- on 12/11/2015 we held a meeting with the Supervisory Board; we reviewed documents and obtained information on the activities already carried out and on those scheduled for 2016.

In relation to the separate financial statements, we confirm that:

- they were prepared in accordance with International Accounting Standards (IAS/IFRS), as presented by the Board of Directors in the notes to the financial statements.

In particular, in the Directors' Report and in the Notes to the financial statements, the Directors have complied with that established by the regulatory provisions concerning disclosure on the risk management system and the internal control system in relation to the financial disclosure process;

- The impairment test carried out under IAS 36 did not result in any write-down of the goodwill and investments accounts;
- the notes to the financial statements, in addition to being in compliance with the norms for the preparation of the separate financial statements, also provide all information considered appropriate to represent the balance sheet, financial position and result of the Company;
- the information provided in the Directors' Report is complete and exhaustive, including that relating to the principal events after year-end.

Specifically, the Directors dedicated a section to describe the actions planned for 2016 in order to develop the business and strengthen the competitive position.

The Independent Audit Firm today issued the parent company and consolidated financial statements without any exceptions or matters to be noted.

In the course of the supervisory activity carried out and based on the information obtained, no significant omissions and/or significant matters or irregularities that would require reporting to the Supervisory Authority or mention in the present report were noted.

In conclusion and taking into account the above matters, in relation to our responsibility, and not having proposals to present to the Shareholders' Meeting pursuant to Article 153, paragraph 2 of Legislative Decree 58/1998, we have no reason to impede the approval of the financial statements for the year ended 31/12/2015 and in relation to the net profit we do not report any observations on the proposal for the distribution of the dividend and the allocation of the residual net profit to the Extraordinary Reserve as presented by the Board of Directors.

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In relation to the Group consolidated financial statements, we have reviewed them and have no further comments to make.

Jesi, 29/03/2016

#### THE BOARD OF STATUTORY AUDITORS

CASALI GILBERTO	- Chairman
BORIONI FRANCO	- Statutory Auditor
ROMAGNOLI SIMONA	- Statutory Auditor

**LIST OF OFFICES HELD IN OTHER COMPANIES  
IN ACCORDANCE WITH ARTICLE 144-QUINQUIESDECIES  
OF THE ISSUERS' REGULATION**

<b>Name</b>	GILBERTO	<b>Surname</b>	CASALI
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	<b>Name of Company</b>	<b>Office held</b>	<b>Duration of office</b>
	Listed:		
<b>1</b>	ELICA SpA	Chairman Bd. Stat. Auds.	App. 2017 Annual Accounts
	Of significant size:		
<b>2</b>	GOLDEN LADY COMPANY SpA	Standing Auditor	App. 2015 Annual Accounts

Jesi, March 29, 2016

Mr. GILBERTO CASALI

Chairman of the Board of Statutory Auditors of ELICA S.p.A.

**LIST OF OFFICES HELD IN OTHER COMPANIES  
IN ACCORDANCE WITH ARTICLE 144-QUINQUIESDECIES  
OF THE ISSUERS' REGULATION**

<b>Name</b>	FRANCO	<b>Surname</b>	BORIONI
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	<b>Name of Company</b>	<b>Office held</b>	<b>Duration of office</b>
	Listed:		
<b>1</b>	ELICA SpA	Standing Auditor	App. 2017 Annual Accounts
	Of significant size:		
<b>2</b>	GOLDEN LADY COMPANY SpA	Standing Auditor	App. 2015 Annual Accounts

Jesi, March 29, 2016

Mr. FRANCO BORIONI

Statutory Auditor of ELICA S.p.A.

**LIST OF OFFICES HELD IN OTHER COMPANIES  
IN ACCORDANCE WITH ARTICLE 144-QUINQUIESDECIES  
OF THE ISSUERS' REGULATION**

<b>Name</b>	SIMONA	<b>Surname</b>	ROMAGNOLI
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	<b>Name of Company</b>	<b>Office held</b>	<b>Duration of office</b>
	Listed:		
<b>1</b>	ELICA SpA	Standing Auditor	App. 2017 Annual Accounts

Jesi, March 29, 2016

Ms. SIMONA ROMAGNOLI

Statutory Auditor of ELICA S.p.A.