

**REPORT OF THE STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018
IN ACCORDANCE WITH ARTICLE 153 OF LEGISLATIVE DECREE 58/1998 AND ARTICLE 2429, PARA. 3,
OF THE CIVIL CODE**

Dear Shareholders,

In the financial year ended December 31, 2018, the Board of Statutory Auditors of Tamburi Investment Partners S.p.A. (hereafter TIP or the company), carried out supervisory activities in accordance with the provisions of Article 149 of Legislative Decree No. 58/98 (CFA) and Article 2403 of the Civil Code, also taking into account the principles of conduct as recommended by the National Council of Chartered Accountants and Accounting Professionals, Consob communications regarding corporate controls and the Board of Statutory Auditors' activities (in particular, Communication No. DAC/RM 97001574 of February 20, 1997 and Communication No. DEM 1025564 of April 6, 2001, subsequently supplemented with Communication No. DEM/3021582 of April 4, 2003 and Communication No. DEM/6031329 of April 7, 2006) and the Principles and Criteria contained in the Self-Governance Code.

The Board of Statutory Auditors currently in office was appointed in accordance with applicable legal, regulatory and statutory provisions. Its mandate will cease at the Shareholders' Meeting for the approval of the financial statements as at December 31, 2020.

Members of the Board of Statutory Auditors have complied with the limit on the number of offices envisaged by Article 144-*terdecies* of the Issuers' Regulation.

In accordance with Legislative Decree 58/1998 and Legislative Decree 39/2010, the audit is carried out by Pricewaterhouse Coopers S.p.A. (hereinafter "PWC" or the "Independent Audit Firm"), as resolved by the Shareholders' Meeting of April 9, 2014 for a duration of nine financial years (2014-2022).

During the year in question and with reference to activities that fall within the scope of its responsibility, the Board declares to have:

- participated in all the meetings of the Board of Directors, obtaining appropriate information from directors at least on a quarterly basis on the general performance of operations and their expected development, as well as on significant transactions in terms of size and characteristics made by the company and its subsidiaries;
- acquired the elements of information needed to verify compliance with the law, By-Laws, principles of good administration and suitability of the company's organisational structure, through the acquisition of documents and information from the managers of departments concerned, as well as through regular exchanges of information with the Independent Audit Firm;
- attended, at least through its Chairperson or a differing member, the meetings of the Control and Risks and Related Parties Committee and the Appointments and Remuneration Committee and met the Supervisory Board for the exchange of information;
- monitored the functioning and effectiveness of the internal control system and the suitability of the administrative and accounting system, particularly in terms of the latter's reliability in representing accounting data periodically meeting with the internal audit manager;
- promptly exchanged data and information relevant to the performance of respective duties with the managers of the Independent Audit Firm pursuant to Art. 150 of Legislative Decree 58/98, including by reviewing the results of work performed and the receipt of reports envisaged by Article 14 of Legislative Decree No. 39/2010 and Article 11 of EC Regulation 2014/537;
- monitored the functionality of the control system on Group companies and the suitability of instructions imparted to them, also pursuant to Article 114, paragraph 2 of Legislative Decree No. 58/98;
- noted the preparation of the Remuneration Report pursuant to Article 123-ter of Legislative Decree No. 58/98 and Article 84-ter of the Issuers' Regulation, without any observations to report;
- ascertained the compliance of statutory provisions with legal and regulatory provisions;

- monitored the procedures on the pragmatic implementation of corporate governance rules adopted by the company in accordance with the Self-Governance Code for listed companies as promoted by Borsa Italiana S.p.A.;
- supervised the compliance of the internal procedure concerning Related Parties Transactions according to the principles indicated in the Regulation approved by Consob with Resolution No. 17221 of March 12, 2010 and subsequent amendments, and its observance, pursuant to Art. 4, paragraph 6 of this Regulation;
- monitored, through exchanges of information with the appointed boards, the fulfilment of obligations related to Market Abuse (MAR) legislation and the processing of insider information, and the procedures adopted by the company in this regard;
- supervised the corporate information process and verified directors' compliance with procedural rules concerning the drafting, approval and publication of the separate and consolidated financial statements;
- ascertained the methodological suitability of the impairment process implemented to determine the possible existence of impairment losses on goodwill and/or assets recorded in the balance sheet;
- verified that the Directors' Report for the financial year 2018 conformed to applicable legislation and was consistent with the decisions taken by the Board of Directors and with the facts represented in the statutory and consolidated financial statements;
- noted the content of the Consolidated Half-Year Report, without the need to report any observations, and also ascertained that the latter was published in accordance with the procedures laid down by law;
- noted the content of the Quarterly Reports, in the absence of the need to express any observations, while declaring that these latter were made public according to the means set out in the applicable regulation;

The Board of Statutory Auditors provided, where necessary, the legally required opinions and observations.

During the supervisory activities carried out by the Board of Statutory Auditors in accordance with the methods described above, no facts emerged from which to deduce non-compliance with the law and the By-Laws, nor to justify reports to the Supervisory Authorities or a mention in this report.

Additional information required by Consob Communication No. DEM/ 1025564 of April 6, 2001 and subsequent amendments, is as follows.

- I. Significant economic, financial and equity transactions made by the company are analytically detailed in the Directors' Report and in the separate and consolidated financial statements for the year 2018. On the basis of information provided by the company and data acquired on the aforesaid transactions, the Board of Statutory Auditors ascertained its compliance with the law, the By-Laws and the principles of correct administration, ensuring that these were not manifestly imprudent or risky, in possible conflict of interest, inconsistent with the resolutions taken by the Shareholders' Meeting or such as to compromise the integrity of corporate assets. With regards to significant transactions, in particular the Board of Statutory Auditors reports that:
 - a. In July 2018, the company Roche Bobois S.A. was listed on the Euronext Paris market and at the approval date of the Financial Report at 31\12\2018 its shares traded at approximately two and a half times the average purchase price by TXR S.r.l.. During the IPO, this latter sold 3.5% of its Roche Bobois holding (which currently has a free float of 11.5%), while remaining a major shareholder with approximately 35%.
 - b. Approximately half of the interests held in FCA NV and Moncler S.p.A. were disposed of, in keeping with the prudent approach for which TIP is known.
 - c. In December 2018 S.p.A. and S.p.A signed with Fagerhult AB, a Swedish lighting sector leader, an agreement to sell 100% of the shares of iGuzzini illuminazione S.p.A.. The sale took place on March 7, 2019, following approval of the respective competent bodies, as well as the necessary antitrust authorizations and various formalities required to close the deal, primarily relating to the capital increase by Fagerhult. The price set for 100% was Euro 375.9 million, net of financial debt, and was paid at closing, with Euro 284.5 million

settled in cash and the remaining Euro 91.4 million in newly issued Fagerhult shares, valued per the contract at the average price in the six months prior to the signing of the letter of intent in October 2018. Following the transaction, TIPO is also to withdraw from Fimag, in return for which it will receive a share of the cash and Fagerhult shares deriving from the sale of iGuzzini. TIPO had acquired an equity interest in iGuzzini and Fimag for an initial investment of approximately Euro 21 million, followed by an additional investment of Euro 11 million. The sale is estimated to yield a total capital gain of slightly less than Euro 60 million, in addition to the dividends already collected and gross of the differences relating to the variations in the price of the Fagerhult shares.

- d. Investing activity continued in 2018, with a particular focus on Prysmian S.p.A., with regards to the capital increase subscribed proportionally by both Clubtre S.p.A. and TIP and also aside from it, but also on Hugo Boss and on OVS S.p.A. – as well as various deals involving StarTIP. The purchase of TIP treasury shares also continued.
- e. An additional investment was made in July in Alpitour S.p.A. for an amount of approximately Euro 82 million, through Asset Italia 1, with the transaction generating a direct disbursement by TIP of approximately Euro 36.3 million, undertaken jointly with other investors for a total amount of approximately Euro 220 million. Following this investment, TIP holds approximately 35.81% of the tracking shares related to Asset Italia 1. The transaction involved the purchase of 36.76% (40.5% on a fully diluted basis) of Alpitour S.p.A. by Alpiholding S.r.l., which is held 49.9% by Asset Italia 1, which already held approximately 33% of Alpitour S.p.A. and which following the deal increased its interest to 31.14% (34.31% on a fully diluted basis). Following the transaction, Asset Italia 1 has an important governance role in the group. In 2018 Alpitour continued to expand the hotels and resorts it manages, adding Tanka Village, closing the important acquisition of the tour operator Eden Viaggi and completing the purchase of 787 Dreamliner aircrafts.

- II. During its audits, the Board of Statutory Auditors did not identify atypical and/or unusual transactions with third parties, group companies or related parties, as defined in Consob

Communication of July 28, 2006 No. DEM/6064293. It is hereby acknowledged that information provided in the Directors' Report and in the Notes to the consolidated and separate financial statements is adequate as regards significant events and transactions that do not recur frequently and any atypical and/or unusual transactions, including intragroup transactions or those with related parties.

- III. The nature of intragroup and related-party transactions made by the company and its subsidiaries during 2018, the parties involved and the corresponding economic effects are illustrated in detail in the consolidated and separate financial statements. It should be noted that the company regularly maintains commercial and financial relationships with subsidiaries, represented by group companies, which consist of transactions falling within the scope of ordinary management activities and concluded in line with market practices. The Board of Statutory Auditors assessed the information provided on the aforesaid transactions as being overall suitable and has concluded that, on the basis of data acquired, the latter appear consistent and in line with the company's interests. The Board of Statutory Auditors monitored compliance with the rules governing related party transactions and, in this regard, does not highlight any particular observations. The Board of Statutory Auditors considers that the information provided by the directors in the Directors' Report and the Notes to the separate and consolidated financial statements at December 31, 2018 concerning inter-party and related party transactions is adequate.
- IV. The Independent Audit Firm on March 29, 2019 issued its reports as per Articles 14 and 16 of Legislative Decree 39/2010 and Article 10 of Regulation (EC) No. 2014/537, in which it declared that:
- The company's separate financial statements and the Group consolidated financial statements as at December 31, 2018 give a true and fair representation of the balance sheet, the economic result and cash flows for the year ended on that date in compliance with IFRS adopted by the European Union;
 - The Directors' Report and the information referred to in Art. 123-bis of the CFA contained in the Corporate Governance and Ownership Structure Report are consistent with the company's

separate financial statements and Group consolidated financial statements and are drawn up in accordance with the law;

- The opinion on the separate and consolidated financial statements expressed in the abovementioned reports is in line with that indicated in the Additional Report drawn up pursuant to Art. 11 of EC Regulation No. 2014/537.

There were no findings, emphasis of matter paragraphs or statements issued pursuant to Art. 14, paragraphs 2(d) and (e) of Legislative Decree No. 39/2010 in the abovementioned Independent Audit Firm's report.

The regular meetings held by the Board of Statutory Auditors with the Independent Audit Firm, pursuant to Art. 150, paragraph 3 of Legislative Decree 58/98, did not reveal aspects that should be highlighted in this Report.

Moreover, the Board did not receive any disclosures from the Independent Audit Firm on reprehensible facts detected during the audit activity on the separate and consolidated financial statements.

- V. The Board did not receive any statements pursuant to Art. 2408 of the Civil Code, or complaints from shareholders or third parties in the financial year 2018.
- VI. In 2018, on the basis of that reported by the Independent Audit Firm, no additional appointments were made to it or related entities, other than the auditing of accounts and the attestation services.
- VII. The Board of Statutory Auditors has fulfilled the obligations required by Art. 19, paragraph 1(e) of Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135/ 2016 and by Art. 5, para. 4 of EU Regulation 2014/537, on the prior approval of these appointments. It also verified their compatibility with applicable legislation and, specifically, with the provisions of Art. 17 of Legislative Decree No. 39/ 2010 and subsequent amendments, as well as the prohibitions referred to in Art. 5 of the Regulation referred to therein.

Moreover, the Board has:

- a) verified and monitored the Audit Firm's independence, in accordance with Arts. 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of Legislative Decree 39/2010 and Art. 6 of EU Regulation No.

2014/537, ascertaining compliance with applicable regulations. It also confirmed that the appointments for services, other than audits, conferred to this company do not appear to generate potential risks for the auditor's independence and for the safeguards referred to in Art. 22-ter of Directive 2006/ 43/EC;

- b) reviewed the Transparency Report and the Additional Report drawn up by the Independent Audit Firm in compliance with the criteria referred to in EU Regulation 2014/537 noting that, on the basis of acquired information, no critical aspects emerged in relation to this Audit Firm's independence;
- c) received written confirmation that, in the period from January 1, 2018 up to the time of issuing the statement, the Independent Audit Firm did not find any situations that could compromise its independence from Tamburi Investment Partners S.p.A. pursuant to the combined provisions of Arts. 6, para. 2(a) of EU Regulation 2014/537, 10 and 17 of Legislative Decree No. 39/2010, as well as Arts. 4 and 5 of EU Regulation 2014/537.
- d) discussed with the Independent Audit Firm, the risks regarding its independence and the measures taken to mitigate them, pursuant to Art. 6, para. 2(b) of EU Reg. No. 537/2014.

VIII. In general, in order to acquire the information necessary to accomplish its supervisory duties, the Board of Statutory Auditors met ten times in the financial year 2018 (of which 3 before the appointment and 7 subsequent to the new appointment on April 20, 2018). Furthermore, the Board of Statutory Auditors participated:

- in all meetings of the Board of Directors held after its appointment, thus obtaining ongoing information from directors on the activity performed and on significant economic, financial and equity transactions made by the company and its subsidiaries;
- at least through its Chairperson, or a differing member, in all meetings of the Control and Risks and Related Parties Committee and the Appointments and Remuneration Committee held after its appointment.

Finally, the Board of Statutory Auditors exchanged information with subsidiary companies' control bodies pursuant to Art. 151 of Legislative Decree 58/1998, without there having been ascertained any significant aspects or circumstances to be mentioned in this report.

- IX. The Board of Statutory Auditors monitored the observance of law, the By-Laws and compliance with the principles of good administration. It ensured that the transactions resolved and implemented by directors conformed to the abovementioned rules and principles and were inspired by the principles of economic rationality. It also ascertained that transactions were not demonstrably imprudent or risky, in conflict with the company's interests, inconsistent with the decisions taken by the Shareholders' Meeting, or such as to compromise the integrity of corporate assets. The Board considers that the tools and governance procedures adopted by the company represent a valid safeguard for compliance with the principles of correct administration.
- X. The suitability of the company and Group organisational structures was monitored through an understanding of the company's administrative structure and the exchange of data and information with the managers of the various corporate functions, the Internal Audit Department and the Independent Audit Firm.

In the light of checks carried out and in the absence of any critical issues noted, the company's organisational structure appears to be suitable in view of the object, characteristics and size of the company.

- XI. With reference to monitoring the suitability and effectiveness of the internal control system, also pursuant to the applicable Art. 19 of Legislative Decree No. 39/2010, the Board held regular meetings with the Internal Audit Manager and with the managers of other corporate departments and, through the participation of at least one of its members, in associated meetings with the Control and Risk Committee and with the Supervisory Board pursuant to Legislative Decree 231/2001.

The Board noted that company's internal control system is based on a structured and organic set of rules, procedures and organisational structures aimed at preventing or limiting the consequences of unexpected results and to enable the achievement of strategic and operational objectives (that is, consistency of activities with the activities' objectives, efficiency and

effectiveness and the safeguarding of corporate assets), compliance with applicable laws and regulations (compliance), and correct and transparent internal disclosure and disclosure to the market (reporting).

This system's guidelines are defined by the Board of Directors with the assistance of the Control and Risks Committee. The Board of Directors also assesses its suitability and correct functioning at least once a year.

The Board of Statutory Auditors periodically met with the Internal Audit Manager to assess the 2018 Audit Plan and its findings, both in the set-up phase and in the analysis of audits carried out and associated follow-ups.

In continuity with the past, the Board of Statutory Auditors, to the extent of its remit, was satisfied with the timely execution of internal controls, also at the subsidiaries, where necessary or appropriate in relation to the circumstances.

Tamburi Investment Partners S.p.A. has implemented the organisational model envisaged by Legislative Decree No. 231/2001 ("231 Model"), of which the Code of Ethics is an integral part, aimed at preventing relevant offences pursuant to the Decree and, consequently, the extension of administrative responsibility to the company.

The Group 231 model provides for the automatic updating to the offenses which are issued over time, in its general section.

In relation to the year 2018, on the basis of information and evidence gathered and also with the support of the Control and Risk and Related Parties Committee's preliminary activities, the Board of Directors carried out an overall assessment on the suitability of the internal control and risk management system and concluded that it is overall suitable to enable, with reasonable certainty, the adequate management of the main risks identified.

In the Board's opinion and in the light of information acquired, the company's internal control and risk management system appears suitable, efficacious and is functionally effective.

- XII. The Board also monitored the suitability and reliability of the administrative and accounting system to correctly represent accounting data, by obtaining information from the managers of the respective departments, examining company documents and analysing the results of the work

performed by the independent audit firm. The Executive Officer for Financial Reporting has been jointly assigned the functions established by law and granted adequate powers and means to exercise the related duties.

The Board of Statutory Auditors took note of the statements issued by the company's Chief Executive Officer and the Executive Officer for Financial Reporting with regard to the suitability of the administrative and accounting system in relation to the company's characteristics and the effective application of the administrative and accounting procedures for the compilation of Tamburi Investment Partners S.p.A. separate financial statements and the Tamburi Group's consolidated financial statements.

Furthermore, it monitored the financial reporting process, including through the gathering of information from the company's management and deems the company's administrative and accounting system to be suitable and reliable to correctly represent accounting data.

The Board monitored the suitability of instructions issued by the company to its subsidiaries pursuant to Art. 114, paragraph 2 of Legislative Decree 58/98 and, on the basis of information rendered by the company, ascertained its suitability to provide the information necessary to fulfil the communication obligations envisaged by law, without exceptions.

- XIII. The company complies with the Self-Governance Code, although the adoption of the Code's principles is not a legal requirement. The company has complied with the principles of the Code, in addition to the amendments and supplements made by the Corporate Governance Committee of Borsa Italiana. With regards to the Board of Statutory Auditors, its assigned tasks include: (i) oversight on the independence of the Independent Audit firm and the internal control and risk management system, (ii) the faculty to request the Audit firm to carry out checks, (iii) the timely exchange of information with the Internal Control and Risk Management Committee of relevant information and (iv) the verification of the correct application of the declaration criteria and procedures adopted by the Board of Directors to assess the independence of its members according to the criteria utilised for the Directors. With regards to this latter, the Board of Statutory Auditors verified the independence of the Non-executive Directors.

- XIV. The company's Board of Directors is currently composed of nine directors, four of whom are independent. Its composition complies with the applicable gender equality regulation.
- An independent director undertakes the function of Lead Independent Director and one meeting of the independent directors was held in 2018.
- In 2018, the Board of Directors carried out a self-assessment on the size, composition and functioning of the Board and its Committees. The results were presented at the meeting of the Board of Directors of March 14, 2019 and are mentioned in the Corporate Governance and Ownership Structure Report.
- With regard to the procedure followed by the Board of Directors to verify the independence of its members, the Board of Statutory Auditors carried out the assessments under its responsibility, noting the correct application of the criteria and procedures to assess the requirements of independence pursuant to law and the Self-Governance Code and compliance with the requirements of the administrative body's composition in its entirety.
- XV. Finally, in accordance with Rule Q.1.1. "Self-assessment of the board of statutory auditors" of the Conduct Principles of the board of statutory auditors of listed companies - April 2018 edition, of Article 8 of the Self-Governance Code for the Corporate Governance of listed companies of Borsa Italiana S.p.A. and the applicable regulation, the Board of Statutory Auditors assessed the suitability for office of the members and the adequate composition of the Board, with regards to their professionalism, expertise, standing and independence, as required by the regulation. The Board of Statutory Auditors notes that each member effectively appointed by the Shareholders' Meeting of April 20, 2018 provided the information necessary to undertake the annual self-assessment of the Board of Statutory Auditors and that, on the basis of the declarations provided and the collective analysis carried out subsequently, no reasons for ineligibility or the forfeiture of office under the applicable regulation or the By-Laws arose.
- Finally, the Board of Statutory Auditors has verified, and notified the company's Board of Directors at the meeting of March 14, 2019, that its members possess the same requirements of independence as required for directors.

- XVI. The Board of Statutory Auditors also reviewed the proposals that the Board of Directors, in its meeting of March 14, 2019 resolved to submit to the Shareholders' Meeting, and states that it has no observations to make in this regard.
- XVII. Finally, the Board of Statutory Auditors carried out its own audits on compliance with legal provisions relating to the compilation of the separate financial statements and Group consolidated financial statements as at December 31, 2018, the respective explanatory notes and the Directors' Report included in them directly and with the support of the departments managers and the information received from the Independent Audit Firm. In particular, the Board of Statutory Auditors, within the limits of its responsibility in accordance with Art. 149 of Legislative Decree No. 58/98, based on the audits carried out and information provided by the company, notes that the statements to the company's separate and consolidated financial statements Tamburi Investment Partners S.p.A. as at December 31, 2018 were drawn up in compliance with the legal provisions governing their preparation and presentation. They are also compliant with International Financial Reporting Standards issued by the International Accounting Standards Board on the basis of the text published in the Official Journal of the European Communities.
- The separate and consolidated financial statements are accompanied by the prescribed declarations of conformity signed by the Chief Executive Officer and the Executive Officer for Financial Reporting.

Based on the foregoing considerations providing an overview of the supervisory activities carried out in the year, the Board of Statutory Auditors has not identified specific critical issues, omissions, reprehensible facts or irregularities. Moreover, it has no observations or proposals to submit to the shareholders' meeting pursuant to Art. 153 of Legislative Decree No. 58/1998, for matters falling within its competence and has no objections to raise to the approval of the proposed resolutions submitted by the Board of Directors to the Shareholders' Meeting.

The Board of Statutory Auditors, in addition, in light of the considerations outlined and within its remit, does not note any reasons for which the financial statements at December 31, 2018 should not be approved or which are contrary to the proposal of the allocation of the result drawn up by the Board of Directors.

Milan, March 29, 2019

The Board of Statutory Auditors

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| Ms. Myriam Amato | Chairperson |
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| Mr. Fabio Pasquini | Statutory Auditor |
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| Ms. Alessandra Tronconi | Statutory Auditor |
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This report has been translated into English from the Italian original solely for convenience of international readers.