

BIESSE S.P.A.

DIRECTORS' REPORT FOR THE ORDINARY AND EXTRAORDINARY MEETING OF SHAREHOLDERS OF BIESSE S.P.A. CALLED FOR 23 AND 24 APRILE 2018, PREPARED PURSUANT TO ARTICLE 125-TER OF LEGISLATIVE DECREE OF 24 FEBRUARY 1998 No. 58 ("TUF" – CONSOLIDATED FINANCIAL LAW) AND ARTICLES 72 AND 84-TER OF THE ISSUERS' REGULATIONS ADOPTED BY CONSOB RESOLUTION No. 11971 OF 14 MAY 1999, AND AS SUBSEQUENTLY AMENDED (THE "ISSUERS' REGULATION").

14 MARCH 2018

Dear Shareholders,

Following publication of the Notice of Meeting in the newspaper, Il Giornale of 14 March 2018 and on the website of Biesse S.p.A. (the "**Company**" or "**Biesse**") on the same date, a Meeting of Shareholders has been called, in ordinary and extraordinary sessions, for 23 and 24 April 2018, in first and second convocations respectively, at the registered offices in Pesaro, Via della Meccanica, 16 at 09:00 to discuss and approve the following:

Agenda

Ordinary session

1. Approval of the Financial Statements for the financial year to 31 December 2017; the Directors' report on operations, including the Disclosure of Non-Financial Information pursuant to Legislative Decree 254/2016; the report of the Board of Statutory Auditors and the Independent Auditors' report on the Financial Statements for the financial year to 31 December 2017; Discussion of all matters relating thereto and arising therefrom. Presentation of the Consolidated Financial statements for the year to 31 December 2017.
2. Allocation of the results for the 2017 financial year of Biesse S.p.A.;
3. Appointment of the Board of Directors, having prior approval of the number of constituent Directors. Discussion of all matters relating thereto and arising therefrom.
4. Appointment of the Board of Statutory Auditors. Discussion of all matters relating thereto and arising therefrom.
5. Approval of the Remuneration Policy of Biesse Group.

Extraordinary session

1. Introduction of Loyalty Shares and related amendments to the Articles.

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A. ORDINARY SESSION

1. **APPROVAL OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR TO 31 DECEMBER 2017; THE DIRECTORS' REPORT ON OPERATIONS, INCLUDING THE DISCLOSURE OF NON-FINANCIAL INFORMATION PURSUANT TO LEGISLATIVE DECREE 254/2016; THE REPORT OF THE BOARD OF STATUTORY AUDITORS AND THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR TO 31 DECEMBER 2017; DISCUSSION OF ALL MATTERS RELATING THERETO AND ARISING THEREFROM. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2017.**

Dear Shareholders,

The Meeting on 23 and 24 April 2018 has been called in order to approve the Company's Financial Statements for the year to 31 December 2017. Biesse, in accordance with the means and terms set by law, will provide shareholders with the Company's annual Financial Statements for 2017 (including the prospective balance sheet to 31 December 2017, the Consolidated Financial Statements, the Directors' Report and the Declaration pursuant to article 154-*bis* of the TUF) by Monday 2 April 2018,

together with the Independent Auditors' Report on the aforementioned Parent Company and Consolidated Financial Statements and the Report pursuant to article 153 of the TUF. Please refer to these documents for further information regarding item 1 on the Agenda.

The Board of Directors, therefore, submits to the Meeting the following proposal with regard to item 1 on the Agenda for the ordinary session:

"The ordinary Meeting of Shareholders of Biesse S.p.A.,

- taking note of the Board of Directors' Report on operations, including the disclosure of non-financial information prepared pursuant to Legislative Decree 254/2016,

- taking note of the Reports of the Board of Statutory Auditors and the Independent Auditors,

- having examined the preliminary Financial Statements of Biesse S.p.A. for the year to 31 December 2017,

APPROVES

(a) the Financial Statements of Biesse S.p.A. for the year to 31 December 2017, which show a net profit of Euro 42.806 million

(b) the distribution of a proportion of profits to Shareholders – in the form of a dividend - of Euro 0.48 per share, allocating the remaining profit to the Company's Extraordinary Reserve. The dividend will be paid on 9 May 2017 by detachment of coupon no.14 on 7 May for payment on 9 May 2018 record date 8 May 2018;(c) to make note of the presentation of the Consolidated Financial Statements for the year ended 31 December 2017.

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 2017 OF BIESSE S.P.A.;

Dear Shareholders,

The Shareholders' Meeting called for 23 and 24 April 2018 is also called to approve the allocation of the result for the financial year ended 31 December 2017. The Board of Directors' Meeting of 12 March 2018, agreed to propose to the Shareholders' Meeting the distribution of a dividend of Euro [0.48] per share, gross of taxes.

The dividend, on approval by the Shareholders' Meeting will be paid, in accordance with the applicable laws and regulations, on 9 May 2018, by detachment of coupon no.14 on 7 May 2018. In accordance with article 83-terdecies of the TUF, all those proven to be registered as shareholders at the end of the accounting day on 8 May 2018 (record date) will be entitled to receive the dividend.

For the proposed resolution submitted for the approval of the Shareholders' Meeting regarding item 2 on the Agenda for the ordinary session, please refer to point (b) of the proposed resolution relating to item 1 on the Agenda for the ordinary session.

3. APPOINTMENT OF THE BOARD OF DIRECTORS, HAVING PRIOR APPROVAL OF THE NUMBER OF CONSTITUENT DIRECTORS. DISCUSSION OF ALL MATTERS RELATING THERETO AND ARISING THEREFROM.

Dear Shareholders,

The mandate of the Board of Directors currently in office expires on approval of the Financial Statements for the year to 31 December 2017 and the Meeting of Shareholders called for 23 and 24 April 2018 is therefore called to renew the Board of Directors, and, firstly, to determine the number of Board members.

Consequently, the outgoing Board – having taking into account the composition, the functioning of the body and the committees through which it carried out its activities and in order to increase its effectiveness and speed of operation – proposes to maintain the current number of seven Directors.

The outgoing Board also notes that the renewal of the administrative body for the period 2018 – 2020, to be approved at the Shareholders' Meeting of 23 and 24 April 2018, with regard to the mandate subsequent to the first mandate post application of the law, in accordance with the regulations pursuant to article 2 of Law 120/2011, must ensure that at least one third of the members of the Board of Directors belongs to the less represented gender pursuant to article 147-ter, paragraph 1-ter, of Legislative Decree (D.Lgs.) no. 58 of 24 February 1998, ("TUF") (the so-called "female quota").

The outgoing Board also notes that Biesse complies with the Self-regulatory Code for Listed Companies (the "**Self-Regulatory Code**") and that, therefore, pursuant to principle 3.C.3, final paragraph, and all contained therein, the number of independent directors on the Board should number no fewer than two. The outgoing Board of Directors therefore recommends that two Independent Directors be appointed.

The outgoing Board proposes that the new administrative body be appointed for three financial years, with expiry on approval of the Financial Statements of Biesse for the year ended 31 December 2020.

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 composed of 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

In order to ensure the gender balance of the Board, at least one third (or one fifth, for the first mandate in application of the regulations) of the candidates presented in the lists must belong to the less-represented gender.

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 with a right to vote 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 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 highest number 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 Shareholders' Meeting, in the person of the candidate at the top of said list;

Should the foregoing mechanism fail to produce a composition of the Board of Directors that complies with the gender balance required by law, instead of appointing the last candidate in numerical order on the list that received the highest number of votes, the next available candidate, in numerical order, from the same list belonging to the less represented gender will be appointed as a Director.

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 recognised by Consob Resolution no. 20273 of 24 January 2018 to be 1%. Therefore the minimum percentage shareholding for the presentation of lists is reduced to 1% from the 2.5% indicated in the Company's Articles.

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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 (**Thursday 29 March 2018**) 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 (**Monday 2 April 2018**) 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 from a registered e-mail address in accordance with article 144-sexies, paragraph 4-ter of the Issuers Regulation. 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 TUF and 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 1% 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 (**Monday 2 April 2018**) 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 within the time limits indicated above. 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, including those relating to gender parity, and by the relevant regulations and by the Self-Regulatory code as previously indicated. In particular it should be noted that the Board of Directors has proposed the appointment of two Independent Directors in accordance with the law and the requirements of the Self-regulatory Code.

* * * *

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 [●] 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.

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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.,

APPROVES

- (a) *that the Board of Directors be composed of [●] members;*
- (b) *that the mandate be granted for a period of three financial years, therefore until the date of the meeting convened to approve the Financial Statements for the year ending 31 December 2020;*
- (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 here 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 2018, 2019 and 2020 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 RELATING THERETO AND 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 2017 and the Shareholders' Meeting called for 23 and 24 April 2018 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 (regarding the section relating to procedures for appointment to the Board of Statutory Auditors).

"19 bis) The Board of Statutory Auditors is composed of three Standing Statutory Auditors and two Substitute Statutory Auditors elected by the Shareholders' Meeting, which also sets the remuneration 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.

In order to ensure gender balance within the Board of Statutory Auditors, at least one third (or one fifth for the first mandate in application of the regulations) of the candidates presented in both lists must belong to the less-represented gender.

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 Regulation 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 production, 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 necessary 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 received the highest 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.

Should the foregoing mechanism fail to produce a composition of the Board of Statutory Auditors that complies with the gender balance required by law, instead of appointing the last candidate in numerical order on the list that received the highest number of votes, the next available candidate, in numerical order, from the same list belonging to the less represented gender will be appointed [...]

It should be noted, however, that the minimum shareholding necessary for the presentation of lists for the election of the Board of Statutory Auditors is recognised by Consob Resolution no. 20273 of 24 January 2018 to be 1%. Therefore the minimum percentage shareholding for the presentation of lists is reduced to 1% from the 2.0% indicated in the Company's Articles.

It should also be noted that, with the renewal of the corporate bodies for the period 2018 -2020 during the Shareholders' Meeting of 23 and 24 April 2018, the Company must ensure that at least one third of the members of the Board of Statutory Auditors is represented by Statutory Auditors belonging to the less represented gender pursuant to article 148, paragraph 1-bis, of the TUF (the so-called "female quota" regulation)

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 that may be put forward by Shareholders during the course of the Meeting

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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 (**Thursday 29 March 2018**); 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 (**Monday 2 April 2018**), 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 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 1% 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 (**Monday 2 April 2018**), shareholders must deliver to the Company's registered office a document showing proof of their 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 (**Sunday 1 April 2018**) by shareholders who severally or jointly with other shareholders hold 0.5% 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 are also applicable.

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

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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) *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) *that, 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 no. [●] 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 highest number of votes, and that from that List will be drawn, in the order in which they are listed therein, 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 Chairperson 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 2018, 2019 and 2020 in the persons of: [●], Chairperson, [●] 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 20120.

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 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 pursuant to article 123-ter, paragraph 3 - TUF, i.e. 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 pursuant to article 123-ter - 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 proposed resolution regarding item 5 on the Agenda is therefore submitted for the approval of the Meeting in ordinary session:

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

APPROVES

Pursuant to 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."

B. EXTRAORDINARY SESSION

1. INTRODUCTION OF LOYALTY SHARES AND RELATED AMENDMENTS TO THE ARTICLES.

Dear Shareholders,

The proposal of the Board of Directors regarding the introduction of Loyalty Shares and consequent amendments to the Articles of Association, pertaining to item 1 on the Agenda for the extraordinary session, is given below.

The Board stresses the advantages of such an amendment to the Articles, related, in the first place to a stabilisation of control and, in the second place, to a shareholder base – tied together by the mechanism governing Loyalty Shares – which is more active in its participation and less focused on speculative investment.

In particular, Loyalty Shares give the right to two votes on the condition that: (i) the shares have belonged to the same person by virtue of a real right legitimating the exercise of voting rights (full ownership, bare property with voting rights or usufruct with voting rights), for an uninterrupted period of no less than 24 months, and (ii) that this is confirmed by registration in the Special List opened by the Company for a period of no less than 24 months as well as in a specific notice issued by the

intermediary with whom the shares are deposited stating the period which has elapsed since they were first registered. The Company will open and maintain the so-called Special List at its registered office.

The acquisition of the increased voting rights comes into effect on the fifth trading day of the calendar month following that in which the conditions laid down in the Articles of Association for obtaining the increased voting rights have been fulfilled. Increased voting rights extend proportionally to: (i) newly issued shares in the case of free issues of equity capital; (ii) shares due in exchange for pre-existing shares in the event of merger or de-merger, as long as the merger or de-merger project allows for it; (iii) shares subscribed in a capital increase for new funds. In these cases the newly issued shares acquire increased voting rights as soon as they are registered in the Special List without it being necessary to recommence the 24 month waiting period; instead, where increased voting rights have not yet been earned (but which are being earned) increased voting rights will be attributed to the new shares from the moment the conditions required by the Articles for increased voting rights on pre-existing shares are confirmed.

Increased voting rights lapse if the shares of the Issuer involved are transferred for receipt of a consideration or free of charge, it being understood that “transfer” also signifies exchange for collateral, usufruct or any other restriction on the shares of the Issuer, when that involves the Shareholder’s loss of voting rights. Increased voting rights are preserved on the shares of the Issuer other than those transferred or those bound by pledge or usufruct or any other restriction on the shares of the Issuer. The benefit is also preserved in the event that legal right is transferred (i) due to succession *mortis causa* or (ii) transfer of title arising from a donation to legitimate heirs, a family pact, or the establishment or endowment of a trust, a family trust or a foundation of which the said transferor or his/her legitimate heirs are beneficiaries. The assignees have the right to request registration with the same registration seniority status as the physical predecessor in title.

Increased voting rights also lapse in the event of transfer, direct or indirect, of controlling interests – as defined in accordance with the regulations applicable to issuers with listed shares- held in companies or entities that hold shares with increased voting rights in the Company that exceed the threshold that requires communication to the Company and to Consob of significant shareholdings pursuant to regulations in force, without prejudice to the principle that the benefit of increased voting rights is preserved in the event of transfer of the said controlling interest (a) *mortis causa* or (b) pursuant to a donation to legitimate heirs, a family pact, or the establishment or endowment of a trust, a family trust or a foundation of which the said transferor or his/her legitimate heirs are beneficiaries.

Shareholders who are entitled to increased voting rights may waive their rights, in whole or in part. The waiver is irrevocable, but the increased voting rights may be reacquired for the shares of the Issuer whose rights they have waived by registering them in the Special List again and waiting for at least the full 24 month period of possession to elapse.

The proposed amendments require amendments to Article 6 of the Company’s Articles of Association to introduce the regulations governing increased voting rights and the related criteria to take advantage of this right.

In accordance with appendix 3A of the Issuers’ Regulation, the text of Article 6 in force compared with the new proposed text is shown below, with proposed changes highlighted.

Existing text	New Proposed Text
<p align="center">Article 6</p>	<p align="center">Article 6</p>
<p>The shares are registered securities. Each share is indivisible and grants the right to one vote.</p>	<p><u>The shares are registered securities. Each share is indivisible and grants the right to one vote.</u></p> <p><u>Notwithstanding this general principle, each share gives the right to two votes per share on condition that: (i) the same person has owned the share by virtue of a real right legitimating the exercise of voting rights (full ownership, bare ownership with voting rights or usufruct with voting rights) for an uninterrupted period of at least 24 (twenty-four) months and (ii) that this is confirmed by the registration in the Special List opened by the Company pursuant to the present Article for an uninterrupted period of at least 24 (twenty-four) months and by a specific notice issued by the intermediary with whom the shares are deposited stating the period which has elapsed since they were first registered.</u></p> <p><u>In accordance with regulations in force, the Company opens and maintains a Special List at its registered office in which shareholders who wish to take advantage of increased voting rights for all or part of the shares in their possession must apply to be registered.</u></p> <p><u>Persons who wish to obtain registration in the Special List for all or part of the shares in their possession must apply in writing to the Company together with a notice which certifies their ownership of the shares, released by an intermediary with which the shares are deposited. In the case of persons other than physical persons, the application must state whether the shareholder is subject to the control, direct or indirect, of third parties and, if so, provide the information necessary to identify the controlling entity.</u></p>

Existing text	New Proposed Text
	<p><u>The acquisition of increased voting rights will become effective on the fifth trading day of the calendar month following that in which the conditions required by the Articles for obtaining increased voting rights have been fulfilled. Article 127-quinquies, paragraph 7, of Legislative Decree 58/98 applies.</u></p> <p><u>Increased voting rights are extended proportionally to: (i) newly issued shares in the case of free issues of equity capital; (ii) shares due in exchange for pre-existing shares in the event of merger or de-merger, as long as the merger or de-merger project allows for it; (iii) shares subscribed in a capital increase for new funds. In these cases the newly issued shares acquire increased voting rights as soon as they are registered in the Special List without it being necessary to recommence the 24 (twenty-four) month waiting period; instead, where increased voting rights have not yet been earned (but which are being earned) increased voting rights will be attributed to the new shares from the moment the conditions required by the Articles for increased voting rights on pre-existing shares are confirmed.</u></p> <p><u>Increased voting rights lapse if the shares involved are transferred for receipt of a consideration or free of charge it being understood that “transfer” also signifies exchange for collateral, usufruct or any other restriction on the shares of the Issuer, when that involves the Shareholder’s loss of voting rights. Increased voting rights are preserved on the shares other than those transferred or those bound by pledge or usufruct or any other restriction on the shares of the Issuer. The benefit is also preserved in the event that legal right is transferred (i) due to succession mortis causa or (ii) transfer of title arising from a donation to legitimate heirs, a family pact, or the establishment or endowment of a trust, a</u></p>

Existing text	New Proposed Text
	<p><u>family trust or a foundation of which the said transferor or his/her legitimate heirs are beneficiaries. The assignees have the right to request registration with the same registration seniority status as the physical predecessor in title.</u></p> <p><u>Increased voting rights also lapse in the event of transfer, direct or indirect, of controlling interests – as defined in accordance with the regulations applicable to issuers with listed shares – held in companies or entities that hold shares with increased voting rights in the Company that exceed the threshold that requires communication to the Company and to Consob of significant shareholdings pursuant to regulations in force, without prejudice to the principle that the benefit of increased voting rights is preserved in the event of transfer of the said controlling interest (a) mortis causa or (b) pursuant to a donation to legitimate heirs, a family pact, or the establishment or endowment of a trust, a family trust or a foundation of which the said transferor or his/her legitimate heirs are beneficiaries.</u></p> <p><u>Shareholders who are entitled to increased voting rights may waive their rights, in whole or in part, by communicating their decision in writing to the Company. The waiver is irrevocable, but the increased voting rights may be reacquired by the shareholder for the shares whose rights they have waived by registering them in the Special List again and waiting for at least the full 24 (twenty-four) month period of possession to elapse.</u></p> <p><u>The Company removes Shareholders from the Special List in the following circumstances: (i) waiver on the Shareholder's part; (ii) communication from the Shareholder concerned, or from the intermediary, showing that the condition for being assigned increased voting rights are no longer fulfilled, or that he/she has</u></p>

Existing text	New Proposed Text
	<p><u>lost title to real legitimate right and/or related voting right.</u></p> <p><u>The Special List is updated by the Company by the fifth trading day from the end of each calendar day and, in any case, by the record date granting the right to attend and vote at Shareholders' Meetings.</u></p>

The Board stresses that the proposed amendment to the Articles does not give rise to rights of rescission by shareholders pursuant to article 2437 of the Italian Civil Code, in accordance with article 127-*quinquies*, paragraph 6, of the Consolidated Financial Law (TUF).

Given the matters illustrated above, should you agree with the proposal of the Board of Directors, regarding item 1 on the Agenda for the extraordinary session, we invite you to approve the following:

RESOLUTION

“The Extraordinary Meeting of Shareholders of Biesse S.p.A.,

- taking the aforementioned matters into consideration,

APPROVES

the amendment to Article 6 of the Company's Articles of Association, introducing the rules governing increased voting rights and the related criteria for shareholders to take advantage of this right.

* * *

Pesaro, dated [●]

The Chairman of the Board of Directors