

BIESSE S.P.A.

DIRECTORS' REPORT FOR THE ORDINARY AND EXTRAORDINARY MEETING OF SHAREHOLDERS OF BIESSE S.P.A. OF THE 20 AND 21 JUNE 2018, PREPARED PURSUANT TO ARTICLE 125-TER OF LEGISLATIVE DECREE OF 24 FEBRUARY 1998 No. 58 (CONSOLIDATED FINANCIAL LAW "TUF") AND ARTICLES 72 AND 84-TER OF THE ISSUERS' REGULATIONS ADOPTED BY CONSOB RESOLUTION No. 11971 OF 14 MAY 1999, AND SUBSEQUENT AMENDMENTS (THE "ISSUERS' REGULATION").

14 MAY 2018

Dear Shareholders,

Following publication of the Notice of Meeting in the newspaper, "Il Giornale" of 16 May 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 sessions, for 20 and 21 June 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. Conferral of a mandate on the independent audit company in accordance with article 159 of Legislative Decree no. 58/98 and approval of the related remuneration.
2. Approval of the reversal of the proportion of the provision made to the foreign currency translation reserve.

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Dear Shareholders,

The Meeting of Shareholders convened for 20 and 21 June 2018 is called to approve the the proposal of the Board of Directors of Biesse regarding the appointment of the independent auditors, Deloitte. The Board of Directors and the approval of the reversal of the proportion of the provision made to the foreign currency translation reserve. Therefore, submits to the Shareholders' Meeting the following proposal with regard to the items on the Agenda.:

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

- *taking note of the Report of the Board of Statutory Auditors,*

APPROVES

- (a) *conferral of a mandate on the independent audit company, Deloitte in accordance with article 159 of Legislative Decree no. 58/98 establishing its remuneration as Euro 375,500 (comprehensive of the quota of the eventual HSD S.p.A. listing)*
3. *approve the* reversal of the proportion of the provision made to the foreign currency translation reserve for Euro 75,332.
- (b)

The aforementioned resolution

Is hereby submitted to a vote and is declared approved with the votes in favour by the Meeting of Shareholders as detailed in the attachment."

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Pesaro, 14 May 2018

The Chairman of the Board of Directors