



**Esprinet S.p.A.**

Registered office: Via Energy Park 20, Vimercate (MB)

Share capital of EUR 7,860,651.00 (fully paid-in)

Monza and Brianza Companies Register no. 05091320159

Tax no. 05091320159, VAT no. IT 02999990969

REA MB - 1158694

**Shareholders' Meeting**

**28 April 2015 (first call)**

**30 April 2015 (second call)**

**Report by the Board of Directors on the motion contained in item 5) of the agenda for the Ordinary Shareholders' Meeting:**

**Proposal for authorisation to buy and sell treasury shares, within the maximum number permitted and over a period of 18 months; simultaneous withdrawal, for any unused part, of the authorisation granted by the shareholders' meeting on 30 April 2014.**

*(Drawn up pursuant to Article 731 of the regulations implementing Legislative Decree no. 58 of 24 February 1998 on the rules governing issuers adopted by Consob under resolution no. 11971 of 14 May 1999, as subsequently amended)*

Dear Shareholders,

The agenda for the Ordinary Shareholders' Meeting called to approve the Company's Financial Statements for the year ended 31 December 2014, during which the Group's Consolidated Financial Statements will also be presented, contains a proposal to authorise the Board of Directors to buy, within the maximum limit permitted, and sell treasury shares (simultaneous withdrawal, for any unused part, of the authorisation granted by the Shareholders' Meeting on 30 April 2014).

It is specified that Article 2357 of the Italian Civil Code, governing the purchase of treasury shares, lays down precise limits and specifically: a) that the Company may



buy treasury shares only up to the amount of the distributable profits and available reserves posted in the last Financial Statements duly approved; b) that only fully paid-in shares can be purchased; c) that the purchase must be authorised by the Shareholders' Meeting, which must specify the conditions thereof and indicate, in particular, the maximum number of shares that can be bought, the duration (no greater than 18 months) for which authorisation is granted and the minimum and maximum sum that the Company can pay; d) that, for companies that use the risk capital market, the nominal value of the shares that are subsequently purchased cannot exceed one fifth of the share capital (also taking into account for that purpose any shares owned by subsidiary companies).

In addition, any such transactions to buy and sell treasury shares must be executed on the basis of the reasons and in the time and manner illustrated below in accordance with Article 132 of Legislative Decree 58 of 24 February 1998 (the "**TUF**"), with Articles 73 and 144-*bis* and with Appendix 3A, Schedule 4 of CONSOB Resolution 11971 of 14 May 1999 ("**Issuer Regulations**") and other current laws and regulations.

### **The reasons behind the request for authorisation to buy and sell treasury shares**

The subject of the motion to be put before the Ordinary Shareholders' Meeting, requests to buy and sell treasury shares are made for the following purposes:

- i) reduction in share capital, in value or number of shares;
- ii) performance of the obligations arising from financial debt securities convertible or exchangeable with shares;
- iii) allocation to service plans for the grant, free of charge or otherwise, of stock options or shares for directors, employees and/or staff of the Company or subsidiary companies, and to service stock grant plans for shareholders;
- iv) stabilising or improving the liquidity of the Esprinet stock on the equity market;
- v) use of shares as consideration in extraordinary transactions or business and/or strategic projects, including by means of exchanging or transferring shareholdings with other entities, or indirectly through the grant of derivative financial instruments, to be settled with physical delivery of the shares or for cash, within the interests of the Company;



- vi) total or partial hedging of the positions set out in point v) above;
- vii) in order to buy treasury shares owned by employees of the Company or its subsidiaries and allotted or subscribed pursuant to Articles 2349 and 2441, paragraph 8 of the Italian Civil Code, or arising from compensation plans approved under Article 114-*bis* of the TUF.

Treasury shares can also be purchased to make efficient use of liquidity and to provide the Company with a strategic investment opportunity.

As regards the previous authorisation granted by the Ordinary Shareholders' Meeting on 30 April 2014, it should be noted that the duration of that authorisation will expire during the course of the 2015 financial year (specifically on 30 October 2015). Therefore, it is proposed to grant fresh authorisation to buy and sell treasury shares for the purposes indicated above with the simultaneous withdrawal of the aforementioned authorisation granted by the Ordinary Shareholders' Meeting on 30 April 2014. As a result of the fresh authorisation granted to the Board of Directors, the previous authorisation granted on 30 April 2014 will be deemed to have expired for the part still not executed and with effect from the date of the new shareholders' resolution.

#### **Content of the request for authorisation**

The Board of Directors proposes that the Shareholders' Meeting authorises the purchase of ordinary shares in one or more tranches - taking also into account the number of shares that, in accordance with the previous authorisation to be withdrawn, are already held in portfolio by Esprinet S.p.A. on the date of approval of this authorisation and which, at the time that this report is drawn up, amount to 1,181,400 - provided that any such purchase does not exceed the maximum of 5,240,434 ordinary Esprinet shares (10% of the Company's share capital) each with a nominal value of €0.15, fully paid-in.

The request for authorisation thus made observes the restriction laid down in Article 2357(3) of the Italian Civil Code insofar as, by allowing a maximum of 10,480,868 shares to be bought (including, as stated beforehand, any already held in portfolio on the date of the Shareholders' Meeting), it observes the 20% limit of current share capital.



### **The period of time for which authorisation is requested**

The proposal for the authorisation to buy treasury shares specifies that the resolution lays down a limit of 18 months as of the date of the resolution of the Ordinary Shareholders' Meeting, the same as the maximum time period granted under Article 2357, second paragraph, of the Civil Code.

The Board may carry out the authorised transactions on one or more occasions, at any moment, to the extent and according to the times that it freely chooses in pursuance of current laws or regulations, and in the time and manner deemed most appropriate in the Company's interests.

The Board also seeks authorisation to sell treasury shares, in whole or in part and on one or more occasions, without any time limit.

### **Minimum and maximum amounts for buying and selling treasury shares**

The request for authorisation envisages that the approving resolution will stipulate that ordinary shares will be purchased according to the following sums:

- i) for purchases on regulated markets, or employee purchases, at a unit price no more than 20% lower and no more than 20% higher than the official price recorded by the Company's ordinary shares on the trading day preceding each individual purchase transaction;
- ii) for purchases made by means of a takeover bid or exchange offer or by granting shareholders a put option proportional to the shares owned, at a unit price no more than 30% lower and no more than 30% higher than the official price recorded by the Company's ordinary shares in the ten trading days preceding the public announcement.

As far as selling is concerned, it is specified that time limits and/or restrictions will be those that best meet the Company's interests, taking into account the stock market prices recorded in the periods immediately preceding the date of each individual transaction.

### **Release from the obligation of a takeover bid arising from approval of the resolution to authorise the purchase of treasury shares**

Pursuant to Article 44-*bis*, first paragraph, of the Issuer Regulations, the treasury



shares held, directly or indirectly, by Esprinet S.p.A. would be excluded from the share capital on the basis of which a material shareholding is calculated pursuant to Article 106, paragraphs 1 and 3, of the TUF for the purposes of the rules governing takeover bids.

This clause will not apply if the exceeding of the thresholds indicated in Article 106, paragraphs 1 and 3, letter b) of the TUF, leads to treasury shares being purchased, directly or indirectly, by Esprinet S.p.A. in pursuance of this resolution if the latter is approved including with the favourable vote of the majority of the issuer's shareholders present at the shareholders' meeting, other than the shareholders who signed the shareholders' agreement of 26 March 2012 ("**Parties to the Shareholders' Agreement**").

Consequently, if the motion is approved including with the favourable vote of the majority of the issuer's shareholders present at the shareholders' meeting, other than the Parties to the Shareholders' Agreement, the latter would be released from the obligation to launch a takeover bid if, owing to the purchase of treasury shares thereby authorised, they individually or jointly exceed the thresholds for material shareholdings set out in Article 106, paragraphs 1 and 3, of the TUF.

#### **Ways in which treasury shares will be bought and sold**

The Board of Directors proposes that treasury shares may be bought in the following ways, to be identified from time to time in accordance with Article 144-*bis*, paragraph 1, letters a), b) and d) of the Issuer Regulations as subsequently amended and with any subsequent provisions applicable, such as to ensure equal treatment of shareholders as required by Article 132 of the TUF:

- i) through a takeover bid or exchange offer;
- ii) on regulated markets, according to the operational procedures set out in the markets' rules of organisation and operation, which do not allow the direct matching of buying orders against predetermined selling orders;
- iii) through the buying and selling of derivatives traded on regulated markets that involve the physical delivery of the underlying shares, under conditions established by Borsa Italiana S.p.A.;
- iv) by granting shareholders a put option proportional to the shares owned, to be exercised within a period of time corresponding to the duration authorised by



the shareholders' meeting.

Pursuant to Article 132(3) of the TUF, the above operating methods do not apply to the purchase of treasury shares owned by employees of the Company or its subsidiaries and allotted or subscribed pursuant to Articles 2349 and 2441, paragraph 8 of the Italian Civil Code, or arising from compensation plans approved under Article 114-*bis* of the TUF.

The Board of Directors also proposes to authorise the use, pursuant to Article 2357-*ter* of the Civil Code, at any time, in whole or in part, of the treasury shares purchased on the basis of this proposal or otherwise held in portfolio by the Company by selling them on the stock market or over the counter, and potentially also through the assignment of rights *in rem* and/or *in personam* (including, but not limited to, securities lending) or by any means of disposal that the Board of Directors deems appropriate, all of which must take place in compliance with current laws and regulations, according to the time limits, procedures and conditions for the selling of treasury shares deemed most appropriate in the Company's interests, without prejudice to the following:

- a) acts of disposal carried out within the framework of extraordinary transactions, including exchanges of shareholdings with other entities, can take place at the price or value that is consistent and in line with the transaction, based on the characteristics and nature of the transaction itself and also taking into account market trends;
- b) acts of disposal of treasury shares used to service any plans for the grant, free of charge or otherwise, of stock options or shares for directors, employees and/or staff of the Company or its subsidiaries and associates, and to service stock grant plans for shareholders, can take place at the price determined by the competent company bodies within the framework of those plans, taking into account market trends and any laws and regulations, including tax laws, that may be applicable;
- c) acts of disposal of treasury shares carried out on regulated markets can take place at a unit price no more than 20% lower and no more than 20% higher than the official price recorded by the Company's ordinary shares on the trading day preceding each individual disposal transaction.

It is specified that the authorisation to sell treasury shares requested in this proposal is also understood to be granted in relation to any treasury shares already owned by



the Company on the date of the authorising shareholders' resolution.

Treasury shares held in portfolio will be sold in compliance with current laws and regulations on the trading of listed shares and can take place on one or more occasions, and with the frequency deemed appropriate in the Company's interests.

The resolution for authorising the Plan must expressly specify, in accordance with Article 2357 of the Italian Civil Code, that the Company may only purchase fully paid-in shares and may buy treasury shares only up to the amount of the aggregate distributable profits and available reserves posted in the last approved financial statements.

On the basis of the foregoing, the Board of Directors proposes that the Shareholders' Meeting, having read the content of this Report, approves the proposal authorising the Board to buy and sell treasury shares and submits to the Shareholders' Meeting the following motion:

*"Dear Shareholders,*

*We submit for your attention the proposal to:*

*(i) withdraw, pursuant to Article 2357 of the Civil Code, the authorisation to buy treasury shares granted by the Ordinary Shareholders' Meeting of 30 April 2014 for the part still unused;*

*(ii) issue fresh authorisation, pursuant to Article 2357 of the Italian Civil Code, to buy, for the purpose of achieving the objectives set forth in the Board of Directors' report, on one or more occasions and over a period of 18 months as from the date of this resolution, a maximum of 5,240,434 ordinary Esprinet shares each with a nominal value of €0.15, fully paid-in, and limited to that number so as to ensure that at all times the maximum number of treasury shares owned by the Company never exceeds 10% of the share capital, including any shares owned by subsidiary companies and having noted that the aforesaid maximum number includes any shares already held in portfolio on the date of the Shareholders' Meeting at a purchase price (a) for purchases on regulated markets, or employee purchases, that cannot be more than 20% lower and more than 20% higher than the official price recorded by the Company's ordinary shares on the trading day and (b) for purchases made by means of a takeover bid or exchange offer or by granting shareholders a put option proportional to the shares owned, that cannot be more than 30% lower and more than 30% higher than the official price recorded by the*



*Company's ordinary shares in the ten trading days preceding the public announcement and using the methods mentioned in Article 144-bis(1) of the Issuer Regulations taking into account the specific exemption provided for in Article 132(3) of the TUF;*

*(iii) to authorise the Board of Directors, with right of sub-delegation, pursuant to Article 2357-ter of the Civil Code, to sell in whole and/or in part, on one or more occasions, without time restriction, any treasury shares purchased even before having finished making purchases, keeping all the necessary or expedient accounting records, in accordance with the applicable laws and regulations and with the relevant accounting principles, for the achievement of objectives and under the terms and conditions established by the Board of Directors' report;*

*(v) to grant the Board of Directors, with express right of sub-delegation, all powers useful for the execution of this resolution”.*

Vimercate, 16 March 2015

For and on behalf of the Board of Directors  
The Chairman  
Francesco Monti