

Esprinet S.p.A.
Via Energy Park 20 – 20871 Vimercate (MB)

**“REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS’ MEETING
PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE 58/1998 AND ARTICLE 2429(3) OF THE ITALIAN CIVIL
CODE”**

Dear Shareholders,

By means of this Report, drawn up in accordance with Article 153 of Legislative Decree 58/1998 (“TUF”), also taking into account the applicable Consob Recommendations and the Code of Conduct of the Board of Statutory Auditors of listed companies issued by the National Council of Chartered Accountants and Bookkeepers published on 15 April 2015, the Board of Auditors of Esprinet S.p.A. (hereinafter also referred to as the “Company”) reports to you on our supervisory activity and the outcome thereof.

The Board of Statutory Auditors in office has been appointed for a three-year term by Shareholders' Meeting of 30 April 2015 in accordance with the provisions of the By-Laws, which incorporate regulations for listed companies concerning election of the Board Chair and an alternative auditor from the minority list and in compliance with the requirement for a gender balance in corporate bodies (Law No 120 of 12 July 2011).

1. Supervision performed and information received.

During the financial year ended 31 December 2016, the Board of Statutory Auditors performed the supervisory activities provided for by law, the code of conduct of the Board of Statutory Auditors of listed companies issued by the National Council of Chartered Accountants and Bookkeepers, Consob Recommendations on company audits and activities of the Board of Auditors (in particular, communication No DAC/RM 97001574 of 20 February 1997 and communication no DEM 1025564 of 6 April 2001, later supplemented by communication no DEM/3021582 of 4 April 2003 and communication no DEM/6031329 of 7 April 2006) and guidelines laid down in the Corporate Governance Code.

To this end, during the year the Board of Auditors:

- held seven board meetings, attended by all members in office;
- attended the 14 meetings held by the Board of Directors in accordance with rules governing the Board of Auditors;

- attended the six meetings held by the Control and Risk Committee and the Corporate Governance Committee in accordance with rules governing the Board of Auditors;
- attended the Shareholders' Meeting;
- frequently exchanged information and held regular meetings with the Audit Company for the purposes of timely exchange of data and information relevant for the performance of their duties;
- frequently exchanged information and held regular meetings with the head of the internal audit department;
- met the Board of Statutory Auditors of the subsidiary Celly S.p.a. to discuss administration and control systems and the general trend of company business;
- met the corporate bodies and auditors of the Spanish subsidiary Esprinet Iberica S.L.U. (hereinafter referred to for brevity also as Esprinet Iberica) and its subsidiary Vinzeo Technologies S.A.U. (hereinafter referred to for brevity also as Vinzeo);
- regularly met the Supervisory Body appointed under Legislative Decree No 231/2001.

During Board meetings, the Directors reported to the Board on the activity carried out by the Company and on the most significant economic, financial and equity transactions carried out by the company and its subsidiaries and associates and on the transactions in which they held an interest on their own account or that of third parties.

During meetings and contacts with the audit firm, no censurable facts emerged against the Directors.

With regard to complaints by the Shareholders' Meeting and Board referred to in the report on the management and in the Board of Auditors' own report on the Financial Statements at 31.12.2015, the Board continued careful monitoring during the year and noted that during the first few months of the current year the shareholders and member of the Board of Directors involved decided to give up their proposed actions, having acknowledged the correctness of the contested resolutions.

With regard to Board activities, during 2016:

- no reports were received under Article 2408 of the Italian Civil Code.
- no complaints were received.

2. Main economic, financial and equity transactions and events Transactions with related parties

With regard to the main economic, financial and equity transactions carried out by the Company and the Group during 2016 and, more generally, the most significant events, the Board of Statutory Auditors reports as follows:

- on 1 July 2016 Esprinet completed the acquisition of 100% of the share capital of Vinzeo Technologies S.A.U. through its subsidiary Esprinet Iberica S.L.U.;
- on 9 April 2016 EDSlan S.r.l. became operational, this company is wholly owned by Esprinet S.p.a. following acquisition of the company branch from EDSlan S.p.a.;
- the company branch VAD - Value added distribution was acquired from ITWAY S.p.a.: in particular, the branch relating to distribution in Italy was acquired via Mosaico S.r.l. (100% owned) while the branch relating to distribution in the Iberian peninsula was acquired from V-Valley Iberian S.L.U.;
- the 2016 – 2018 three-year strategic plan was approved on 5 October 2016;

Esprinet exercised management and coordination activities with regard to all subsidiaries resident in Italy.

Intragroup transactions are set out in detail in the notes to the financial statements.

Opinion of the Board of Statutory Auditors

In general, the Board considers that the law, the By-Laws and the principles of proper administration have been respected.

The Board did not find or receive any news from the audit firm or the internal audit manager of any atypical and/or unusual transactions as defined in Consob communication of 6 April 2001 and Consob Communication No DEM/6064293 of 28 July 2006, conducted with third parties, related parties or within the group. Neither did any significant non-recurring events or transactions occur during the year, as defined by Consob Resolution No 15519 of 27 July 2006 and by Consob Communication No DEM/6064293 of 28 July 2006.

Regarding transactions with related parties, the Board of Statutory Auditors monitored compliance of the procedure adopted by the Company with principles laid down by Consob.

This procedure, which can be consulted on the Company's website, provides for the exemption from the procedure of resolutions regarding the remuneration of directors and other executives with strategic responsibilities under certain conditions.

In the light of the specific nature of the Group's business, the inclusion of transactions that "fall within the ordinary course of business and related financial activities (identified on the basis of criteria identified in the Regulation and Consob Communication No 1007868 of 24

September 2010 and that are (...) concluded under conditions equivalent to market or standard conditions" under "Ordinary transactions with related parties" assumes particular importance.

The Directors gave an account in the Report on Operations and in the explanatory Notes of ordinary and less significant transactions carried out with related parties, indicating the nature and extent of those transactions. These indications are appropriate, given their size. For its part, the Board of Statutory Auditors did not find any infringements of legal provisions or the By-Laws, or transactions executed by Directors that are manifestly imprudent or risky, in potential conflict of interest, contrary to resolutions adopted by the Shareholders' Meeting or that could in any case compromise the integrity of the company's assets.

3. Organisational structure, internal control and risk management system and administrative and accounting system.

The Board of Statutory Auditors verified compliance with principles of sound administration together with the adequacy of the organisational structure by acknowledging the fitness of the accounting and administrative system for the purpose of correctly representing management facts.

The internal control system is defined as a set of rules, procedures and organisational structures able to allow the Company to be managed soundly and correctly and consistently with the established goals, through an adequate identification, measurement, management and monitoring of the main risks.

The internal audit manager, who does not perform operational functions, frequently reports to the Control and Risk committee, to which he submits the annual work programme and reports periodically on activity being carried out. In its capacity as internal control committee established under Article 19 of Legislative Decree 39/2010, the Board maintains constant dialogue with the Department manager, verifying the effectiveness of his work.

After examining the activity carried out by this department, no significant problems emerged in the definition and effective application of the internal control and risk management system that could significantly compromise the achievement of an acceptable overall risk profile.

With regard to activities relating to the internal control system, the Board reported the constant monitoring and improvement of internal procedures, also supported by the audit

company's findings. The Board was involved in a constant exchange of information with the Control and Risk Committee and also attended the Committee's meetings.

During the year, the internal control system was further implemented with a gradual increase in the organisation of corporate controls. Esprinet used ERM methodology to gradually identify the main areas of corporate risk, monitor them and implement improvement actions.

The management report provides information on the risks to which the Company is exposed, including for the purposes of Article 19(1)(b) of Legislative Decree 39/2010.

The Company adopted the organisation and management model for the prevention of crimes laid down in Legislative Decree 231/2001 - concerning the administrative responsibilities of companies for crimes committed by their employees and collaborators, published on the corporate intranet.

During the financial year, the Board was in constant contact with the supervisory body, whose Chair regularly attended meetings of the Board of Statutory Auditors. It emerged from the meetings and exchange of information that the Body did not receive any notifications and found no anomalies justifying a proposal to impose penalties.

The Board also noted that the Supervisory Board had consistently been involved in updating the organisational model adopted by the Company, also taking into account developments in the relevant legislation.

The Italian Supervisory Body also performs a linking and monitoring function with the Spanish subsidiaries with regard to the relevant material.

With particular reference to the administrative area, in the Report on Corporate governance and the ownership structure, the Board of Directors set out in detail the main features of existing risk management and internal control systems with regard to the financial information process, in accordance with the provisions of Article 123-bis of the TUF.

The Company has also fulfilled the provisions introduced by Law 262/2005; the Board verified that all legal requirements had been met by the executive in charge.

It is recalled that Legislative Decree No 25 of 15 February 2016 amended the periodic financial reporting framework by eliminating the obligation to publish an interim management report, while giving Consob the power to reintroduce it, provided that the relevant contents remain the same as previously provided.

Given Esprinet S.p.a.'s status as a STAR issuer, the Company's board of directors resolved to continue publishing quarterly financial information with the format and content essentially in line with those of the current financial year.

Independent Auditors

The company is subject to auditing by the auditing firm EY S.p.a. .

During the supervisory activity carried out and on the basis of information obtained by the Independent Auditors, no omissions and/or censurable facts and/or irregularities or significant events were reported that require reporting to the control bodies or mention in this report.

Based on statements made by the Directors and confirmed by the company in charge of the audit, no additional duties were conferred, even to the associated network, other than those of auditing, with the exception of two assignments worth EUR 15,000 and EUR 10,000 conferred by Esprinet S.p.a. and by Esprinet Iberica on EY network companies for environmental and sustainability support activities.

Based on statements made by the Directors and confirmed by the auditing company, no assignments were conferred on entities linked to the latter by ongoing relationships.

None of the causes of incompatibility laid down in Title VI, Chapter I-bis, of the Implementing regulation of Legislative Decree No 58 of 24.02.1998 were found.

During the year, the audit firm confirmed to the Board that its requirement of independence had been consistently upheld, that no independence risks had occurred and that measures had been adopted to limit such risks.

During the year, the audit firm did not report any problems and/or shortcomings in the internal control system.

The audit firm took part in trade union audits and met the Board of Statutory Auditors and the Control and Risks Committee jointly in order to give an account of the audit activity carried out, which is deemed appropriate.

In the light of the above, the Board considers that the internal audit system is well organised to perform its duties and pursues objectives in line with results that are deemed appropriate.

4. Performance of the financial year, economic and financial situation.

The 2016 financial year closed with a consolidated profit of €26.9 million, which was down 11% compared to 31.12.2015 (€30.04 million). Net profit for the year amounted to 12.7 million, down 44% compared to 31.12.2015 (€22.94 million).

The net consolidated financial position at 31.12.2016 showed a positive balance of euro 105.4 million, compared to euro 185.9 million at 31.12.2015. The reasons for the change and the performance of this indicator are set out in the Report on Operations.

The consolidated shareholders' equity at 31.12.2016 amounted to euro 318.0 million compared to euro 297.6 million at 31.12.2015 with an increase of euro 20.4 million.

Our examination of the Financial Statements, delivered to the Board of Statutory Auditors in accordance with the law together with all the relevant annexes, was conducted in accordance with the code of conduct of the Board of Statutory Auditors recommended by the National Council of Chartered Accountants and Bookkeepers, by the National Committee for Companies and the Stock Exchange and in accordance with rules set out in Legislative Decree No 58/1998.

The Board of Statutory Auditors, also on the basis of information obtained from the Audit Firm, notes:

- overall legal compliance of the format and contents of the financial statements and correct adoption of the accounting principles in force.
- compliance of the financial statements with facts and information that the Board is aware of as a result of attending meetings of corporate bodies and exercising its supervisory duties as well as its powers of inspection and control.
- completeness of the Financial Statement file in accordance with the rules applicable to this case.

The Report on Operations was drawn up in accordance with the law and contains all the information necessary for a complete, clear and truthful representation of the company's performance.

The Board considers that the Board of Directors has also fully provided in the Report on Operations and in the Notes to the Financial Statements information required:

- by joint Banca d'Italia, Consob and ISVAP document No 2 of 06.02.2009, i.e. disclosures regarding business continuity, financial risks, impairment tests and uncertainties in the use of estimates.
- by joint Banca d'Italia, Consob and ISVAP document No 4 of 03.03.2010, i.e. disclosures regarding impairment tests, contractual clauses of financial liabilities and fair value hierarchies. None of the other types of disclosure laid down in the above document apply, i.e. reduction in the value of financial instruments classified as "available for sale" and debt restructuring.

- by Consob communication no 0003907 of 19.01.2015 regarding the most important points in financial reports.

Furthermore, the Report on Operations also contains environmental and staff information pursuant to Article 2428 of the Italian Civil Code and the Notes to the Financial Statements also contain the information laid down in Article 149-duodecies of the Issuers' Regulation on remuneration paid to the audit firm.

The Notes to the Financial Statements refer to the Notes to the Consolidated Financial Statements, which disclose the remuneration paid to executives with strategic responsibilities and the remuneration paid to directors in Group Companies, which are also disclosed in the report on the remuneration policy under Article 123-ter of Legislative Decree 58/1998.

The Company also prepared the consolidated financial statements.

The Board received from the audit firm the report referred to in Article 19(3) of Legislative Decree 39/2010, which did not report significant deficiencies in the internal control system with regard to the financial disclosure process.

The Board highlighted that no critical aspects had emerged regarding the independence of the audit firm and confirmed that it had received the confirmation of independence referred to in Article 17(9)(a) of Legislative Decree No 39/2010.

5. Corporate governance

Detailed information regarding the means of implementing the principles of corporate governance approved by Borsa Italiana (contained in the relevant corporate Governance Code, hereinafter referred to for brevity as the "Borsa Italiana Code") was provided by the Directors in the Annual report on corporate governance and ownership structure approved on 21 March 2016 and attached to the balance sheet.

This Report met the provisions of Article 123-bis TUF. The audit firm confirmed in its report that the Report on operations and disclosures pursuant to Article 123-bis(c), (d), (f), (l), (m) and (2)(b) of Legislative Decree 58/98 submitted in the Report on Corporate Governance and Ownership Structure was consistent with the financial statements for the year and the consolidated financial statements.

The Board monitored the implementation of the corporate governance rules provided for in the Borsa Italiana Code that the company states it complies with through public disclosure.

The Board of Directors' Report on the Policy of Remuneration to executive directors and executives with strategic responsibility was prepared in accordance with Article 123-ter of Legislative Decree 58/1998: this report was submitted for the approval of the ordinary Shareholders' Meeting called to approve the Financial Statements for the year ended 31.12.2016.

The composition of the Board of Directors is consistent with legal provisions on gender proportions.

6. Concluding remarks on supervision activity performed and the financial statements.

Through direct audits and information obtained from the audit firm and the executive in charge of preparing the Company's financial report, the Board of Statutory Auditors established compliance with legal rules regarding the drawing up and presentation of the consolidated financial statements of the Esprinet Group, Esprinet S.p.A.'s financial statements and the associated Board of Directors Report. Furthermore, during the supervisory activity performed, no facts emerged requiring reporting to the control bodies or mention in this report.

In its reports issued pursuant to Articles 14 and 16 of Legislative Decree No 39 of 27 January 2010, the audit firm issued an unreserved opinion on the 2016 financial statements and consolidated financial statements. The financial statements and the consolidated financial statements are accompanied by the statements of the Executive in charge and the Chief Executive Officer provided for in Article 154-bis TUF.

On the basis of activity carried out during the financial year, the Board of Statutory Auditors found no impediment to approving the Financial Statements at 31 December 2016 and the associated motions for resolutions put forward by the Board of Directors.

Vimercate, 05 April 2017

The Board of Statutory Auditors

The Chair (Dr Giorgio Razzoli)

Acting auditor (Dr Patrizia Paleologo Oriundi)

Acting auditor (Dr Bettina Solimando)