



PANARIAGROUP INDUSTRIE CERAMICHE S.P.A.

Registered office at Finale Emilia (MO), - Via Panaria Bassa 22/A
Share Capital Euro 22,677,645.50 fully paid up
Registered with the Modena Companies Register under the number: 01865640369
Website www.panariagroup.it

NOTICE OF CONVOCAZIONE OF ORDINARY GENERAL MEETING

The shareholders are hereby invited to attend an Ordinary General Meeting at the registered office of Panariagroup Industrie Ceramiche S.p.A. (the "**Company**") at Finale Emilia (Modena), via Panaria Bassa 22/A, in a single call at 9:00 hours on 28 April 2017 to discuss and pass resolutions on the following

Agenda

1. presentation of the consolidated accounts of the Panariagroup group and approval of the annual accounts for the year to 31 December 2016; related and consequent resolutions;
2. resolutions pertaining to the remuneration report; related and consequent resolutions;
3. determination of the number of and appointment of the members of the Board of Directors for the three-year period 2017-2019; determination of the related fees; related and consequent resolutions;
4. renewal of the authorisation for the sale and purchase of own shares; related and consequent resolutions.

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The Company's paid up subscribed share capital is Euro 22,677,645.50, represented by 45,355,291 shares each with a par value of Euro 0.50, each one of which provides one voting right. As of the date of this notice of meeting, the Company has 432,234 (four hundred and thirty-two thousand two hundred and thirty-four) own shares for which, as required by law, the voting right is suspended. Any change to the Company's own shares will be communicated at the start of the work to be performed by the General Meeting.

Eligibility to attend

Shareholders who have a voting right may attend the General Meeting. Eligibility to attend the General Meeting and the exercise of the voting right is attested to in a communication made to the Company by the authorised intermediary, in accordance with the said intermediary's accounting records, on behalf of the person who has the voting right based on the related evidence at the close of the accounting day on the seventh open market day preceding the date set for the General Meeting (i.e. 19 April 2017); those who prove to be holders of the shares only after this date are not eligible to attend and vote at the General Meeting. The Company must receive the communication from the intermediary by the close of the third open market day preceding the date set for the General Meeting (i.e. 25 April 2017). This is, however, notwithstanding the fact that Shareholders may attend and vote even if the Company receives the communications after this deadline, provided that the communications arrive before the start of the work to be performed by the General Meeting. There are no procedures in place for voting by correspondence or by electronic means.

Those eligible to attend the General Meeting are invited to arrive earlier than the time at which the meeting is convened in order to facilitate the registration process, which will commence as of 8:30 hours.



Voting by proxy

Those who are entitled to attend the General Meeting may arrange to be represented through a written proxy or one granted electronically, pursuant to legislation currently in force. A proxy form, issued by the qualified intermediaries at the eligible party's request, may be used for such purposes; it is available at the Company's registered office and at the *website* www.panariagroup.it. The proxy may be forwarded by means of registered letter to the Company's registered office, via Panaria Bassa n. 22/A, 41034, Finale Emilia (MO), for the attention of the *Investors Relation* office, or in an electronic notification to the email address renato.martelli@panariagroup.it

Under the Articles of Association, the Company does not designate representatives to whom persons eligible to attend may grant a proxy with voting instructions pursuant to Article 135-j of Legislative Decree No. 58/98 ("TUF (Consolidated Law on Finance)").

Right to ask questions

Pursuant to Article 127-c of the TUF, those who have a voting right at the General Meeting may ask questions on the items on the agenda even before the General Meeting, by sending a suitable registered letter to the Company's registered office, or in an electronic communication to the email address renato.martelli@panariagroup.it. Those who intend to take up this option must arrange for their questions to be received by the Company by the second day prior to the date of the General Meeting in a single call (i.e. by 26 April 2017). Questions received prior to the General Meeting are replied to at the latest during the same. It should be noted that (i) no reply is necessary, even at the General Meeting, to questions asked prior to the same, whenever the information requested is already available in the "FAQ" section of the Company's *website*; (ii) replies in hard copy format made available at the start of the General Meeting to each of the persons entitled to vote will be considered to have been given during the said General Meeting; and (iii) the Company may in any event give uniform replies to questions with the same content.

Supplements to the agenda

Pursuant to Article 126-a of the TUF, Shareholders who, including jointly, represent at least one fortieth of the share capital may, within ten days of the publication of this notice, ask for the list of items to be discussed to be supplemented, indicating in the question the additional agenda items proposed by them or presenting proposals for resolutions on items already on the agenda. The question, together with the certificate attesting to the shareholding being held, must be presented in writing at the registered office or sent by means of registered mail to the same, or in an electronic notice to the email address renato.martelli@panariagroup.it, on condition that the Company receives it within the deadline set out above. No supplements to the items on the agenda are permitted for those agenda items on which the General Meeting is due to pass resolutions, under the law, at the proposal of the directors or based on a plan or report prepared by them. The supplemented list, if applicable, will be published using the same means of publication as this notice at least 15 days prior to the date set for the General meeting

Shareholders who ask for the agenda to be supplemented prepare a report setting out the reasons for the proposals for resolutions to be passed on new items which they propose be discussed, or the reasons relating to the additional proposals for resolutions presented with respect to items already on the agenda. The report is forwarded to the administrative body within the deadline for the presentation of the request for the supplement. Reports on the supplements to the list of items that the General Meeting must discuss as the result of the requests referred to above are made available to the public at the same time as the publication of the notification of the supplement.



Appointment of the Board of Directors and depositing of the lists

In relation to item 3 on the agenda, we would recall that the Directors will be appointed through the list voting system in accordance with what is set out in Article 21 of the articles of association (to which reference is hereby expressly made for anything not hereafter set out) and in compliance with statutory and regulatory provisions.

Shareholders who, either alone or together with other Shareholders, hold a number of shares representing in total at least 2.5% (two point five) of the share capital with a right to vote at the General Meeting are entitled to present lists, pursuant to CONSOB [*supervisory authority for the stock exchange*] Ruling No. 19856/2017.

Each Shareholder, Shareholders subscribing to a shareholders' agreement, the parent undertaking, subsidiaries and companies subject to joint control pursuant to Article 93 of the TUF may not present or participate in the presentation of, not even through a third party or trust company, more than one list, nor may they vote, not even through a third party or trust company, on lists other than the list presented. Subscriptions and votes expressed in breach of this prohibition will not be attributed to any list.

The lists presented must be deposited at the Company's registered office by the twenty-fifth day preceding the date of the General Meeting, and made available to the public at the registered office, at the *website* and through the other procedures provided for by statutory and regulatory provisions at least twenty-one days prior to the date of the general meeting.

In determining whether Shareholders hold the shareholding necessary to present the lists, the shares that prove to be registered to the Shareholder in question on the date on which the lists are deposited at the registered office are taken into account. The related certificate, issued pursuant to legislation currently in force by a qualified financial intermediary, may be produced even after the list has been deposited, provided it is received by the Company within the deadline provided for by the body of regulations, including regulatory provisions, in force with regard to the publication of the lists by the Company.

Each list must include at least a number of candidates - in accordance with what is established by the applicable legislation - who meet the requirements for independence laid down by law or by the regulatory provisions applicable, indicating these separately and putting one of them in first place on the list. When depositing the lists, information must moreover be provided to permit the identification of those who arranged for the related presentation.

Deposited together with each list are the declarations through which the individual candidates accept their candidature and, on their own responsibility, attest to the fact that there are no circumstances that might point to their non-eligibility or non-admissibility, and to the fact that they meet the requirements for the respective offices laid down by law and by the Articles of Association. Deposited at the registered office, together with these declarations, is for each candidate a comprehensive description of their personal and professional characteristics, with an indication of their eligibility to be classed as independent under the law.

Those who present a "minority list" shall moreover benefit from the recommendations made by the CONSOB in its Communication No. DEM/9017893 of 26 February 2009.

Article 21 of the Articles of Association provides for the replacement of the Board of Directors to take place in compliance with the body of regulations addressing the need for a balance between the different categories pursuant to the statutory and regulatory provisions applicable, based on lists presented by the members in which the candidates are listed by consecutive numbers.

Lists which present a number of candidates equal to or greater than three must include candidates of a different category, such that a number (rounded up) of candidates equal at least to one third of the directors elected belong to the least represented category.

Any list for which the rules referred to above are not observed is deemed not to have been presented.



Shareholders who intend to present a list may write to the address renato.martelli@panariagroup.it beforehand to obtain the necessary operational details.

Further information on rights and on the matters referred to above can be found at the Company's *website* www.panariagroup.it.

Documentation

The documentation related to the items posted to the agenda will be deposited at the registered office and Borsa Italiana S.p.A., at the Company's *website* (www.panariagroup.it), and on the IInfo authorised storage mechanism at the address www.1info.it, under the terms of law. Shareholders are entitled to receive a copy of this.

Consultants, financial analysts and journalists may attend the General Meeting and are for such purposes invited to submit a request for attendance at least two days prior to the meeting to the following address: fax 0536-915221.

Finale Emilia, 18/03/2017

On behalf of the Board of Directors

The Chairman
Emilio Mussini