



PANARIAGROUP INDUSTRIE CERAMICHE S.P.A.

Registered office in Finale Emilia (MO), at Via Panaria Bassa 22/A
Share capital Euro 22,677,645.50 fully paid-in
Registration number with Modena Companies House: 01865640369
Website www.panariagroup.it

CALL NOTICE OF THE ORDINARY SHAREHOLDERS' MEETING

Shareholders are convened to an ordinary Shareholders' Meeting at the registered office of Panariagroup Industrie Ceramiche S.p.A. (the "**Company**") in Finale Emilia (Modena), at via Panaria Bassa 22/A, as a single call at 10:00 am, on 29 April 2019, to discuss and resolve on the following

Agenda

1. presentation of the Panariagroup Group consolidated financial statements and approval of the annual financial statements as at 31 December 2018; related and consequent resolutions;
2. resolutions regarding the report on remuneration; related and consequent resolutions;
3. appointment of the members and Chairman of the Board of Auditors for the three-year period 2019-2021; determination of the related compensation; related and consequent resolutions;
4. determination of the compensation of the members of the Board of Directors; related and consequent resolutions;
5. renewal of the authorisation to purchase and sell own shares; related and consequent resolutions.

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The share capital subscribed and paid-in by the Company is Euro 22,677,645.50, represented by 45,355,291 shares worth a nominal Euro 0.50 each; each of them gives the right to one vote. As at the date of this call notice, the Company holds 432,234 (four hundred and thirty-two thousand, two hundred and thirty-four) own shares, for which, in accordance with the law, voting rights are suspended. Any change to own shares will be disclosed at the start of the meeting.

Authorised participants

All the Shareholders with the right to vote, may attend the Shareholders' Meeting. The right to intervene at the Shareholders' Meeting and vote is certified through a communication to the Company, by the authorised intermediary, in accordance with the accounting records, on behalf of the individual with the voting right, based on the facts which apply as at the end of the accounting day of the seventh trading day prior to the date set for the Shareholders' Meeting (i.e. 16 April 2019); anyone recorded as holders of shares only after this date shall not be entitled to attend and vote in the Shareholders' Meeting.



The intermediary's communication must reach the Company by the end of the third trading day prior to the date scheduled for the Shareholders' Meeting (i.e. 24 April 2019). Eligibility to participate and vote, however, is still certified if the notification reaches the Company after the aforesaid deadlines, as long as it is before the Shareholders' Meeting starts its business. No voting procedures by correspondence or using electronic means are envisaged.

Those entitled to attend the Shareholders' Meeting should arrive before the time for which the meeting is convened, so as to facilitate registration, which will start as from 08:30 am.

Exercise of voting rights by proxy

All the persons entitled to attend the Shareholders' Meeting may be represented by another person on the basis of a proxy drawn up in writing or conferred electronically, pursuant to the legislation in force. To this end, the proxy form can be used as issued on the request of the person entitled, by qualified intermediaries or as available from the registered office and from the website of the Company www.panariagroup.it. The proxy may be sent by recorded delivery to the Company's registered offices at via Panaria Bassa n. 22/A, 41034, Finale Emilia (MO), to the attention of the Investors Relation Office, or by electronic notification to the e-mail address renato.martelli@panariagroup.it.

In accordance with the Articles of Association, the Company does not designate representatives to whom the persons entitled to attend may confer a proxy with voting instructions in accordance with Art. 135-*undecies* of Italian Legislative Decree no. 58/98 (the "Consolidated Finance Act").

Right to ask questions

In accordance with Art. 127-*ter* of the Consolidated Finance Act, all those entitled to vote in the Shareholders' Meeting may ask questions about the items on the agenda even before the Shareholders' Meeting; this can be done by sending a letter recorded delivery to the Company's registered office, or by means of electronic communication to the e-mail address renato.martelli@panariagroup.it. Those wishing to avail themselves of this faculty, must submit their questions to the Company at the latest three days prior to the date of the Shareholders' Meeting at its sole call (i.e. by 26 April 2019). Questions received before the Shareholders' Meeting will be answered, at the latest, during the Meeting itself. If it specified that (i) no answer is necessary, even during the Shareholders' Meeting, for questions asked in advance when the information requested is already available in "Questions and answers" format on the Company's website; (ii) any answers provided on paper and made available to all those entitled to vote at the start of the Shareholders' Meeting shall be considered as having been given during the Shareholders' Meeting; and (iii) the Company may in any case provide unitary answers to questions of the same nature.

Supplementation of the agenda

Pursuant to Art. 126-*bis* of the Consolidated Finance Act, Shareholders who individually or jointly represent at least one fortieth of the share capital may ask, within ten days of publication of this notice, to supplement the list of items on the agenda to be resolved, indicating in that request the additional matters proposed; they may also present proposals for resolution on items already on the agenda. The request, together with the certification attesting to ownership of the share, must be submitted in writing to the registered office, or sent by recorded delivery to it, or notified electronically to the e-mail address renato.martelli@panariagroup.it, as long as it reaches the Company by the above deadline. The items on the agenda cannot be supplemented in respect of items on which the Shareholders' Meeting rules, in accordance with the law, on the proposal of the directors or on the basis of a draft or report they have prepared. Any supplemented list will be published in the same manner as this notice, at least 15 days before the date scheduled for the Shareholders' Meeting.



Shareholders requesting the supplementation of the agenda shall prepare a report giving the reasons for the proposals for resolution on new items they are proposing be discussed, or the reasons for any other proposals for resolution on items already on the agenda. The report is sent to the administrative body by the deadline for the submission of the request for supplementation. Reports on supplements of the list of items that the Shareholders' Meeting is called to discuss, following the above requests, are made available to the public at the same time as news of the supplementation is published.

Appointment of the Board of Auditors and deposit of lists

In accordance with Article 30 of the Articles of Association, as well as with applicable legislation and regulations, Auditors shall be appointed on the basis of lists submitted by shareholders, giving the names of candidates in progressive order.

Each list shall have two sections: one for candidates for the office of standing auditor, the other for candidates for the office of alternate auditor. Two Standing Auditors and one Alternate Auditor shall be chosen from the list that obtains the majority of votes cast by Shareholders; the other Standing Auditor and Alternate Auditor shall be taken from the other lists (the "minority lists"). The Chairman is appointed by the Shareholders' Meeting from the Auditors elected from the minority list.

Lists of candidates can be submitted by Shareholders who, alone or jointly with other Shareholders, account for a total of at least 2.5% of the shares with the right to vote in the ordinary Shareholders' Meeting, in accordance with applicable provisions of law, regulations and the Articles of Association and CONSOB Managerial Resolution no. 13 of 24 January 2019.

Each Shareholder, Shareholders adhering to a shareholder agreements, the parent company, subsidiaries and joint ventures pursuant to Article 93 of the Consolidated Finance Act, cannot submit or participate in the submission of more than one list, either directly or through a third party or a trustee, nor can they vote for any list other than that presented, either directly or through a third party or a trustee. Acceptances or votes breaching such prohibition shall not be assigned to any list.

Each candidate may only appear in one list, under penalty of ineligibility.

Together with the lists, a declaration must also be deposited by the Shareholders presenting it, containing full information on their identity and the percentage stake held jointly. Ownership of the total stake held is attested, in accordance with current regulations, even after depositing the lists, as long as by the deadline envisaged for publication of the lists by the Company, i.e. at least 21 days before the date scheduled for the Shareholders' Meeting.

The minority lists for the appointment of the Board of Auditors must be accompanied by a statement certifying the absence of the relations provided for in Art. 144-*quinquies* of the Issuers' Regulation adopted by Consob with Resolution no. 11971/99 (the "**Issuers' Regulation**"). Art. 144-*sexies*, paragraph 4, letter b) of the Issuers' Regulation applies to the minority lists for the appointment of the Board of Auditors. For the purposes of preparing minority shareholder lists relating to the appointment of the Board of Auditors, Shareholders are asked to consider the recommendations made by Consob on relations between minority and majority shareholder lists contained in Communication no. DEM/9017893 of 26 February 2009.



The lists of candidates must be accompanied by declarations concerning the fulfilment of independence requirements as envisaged by Art. 148, paragraph 3 of the Consolidated Finance Act. Shareholders are also asked to please consider, in examining the candidates to the role of Auditor, the independence requirements envisaged by the Corporate Governance Code of Borsa Italiana S.p.A. Candidates to the office of Auditor must meet the requirements of honour as well as professionalism, as envisaged by Decree no. 162 of the Ministry of Justice of 30 March 2000 and as indicated by Art. 30 of the Articles of Association.

Together with each list, the declarations must also be submitted whereby the individual candidates accept their candidacies and certify, under their own personal responsibility, the absence of any grounds for ineligibility and conflict of interest, as well as fulfilment of the requirements prescribed by applicable laws and regulations and the Articles of Association for the position.

Together with the above declarations, each candidate must also have a CV filed regarding their personal and professional characteristics.

Considering that, in accordance with Art. 2400, last paragraph, of the Italian Civil Code, at the time of nomination, and before their acceptance of office, the Shareholders' Meeting must be informed of all the offices of administration and control held by the Auditors in other companies, and, also taking account of the provisions of Article 148-*bis* of the Consolidated Finance Act, they are asked to provide specific declarations to this effect with their CVs, and it is recommended that they ensure that said declarations are kept up-to-date until the date of the Shareholders' Meeting.

The lists of candidates, signed by those submitting them, and the related supporting documentation, must be deposited at the Company's registered office, or notified electronically to the e-mail address renato.martelli@panariagroup.it at least twenty-five days before the date scheduled for the Shareholders' Meeting at sole call, and, therefore, by 04 April 2019.

If, by this deadline, only one list has been submitted, or only lists that are connected in accordance with applicable legislation and regulations, additional lists may be submitted within the next three days. In this case, the threshold of 2.5% indicated previously for the submission of lists, is reduced to 1.25%.

Within the terms envisaged by current regulations (i.e. 21 days before the date scheduled for the Shareholders' Meeting at sole call), the Company will make the lists of candidates deposited by Shareholders available to the public, complete with the information required by applicable regulations, at the registered office, at Borsa Italiana S.p.A., on the authorised storage mechanism 1Info at www.1info.it, as well as by means of publication on the website www.panariagroup.it.

Any lists submitted in breach of the provisions of Article 30 of the Articles of Association and of applicable legislation will be considered as not having been submitted.



Article 30 of the Articles of Association establishes that the Board of Auditors shall be renewed in compliance with the regulations governing gender balance pursuant to Italian Law no. 120 of 12 July 2011 and applicable legal and regulatory provisions. Shareholders intending to submit a list for the renewal of the Board of Auditors including a number of candidates of three or more are therefore asked to include in the section of standing auditors at least one third belonging to the least represented gender (rounding up, if necessary) and, if the section of alternate auditors should indicate two candidates, one of each gender.

Auditors shall be elected as follows:

- 1) in progressive order in which they are listed in the list sections, two standing members and one alternate member from the list that obtained the most votes in the shareholders' meeting;
- 2) in progressive order in which they are listed in the list sections, the remaining standing member and the other alternate member from the list that obtained the second most votes in the shareholders' meeting;
- 3) if more than one list obtained the same number of votes, in order to establish the hierarchy of such lists, in accordance with and pursuant to points 1) and/or 2) above, all subjects entitled to attend the Shareholders' Meeting shall vote again, between the lists that obtained the same number of votes;
- 4) if only one list is submitted, or in any case only one list is voted, the first three candidates on said list in progressive order will be elected as Standing Auditors and the fourth and fifth candidate in progressive order of said same list will be elected as Alternate Auditors.

If, using the above methods, the standing members of the Board of Auditors are not compliant with the regulations in force at the time on gender balance, the necessary replacements will be made of candidates to the office of standing auditor, from the list that obtained the most votes, in the progressive order in which the candidates are listed.

Shareholders who intend to submit a list may e-mail the Investor Relater Office at renato.martelli@panariagroup.it, to acquire the necessary operational details.

More information about the rights and the foregoing is available from the Company's website www.panariagroup.it.



Documentation

The documentation relating to the items on the agenda will be deposited at the registered office and with Borsa Italiana S.p.A., on the Company's website (www.panariagroup.it), as well as at the authorised storage mechanism lInfo, at www.linfo.it, in accordance with the law. Shareholders shall have the right to obtain a copy.

Experts, financial analysts and journalists may attend the Shareholders' Meeting if they submit a request to attend at least two days before the meeting, by faxing 0536-915221.

Finale Emilia, 19/03/2019

For the Board of Directors

The Chairman

Emilio Mussini