

# **ORDINARY SHAREHOLDERS' MEETING**

**17 APRIL 2019**

## **NOTICE OF CALL**

**Directors' Reports  
on the proposed agenda**

## NOTICE OF CALL – ORDINARY SHAREHOLDERS' MEETING

AMPLIFON S.p.A.  
Share capital: EUR 4,527,072.40  
Registered Office in Milan - Via Ripamonti n. 131/133  
Milan Company register: tax Code and registration No. 04923960159

Those entitled to attend are hereby convened to an Ordinary Shareholders' Meeting to be held at the company's registered office in Milan, 131/133 Via Ripamonti, on 17 April 2019, at 10:00 a.m. CET, in a single call, to resolve on the following:

### AGENDA

1. Approval of the Financial Statements as at 31 December 2018; reports prepared by the Board of Directors, the Board of Statutory Auditors and the Independent Auditors; allocation of the earnings for the year. Related and consequent resolutions. Consolidated financial statements as at 31 December 2018 and Report on Operations. Non-Financial Disclosure as at 31 December 2018.
2. Appointment of the Board of Directors, after determining the number of members.
3. Directors' remuneration for FY 2019.
4. Stock grant plan in favour of the employees and self-employees of the Company and its subsidiaries for 2019-2025 ("Stock Grant Plan 2019-2025"). Approval of the list of directors potential beneficiaries.
5. Remuneration statement (art. 123-ter Legislative Decree 58/98 ("TUF") and art. 84-quater Issuers' Regulations).
6. Approval of a plan for the purchase and disposal of treasury shares pursuant to articles 2357 and 2357-ter of the Italian Civil Code, following revocation of the current plan. Related and consequent resolutions.

### *Share capital and voting rights as at the date of this Notice of call*

The share capital of Amplifon S.p.A., fully paid up, is Euro 4,527,072.40, divided into 226,353,620 ordinary shares with a nominal value of Euro 0.02 each. Each share gives the right to one vote or two votes pursuant to article 13 of the Company's Articles of Association (so-called "**Increased voting right**"), in the event the aforementioned right has been confirmed by the management body. As at 5 March 2019, the Company holds 5,679,245 treasury shares.

### *Attendance at the Shareholders' Meeting*

The meeting may be attended by those shareholders with voting rights holding the necessary certification issued by an authorised intermediary, in accordance

with the laws and regulations in force. Pursuant to art. 83-sexies of Legislative Decree n. 58 of 24 February 1998 (“TUF”), the entitlement to attend the Shareholders’ Meeting and exercise voting rights the Company must be certified by the intermediary which states, based on the accounting records the ownership of the shares as of the end of the seventh market trading day prior to the date on which the Shareholders’ Meeting is called, namely by 8 April 2019 (the “**record date**”). Those holding shares after said date will not be entitled to attend or vote at the Shareholders’ Meeting. The intermediary must send the certification to the Company by the end of the third market trading day prior to the date on which the Shareholders’ Meeting is called, i.e. by 12 April 2019. In the event the Company receives certification after this deadline, the shareholder will still be able to attend the meeting and vote as long as the certification is received prior to the beginning of the meeting.

Each shareholder may be represented at the meeting via written proxy, with the exception of any incompatibilities or limitations under the law.

To this end, those holding voting rights may use the proxy form attached to the communication issued by the authorised intermediary or the copy found on the website [www.amplifon.com/corporate](http://www.amplifon.com/corporate) (Governance section). Each shareholder may also submit a proxy via e-mail to the following certified e-mail address: [segreteria.societaria@pec.amplifon.com](mailto:segreteria.societaria@pec.amplifon.com), or via registered certified mail addressed to the corporate Secretary Office, to be received by the Company’s registered office before the meeting is scheduled to begin.

The proxy, with voting instructions relating to all or some of the items on the Agenda, may be granted to the company Aholding S.r.l., designated by the Company, pursuant to Article 135-undecies of the TUF, as the subject to whom the shareholders can grant proxies free of charge (the “**Designated Representative**”) by signing the proxy form found on the website [www.amplifon.com/corporate](http://www.amplifon.com/corporate) (Governance section), as long as it is sent to the Designated Representative via registered certified mail to its operative offices in Via Circonvallazione n. 5, 10010 Banchette (Torino) or via e-mail to the following certified e-mail address: [assemblea@arubapec.it](mailto:assemblea@arubapec.it) by the end of the second market trading day prior to the date on which the meeting is to be held (namely 15 April 2019). The proxy will be valid only for the resolutions for which voting instructions are provided. The Designated Representative may not be granted proxies which do not comply with Article 135-undecies of the TUF.

### ***Right To submit questions relating to the items put on the Agenda***

Shareholders with voting rights, pursuant to art. 127-ter of TUF, may submit questions concerning the items on the Agenda even prior to the Shareholders’ Meeting (no later than 12 April 2019), by sending the questions via certified registered mail to the corporate Secretary Office or via e-mail to the following certified e-mail address: [segreteria.societaria@pec.amplifon.com](mailto:segreteria.societaria@pec.amplifon.com).

Shareholders will be entitled to submit questions solely if the certification attesting the share ownership is sent by the intermediary to the Company. Any questions submitted until 12 April 2019 will be answered no later than 15 April 2019. The Company will publish the answers to the questions received into a specific part of the website [www.amplifon.com/corporate](http://www.amplifon.com/corporate) (Governance section), and, at any rate, will provide a single answer to questions having the same content.

### ***Appointment of the Board of Directors***

Pursuant to Article 15 of the Articles of Association, the members of the Board of Directors will be appointed based on a list voting system, according to the procedures set out in the Articles of Association.

The shareholders who, on the submission date, individually or in conjunction with other shareholders, hold a total of shares with voting rights, representing at least 1% of the share capital, have the right to submit a list of candidates. The candidates included in the lists must be indicated in numerical order.

The lists must be filed with or received at the registered office of the Company by the 25<sup>th</sup> day prior to the date set for the Shareholders' Meeting (i.e. by 23 March 2019). They will be made available to the public at the registered office, on the Company's website and in the other ways specified by Consob at least 21 days before the date set for the Shareholders' Meeting (i.e. by 27 March 2019).

Each shareholder who individually or jointly submits a list at the Company's registered office must also provide the certification issued by intermediaries demonstrating the legitimacy of their rights, concurrently with the submission of the list or within the time limit set forth for the publication of the lists by the Company, pursuant to the applicable legislation, as well as a declaration stating, under its responsibility, the non-existence of a connection with any other submitted lists, pursuant to all applicable laws.

At the time of submission, each list must be accompanied by the CV, along with the personal and professional details of the candidates and by declarations in which each individual candidate accepts the candidacy and states, under his/her own responsibility, that there are no reasons for his/her ineligibility or incompatibility, as well as that he/she meets the requirements set forth by the law and in the Articles of Association, indicating whether he/she qualifies himself/herself as independent in accordance with the applicable law.

Lists that have three or more candidates must include candidates of both genders, so that at least one third of the candidates belongs to the least represented gender.

The lists may be submitted by lodging them at the registered office of the Company, or by emailing them to the certified email address [segreteria.societaria@pec.amplifon.com](mailto:segreteria.societaria@pec.amplifon.com), together with the information that would allow for the identification of the subject who is filing or transmitting the lists.

For any additional details on preparing and submitting lists, as well as voting,

please see Article 15 of the Articles of Association, available at our registered office and published on the Company's website: [www.amplifon.com/corporate](http://www.amplifon.com/corporate) (Governance section).

### ***Right to add items to the Agenda of the Shareholders' Meeting***

In accordance with Article 126-bis of the TUF, shareholders representing, including jointly, at least one fortieth of the share capital may, within ten days from the publication of this notice, request that additional items be added to the meeting's agenda, indicating in the request the further topics proposed or the proposed resolutions relating to items which are already part of the Agenda. The request, along with the certification attesting the share ownership, must be submitted in writing via certified registered letter sent to the registered office of Amplifon S.p.A., addressed to the corporate Secretary Office, or via e-mail to the following certified e-mail address: [segreteria.societaria@pec.amplifon.com](mailto:segreteria.societaria@pec.amplifon.com). Shareholders requesting that additional items be added to the Agenda must draft a report specifying the grounds for the proposed resolutions on the new items to be added to the agenda, as well as the proposed resolutions relating to items already on the Agenda. The report must be submitted to the Board of Directors by the same deadline as the request to add additional items. The report on the additional items that are being proposed for discussion at the Shareholders' Meeting as per the above will be made available to the public when the notice that items will be added to the agenda is published.

Any amended list will be published in the same manner as this notice of call.

### ***Documentation***

The documentation relating to the items on the Agenda will be made available to the public at the Company's registered office and on the Company's website [www.amplifon.com/corporate](http://www.amplifon.com/corporate) (Governance section) within the time limits laid down by law.

Shareholders are entitled to obtain copies of the documentation filed.

For additional information on the Shareholders' Meeting, please visit [www.amplifon.com/corporate](http://www.amplifon.com/corporate) (Governance section) or contact the Company's Investor Relations Department.

Milan, 8 March 2019

On behalf of the Board of Directors  
The Chairman

Susan Carol Holland

**Item 1. Approval of the Financial Statements as at 31 December 2018; reports prepared by the Board of Directors, the Board of Statutory Auditors and the Independent Auditors; allocation of the earnings for the year. Related and consequent resolutions. Consolidated Financial Statements at 31 December 2018 and the Report on Operations. Non-financial Disclosure as at 31 December 2018.**

We are submitting to you the Directors' Report on Operations for the year ending on 31 December 2018, and the related draft Financial Statements.

The draft of the Financial Statements at 31 December 2018 of Amplifon S.p.A., which is being submitted to the Shareholders' Meeting, shows net earnings of Euro 79.3 million (Euro 64.7 million at 31 December 2017).

This result allows us to submit to the Shareholders a proposal for the distribution of a dividend of Euro 0.14 per ordinary share.

The amount of the total distributed dividends will vary based on the number of outstanding shares as at the date of the dividends' payment, net of the Company's treasury shares (at 5 March 2019 a total of 5,679,245 shares, equal to 2.509% of the share capital at that same date).

We also present the Non-financial Disclosure as at 31 December 2018 drawn up in compliance with Legislative Decree no. 254/2016, concerning the disclosure of non-financial information.

We are hereby proposing the following:

1. to approve the Directors' Report on Operations;
2. to approve the Financial Statements of the Company as at 31 December 2018 showing a net profit of Euro 79,260,957.43;
3. to allocate the year's earnings as follows:
  - to distribute a part of the year's earnings, as a dividend to the Shareholders, in the amount of Euro 0.14 per share;
  - to allocate the remaining amount of the year's earnings as retained earnings;
4. to authorize the Chief Executive Officer to verify, in due time, based on the exact number of remunerated shares, the amount of earnings distributed, and the amount of earnings allocated to retained earnings;
5. to start the payment of dividends on 22 May 2019 with coupon payments on 20 May 2019;
6. to take note of the Non-Financial Disclosure as prepared by the Board of Directors.

Milan, 5 March 2019

On behalf of the Board of Directors  
The Chief Executive Officer  
Enrico Vita

## **Item 2. Appointment of the Board of Directors, after determining the number of members.**

Dear Shareholders,

The term of office of the Board of Directors expires with the approval of the financial statements for the year ending 31 December 2018, and therefore a new board of directors must be appointed for the period 2019-2021, after determining the number of members.

Pursuant to article 14 of the current Articles of Association, the Board of Directors may comprise between 3 and 11 members.

The members of the Board of Directors are appointed for a maximum period of three years; they are reappointed and replaced in accordance with the law and are eligible for reelection.

The members of the Board of Directors are elected on the basis of lists of candidates presented by shareholders and/or group of shareholders owning at least 1% of the share capital, as determined by Consob pursuant to Article 144-quater of Legislative Decree 58/98 ("TUF") with communication no. 13 of 24 January 2019.

The members of the Board of Directors must possess the professionalism, honourability and independence required under the law; an adequate number of non-executive directors is considered "independent", namely it does not entertain, nor has recently entertained, even indirectly, relations with the Company or with subjects linked to the Company, so as to condition their independent judgment. The number and responsibilities of the independent directors are adequate in relation to the size of the Board of Directors and to the business carried out by the Company: in particular, at least one member of the Board of Directors, or two if the Board has more than seven members, must meet the independence criteria established for Board Members by the law in effect at that time.

Pursuant to the Code of Corporate Governance issued by Borsa Italiana S.p.A., in the companies belonging to the FTSE-MIB index at least one third of the board of directors is made of independent directors.

The Board of Directors is appointed based on the lists presented that, in case contain a number of candidates equal to or greater than three, must be composed of both genders in accordance with the pro-tempore applicable law relating to gender equality, rounding up the number of the less represented gender in the event the application of the gender quotas does not result in a whole number.

The lists must specify which candidates are qualified as independent as defined by the law and the Articles of Association, as well as the identity of the shareholders submitting the lists, and the percentage of shares they cumulatively hold.

For the purposes of selecting the candidates to be elected, the lists that fail to obtain a percentage of votes equal to at least half of the percentage required for the

submission of lists will not be taken into account.

The lists, indicating the names of each the candidate, must be accompanied by the CV of the designated subjects, an information on their personal and professional characteristics and declarations by each candidate in which they state to accept the candidacy and also state, under their own responsibility, that there are no reasons for their ineligibility or incompatibility, as well as compliance with the requirements set forth by the law and in the Articles of Association, indicating whether a candidate qualifies as independent in accordance with the applicable law. Each candidate may appear on one list only or will be disqualified.

The lists must be filed at the Company's registered office at least twenty-five days before the date set for the Shareholders' Meeting (i.e. no later than 23 March 2019). The Company will publish the lists on its website and in any other manner provided by Consob pursuant to Article 147-ter, paragraph 1-bis of Legislative Decree no. 58/1998 at least twenty-one days prior to the Shareholders' Meeting (i.e. by 27 March 2019).

Each shareholder who individually or jointly submits a list must also deposit at the Company's registered office the certification issued by intermediaries demonstrating the legitimacy of their rights concurrently with the submission of the list or within the term set forth for the publication of the lists by the Company, pursuant to the applicable legislation.

Each shareholder may present or participate in the presentation of only one list. The shareholders signing a shareholders' agreement, as defined by Article 122 of Legislative Decree no. 58 of 24 February 1998 (TUF) and its amendments, as well as the parent company, subsidiaries and companies subject to joint control, may submit, or jointly submit, only one list. The agreements and votes expressed in breach of the prohibition referred to above shall not be attributed to any list.

All open directorships are filled from the list obtaining the majority of votes cast, in the order in which the candidates are listed, with the exception of one directorship which is filled by the first candidate with independent status on the list receiving the second highest number of votes which is not associated, even indirectly, with the shareholders who have submitted or voted for the most-voted list.

If a single list is submitted, the procedure described above is disregarded and the shareholders resolve, with the legal majority, to fill all open directorships (in the number previously determined by the shareholders) from that list in the order in which the candidates are presented; at least as many shareholders as those required by the law in effect at that time must qualify as independent pursuant to Art. 148, paragraph 3 of Legislative Decree 58 of 24 February 1998 (TUF).

In the event that, after the list voting or voting for the unique list presented is completed, the composition of the Board of Directors fails to comply with the law relating to gender balance, the last candidate - based on the order in which he/she appears on the list - belonging to the most-represented gender that has been elected from the list with the highest number of votes will be substituted by the first candidate - based on the order in which he/she appears on the list - belonging to the least-represented gender, not elected on the same list. This procedure will be adhered to

until it is assured that the composition of the Board of Directors complies with the law in force at the time with regard to gender balance.

For any additional details on preparing and submitting lists, as well as voting, please refer to Article 15 of the Articles of Association, available at the Company's registered office and published on the Company's website [www.amplifon.com/corporate](http://www.amplifon.com/corporate) (Governance section) and also available to the shareholders at the entrance of the meeting room.

We kindly ask you to appoint the Board of Directors which will remain in office for the period 2019-2021, after determining the number of its members, on the basis of the submitted lists.

In this respect, pursuant to Article 14 of the current Articles of Association which provides that the Board of Directors shall consist of three to eleven members, the Board of Directors, taking the advice of the Independent Directors and based on the proposal of the Remuneration and Appointment Committee, invites to determine as 9 the number of members of the Board of Directors, therefore unchanged from the previous board of directors, as per the shareholders' meeting resolution dated 16 April 2016.

Therefore, we are proposing to approve the following resolution:

*"The ordinary Shareholders' Meeting of Amplifon S.p.A., convened in single call, on 17 April 2019, pursuant to its statutory powers and the report prepared by the Directors,*

*resolves*

- *to determine as 9 the number of members of the Board of Directors for the period 2019-2021".*

Regarding the appointment of the Board of Directors, we ask you to vote for the lists that will be submitted by the shareholders in accordance with the Articles of Association and the legislation currently in force.

Milan, 5 March 2019

On behalf of the Board of Directors  
The Chief Executive Officer  
Enrico Vita

### Item 3. Directors' remuneration for FY 2019.

It should be noted that, enacting the rights stated in article 22 of the Articles of Association, the Shareholders' Meeting of 20 April 2018 had determined that the remuneration granted to the Directors for the 2018 period was equal to Euro 1,300,000.00, to be recorded as an expense during the relative fiscal year.

As for 2019, based also on the recommendations of the Remuneration and Appointments Committee held on 1 March 2019, we hereby propose to determine an overall remuneration for the board of directors to be distributed among the members by the board of directors itself that equals Euro 1,300,000.00.

Therefore, we are proposing to approve the following resolution:

*“The ordinary Shareholders' Meeting of Amplifon S.p.A., convened in single call, on 17 April 2019, pursuant to its statutory powers and the Report prepared by the Directors,*

*resolves*

*to assign to the Directors a remuneration for the year 2019 of Euro 1,300,000.00 to be recorded as an expense during the relative fiscal year”.*

Milan, 5 March 2019

On behalf of the Board of Directors  
The Chief Executive Officer  
Enrico Vita

**Item 4. Stock Grant Plan in favour of the employees and self-employees of the Company and its subsidiaries for 2019-2025 (“Stock Grant Plan 2019-2025”). Approval of the list of Directors potential beneficiaries.**

Dear Shareholders,

We have called you in this Ordinary Shareholders' Meeting to submit to your approval, pursuant to article 114-bis, paragraph 1, of Legislative Decree no. 58/1998 (so-called “Consolidated Law on Finance”), a stock grant plan in favour of the employees and self-employees of the Company and its subsidiaries (“Stock Grant Plan 2019-2025”), as well as to grant suitable powers to the Board of Directors to implement such plan.

For details on the contents of the *Stock Grant Plan 2019-2025*, prepared in accordance with art. 114-bis of the Consolidated Law on Finance, art. 84-bis of the Regulations adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended (the “Issuers’ Regulations”), and Annex 3A, Chart 7, please refer to the informative document attached to this explanatory report (the “Information Document”).

The Shareholders’ Meeting is also called to approve the list of names of the potential beneficiaries of the *Stock Grant Plan 2019-2025* who hold the office of member of the Board of Directors of the Company or director of companies controlled by the Company (“Directors”).

Such list is reported below:

Name	Job title	Name	Job title
Alec Ng	New Zealand Finance Director	Lorenzo Fiorani	Spain General Manager
Alexandre Geeraerts	Belgium Finance and Operations Director	Luis Alfonso Mostajo Anento	LatAm Director & Chile Country Manager
Asher Efrati	Israel COO	Marc Lundeberg	Executive Vice President Americas
Bianca Yvonne Verburg	Netherlands Market Director	Marcin Strzelecki	Poland Managing Director
Carlos Casillas	CASMED General Manager	Martijn Van Oerle	Portugal Finance Director
Christian Rutishauser	Switzerland General Manager	Mathias Rolinski	Germany General Manager
Craig Stevens	Executive Vice President APAC	Moty Bahar	Israel Managing Director
Cristian Finotti	Chief Procurement Officer	Nisheta Sabharwal	National Head Customer Service India
Dean Andrew Lawrie	New Zealand Managing Director	Obdulio Herrera	Presidente de la Fundación Amplifon Ibérica
Diego Alejandro	Portugal Managing Director	Oscar Sarrià	Argentina Country Manager
Elena Santalara Menendez	Colombia Country Manager	Patrick Vigorelli	EMEA Controlling Director
Elise Dumolin	Belgium Regional Manager	Paul Van Der Weiden	Spain Finance Director
Eneida del Carmen Delgado de Pousa	Panama Legal Administrator	Prachi Srivastava	Deputy Manager – Human Resources (NHanCe)
Enrico Vita	Chief Executive Officer	Ramon Pousa Delgado	Panama Legal Administrator
Ersin Oray	Turkey General Manager	Rob Kuster	Netherlands Finance Director
Federico Dal Poz	Group Legal and Corporate Affairs Officer	Rodrigo Junco Nicolau	HR Director Amplifon- LATAM
Gabriele Galli	Chief Financial Officer	Samit Verma	India General Manager
Giulio Pizzini	Chief Strategic Development Officer	Sanjeev Rajendran	APAC Controlling Director
Giuseppe Manzo	UK General Manager	Sebastian Bickelmann	Amplifon Luxembourg Sarl
Iacopo Pazzi	Executive Vice President EMEA	Stefan Tragatsch	Switzerland Chief Finance Officer
Jose Luis Contreras	Mexico Country Manager	Tibor Terman	Market Director Hungary & Developing Countries
Karen Sahid Riega Rivera	Panama Legal Administrator	Vanda Mata	Portugal HR Director
Ken Hall	VP of Sales & Operations ME	Vera Peterson	Sr. VP-Miracle Ear
Kristin Gaarder	SVP HR Americas Region	Vicki Milton	UK Finance Director
Lorenzo Bassi	CFO Americas		

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In view of the above, the Board of Directors submits the following resolution proposal to the approval of the ordinary Shareholders’ Meeting:

*“The Ordinary Shareholders’ Meeting of Amplifon S.p.A.,*

- 1. having examined the Informative Document prepared in accordance with art. 84-bis of the Issuers’ Regulations, and*
- 2. having examined the list of Directors who are potential beneficiaries,*  
*resolves*

- *to approve the “Stock Grant Plan 2019-2025” as indicated in the Information Document;*
- *to approve the names of the Directors who are potential beneficiaries;*
- *to grant the Board of Directors all necessary and appropriate authorities to set up and implement the Stock Grant Plan 2019-2025. Just for example and without limitation, the Board of Director will have the authority, which may be subdelegated to any member, after hearing the Remuneration and Appointments Committee, to (i) implement the Stock Grant Plan 2019-2025; (ii) identify by name the Beneficiaries; (iii) define the number of Rights to be assigned to each Beneficiary; (iv) set all terms and conditions for the implementation of the Stock Grant Plan 2019-2025 and approve the Stock Grant Plan 2019-2025 Regulations and the relative documentation, with the authority to amend and/or supplement them, and (v) bring such amendments to the Stock Grant Plan for employees and self-employees as may prove necessary and/or appropriate particularly in case of changes in the applicable laws or of extraordinary events or operations.”*

Milan, 5 March 2019

On behalf of the Board of Directors  
The Chief Executive Officer  
Enrico Vita

**Item 5. Remuneration Statement (article 123-ter of Legislative Decree 58/98 (“TUF”) and article 84-quater of the Issuers’ Regulations).**

Dear Shareholders,

We have called you in this Ordinary Shareholders’ Meeting to submit for approval, pursuant to article 123-ter, paragraph 6, of Legislative Decree no. 58/1998 (so-called “Consolidated Law on Finance” or “TUF”), the Remuneration Statement.

For details on the content of the Remuneration Statement, please refer to the document attached to this Report, prepared pursuant to article 84-quater of the Regulations adopted by Consob with resolution no. 11971 of 14 May 1999 (so-called “Issuers’ Regulations”). With a view to always increase the transparency of the Company’s operations, this Report has been further refined this year, also considering the most up-to-date market practices.

Therefore, we are hereby proposing to you, after reviewing the Remuneration Statement, prepared pursuant to article 84-quater and in compliance with Annex 3A Chart 7-bis and 7-ter of the Issuers’ Regulations, to issue a favourable resolution about its first section, and to make public the outcome of the voting, pursuant to article 125-quater, paragraph 2, of the Consolidated Law on Finance.

Milan, 5 March 2019

On behalf of the Board of Directors  
The Chief Executive Officer  
Enrico Vita

**Item 6. Approval of a plan for the purchase and disposal of treasury shares pursuant to articles 2357 and 2357-ter of the Italian Civil Code, following revocation of the current plan. Related and consequent resolutions.**

**Report prepared pursuant to article 73 of the Regulations adopted by CONSOB with resolution no. 11971 of 14 May 1999**

Dear Shareholders,

The following report, approved by the Board of Directors on the meeting held on 5 March, 2019, was drafted to submit for your approval, pursuant to Articles No. 2357 and 2357-ter of the Civil Code, no. 132 of Legislative Decree no. 58 of 24 February 1998 (“TUF”), and in compliance with the provisions of article 73 of the Regulation adopted by Consob with resolution no. 11971 of May 14, 1999 and related Annex 3, Scheme 4, the authorization regarding the purchase and disposal, on one or more solutions and on a revolving basis, of a maximum number of ordinary shares of Amplifon S.p.A. (the “**Company**”), which, where the purchase option is exercised in full and taking into account treasury shares already in the portfolio, results in the Company not holding over 10% of its share capital (at the date of this report, therefore, maximum no. 22,635,362 ordinary shares with a nominal value of Euro 0.02 each).

Considering that the deadline for implementing the decision with which the Ordinary Shareholders' Meeting of 20 April 2018 authorized the purchase and disposal plan for treasury shares is 20 October 2019, the Board of Directors intends to submit a new plan for the purchase and disposal of treasury shares to the approval of the Shareholders' Meeting, with effect from the date of the Meeting, upon revoking the previous authorization.

#### **1. Reasons for the request for authorisation to purchase and dispose treasury shares**

The Board of Directors believes that the reasons at the basis of the request for the authorization to purchase and dispose of treasury shares submitted to the shareholders meeting at the time remain valid.

The request of authorization to the Shareholders' Meeting is motivated by the opportunity of providing the Company with an effective tool to pursue the objectives permitted by the current regulatory provisions, including those contemplated by Regulation (EU) 596/2014, as well as, eventually, by the accepted market practices recognized by Consob and, in particular, the purposes detailed below:

- (i) to dispose of treasury shares to service share-based incentive plans, both current and future, for Directors and/or employees and/or collaborators of the Company and other companies controlled by it, as well as any plans for the free assignment of shares to shareholders;
- (ii) to dispose of treasury shares to be allocated as a means of payment for acquisitions of companies or exchange of equity interests.

It should be noted that the authorisation request pertains to the Board of Director's faculty to carry out repeated and successive purchase and sale transactions (or other disposal transactions) of treasury shares on a revolving basis (so-called "revolving transactions"), also for fractions of the maximum allowed quantity, so that, at any time, the quantity of shares subject to the proposed purchase and held in the Company's portfolio does not exceed the threshold provided for by the law and by the Shareholders' Meeting's authorization.

For the aforementioned reasons, the Board of Directors intends to ask the Shareholders' Meeting to authorise the purchase and the disposal of treasury shares pursuant to Articles 2357 and 2357-ter of the Italian Civil Code.

## **2. Maximum number, category and nominal value of shares to which the authorization refers**

The Company's share capital at today's date is equal to Euro 4,527,072.40, represented by 226,353,620 ordinary shares with a nominal value of Euro 0.02 each.

The Board of Directors asks for the authorisation to purchase, within the deadline detailed at Paragraph 4 below, a maximum number of ordinary shares of Amplifon S.p.A. which, where the purchase option is exercised in full and taking into account treasury shares already in portfolio, results in the Company not holding over 10% of its own share capital.

In light of the above, when implementing the plan for the purchase and disposal of treasury share following the possible Shareholders' Meeting's authorization, the board of Directors will have to take into account the Company's contractual obligations applicable from time to time.

## **3. Information pertaining to compliance with the provisions of Article No. 2357, Paragraphs 1 and 3, of the Italian Civil Code**

The Company holds 5,679,245 treasury shares, equivalent to 2.509% of the share capital at the same date, purchased on the market based on treasury share buy-back programs authorised from time to time by the Ordinary Shareholders' Meeting. It should be noted that, pursuant to Article No. 2357, Paragraph 1 of the Italian Civil Code, the purchase of treasury shares is allowed within the limits of the profit available for distribution and the available reserves reported in the latest set of approved Financial Statements.

To this purpose, we would like to refer to the Financial Statements for the year ended on 31 December 2018 submitted to the Shareholders' Meeting of 17 April 2019. These Financial Statements show (i) net earnings for the financial year of Euro 79,260,957.43 of which Euro 48,366,824.93<sup>1</sup> were allocated as retained earnings; (ii) other available capital reserves of Euro 202,601,196.75; and (iii) distributable retained earnings of Euro 179,236,565.50.

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<sup>1</sup> The total dividend and the consequent allocation to Retained Earnings of the non-distributed portion will vary according to the number of shares with ordinary rights held on the dividend payment date, 22 May 2019, net of the Company's treasury shares.

It should be noted that the Board of Directors is obliged to ascertain compliance with the conditions provided for by Article No. 2357, Paragraphs 1 and 3, of the Italian Civil Code for the purchase of treasury shares upon finalizing any authorized purchase.

Upon purchasing or selling, swapping, allocating or devaluing shares, the relevant accounting entries shall have to be made, in compliance with legal provisions and applicable accounting principles. In the event of selling, swapping, allocation or devaluation, the corresponding amount may be used again for further purchases, until expiry of the authorisation issued by the Shareholders' Meeting, subject to the conditions set forth by the Shareholders' Meeting and any contractual obligations applicable from time to time.

#### **4. Duration of the requested authorization**

The buy-back authorization is requested for the maximum duration permitted by Article No. 2357, Paragraph 2, of the Italian Civil Code and, therefore, for a period of 18 months from the date of its approval by the Shareholders' Meeting.

The authorization to the disposal of treasury shares for subsequent purchase is requested without a time limit, in light of the non-existence of legal provisions in this respect and the opportunity of maximising the time period during which the sale can be performed.

#### **5. Minimum and maximum price**

The Board of Directors proposes that the unit price for the purchase of shares shall be established from time to time for each transaction, provided that it is neither higher nor lower than 10% of the share's reference price on the trading day prior to each individual purchase transaction.

With respect to the price for the disposal of treasury shares purchased, the Board of Directors proposes that the Shareholders' Meeting shall only determine the minimum price, granting the Board of Directors the power to determine from time to time any further condition, method and term for the disposal transaction.

Such minimum price may not be lower than 10% of the reference price recorded by the share on the trading day that precedes each disposal transaction. The Board of Directors believes this criterion to be objective and suitable to univocally determine minimum and maximum prices for purchase and/or disposal transactions.

However, such price limit will not apply in the event of transfer to Directors, employees and/or collaborators working for the Company and/or its Subsidiaries for the implementation of incentive plans. It should be noted that, within the framework of share disposal transactions for the implementation of incentive plans, the Company's shares may also be allocated on a free basis, should this be decided by the bodies authorised to resolve on incentive plans.

#### **6. Methods to be used for purchase and disposal transactions**

Purchase transactions shall start and finish within the time scales set out by the Board

of Directors following a possible authorisation by this Shareholders' Meeting.

Considering the various objectives that can be pursued through treasury share transactions, the Board of Directors proposes that the authorisation should be granted for purchases to be carried out under any of the methods envisaged by current regulations including (EU) Regulation n. 596/2014 and Delegated Regulation 2016/1052, as well as the admitted market practice recognized by Consob, with the only exception of public tender offers for the purchase or exchange of shares. Such methods are to be determined from time to time at the discretion of the Board of Directors.

With respect to the transactions to dispose treasury shares purchased pursuant to this resolution or already held by the Company at the date of today's Shareholders' Meeting, the Board of Directors proposes that the authorisation shall enable the adoption of any method deemed suitable for the objectives pursued, including the sale outside of markets or as part of a block sale.

Finally, it should be noted that, pursuant to the exception provided for by Article No. 132, Paragraph 3, of Legislative Decree No. 58 of February 24th, 1998, the aforementioned operating methods do not apply to the purchase of treasury shares from employees of the Company, its Subsidiaries or Parent Company that were allocated to them within a share incentive plan pursuant to Articles No. 2349 and 2441, Paragraph 8 of the Italian Civil Code.

#### **7. Additional information for purchase transactions aimed to reduce share capital through the cancellation of treasury shares purchased**

We hereby confirm that the purchase of treasury shares is not finalised to a reduction of share capital, notwithstanding the fact that, should such a reduction be approved by the Shareholders' Meeting in the future, the Company reserves the right to execute it also by cancelling treasury shares held in portfolio.

#### Resolution proposal

"The ordinary Shareholders' Meeting of Amplifon S.p.A.:

- *having examined the report prepared by the Board of Directors in compliance with Article 73 and Annex 3A, Chart no. 4, of the Regulations adopted by CONSOB with resolution No. 11971 of 14 May 1999 (as subsequently amended and integrated);*
- *acknowledging that, at the time of this Shareholders' Meeting, Amplifon S.p.A. holds 5,679,245<sup>2</sup> treasury shares in portfolio and none of its subsidiaries holds Amplifon S.p.A.'s shares;*
- *noting the opportunity of issuing an authorisation for the purchase and disposal of treasury shares enabling the Company to carry out purchase and disposal transactions for treasury shares for the purposes of and in compliance with the methods indicated in the Report of the Board of Directors;*

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<sup>2</sup> This amount - which is up-to-date as of 5 March 2019 when the Board of Directors prepared the Directors Reports - will be updated to reflect the effective amount at the date of the Shareholders' Meeting.

*resolves*

1. *to revoke, with effect from today, the treasury shares purchase and disposal plan approved by the Shareholders' Meeting on 20 April 2017, as to the part that has not been executed;*
  
2. *to authorise, pursuant to Article No. 2357 of the Italian Civil Code, the purchase, on one or more solutions, of a maximum number of ordinary shares resulting in the Company holding a number of shares equal to maximum 10% of the share capital in case the faculty herewith granted is exercised in full within the maximum deadline indicated below - in full compliance with all limits set by law and taking into account the shares already held as in its portfolio, for the pursuit of the objectives highlighted in the Report of the Board of Directors and at the following terms and conditions:*
  - *shares may be purchased up until expiry of the eighteenth month from the date of this Resolution; the last purchase made within this deadline will have to include a number of shares such as to allow compliance with the aforementioned overall 10% threshold;*
  - *the shares may be purchased at a unit price that is not 10% lower or higher than the share's reference price recorded on the trading day before each individual purchase transaction;*
  - *the purchase may be carried out in line with any of the methods described and admitted by the current legislation, including (EU) Regulation n. 596/2014 and related implementing provisions, as well as the admitted market practice recognized by Consob, with the only exception of public tender offers for purchase or exchange, taking into account the specific exemption provided for by Paragraph 3 of the aforementioned Article No. 132 of Legislative Decree No. 58 of 24 February 1998;*
  
3. *to authorise, pursuant to Article No. 2357-ter of the Italian Civil Code, executing disposal transactions, on one or more solutions, on treasury shares purchased pursuant to this resolution or already held by the Company at the date of today's meeting, in compliance with applicable legal and regulatory provisions, in order to pursue the objectives described in the Report of the Board of Directors and the following terms and conditions:*
  - *the shares may be sold or otherwise transferred at any time, without time limits;*
  - *the disposal transactions may be made even before the purchases have been completed, and may take place on one or more occasions by means of sales on the market, off-market or on the block market, and/or via transfer to Directors, employees and/or collaborators working for the Company and/or its subsidiaries, in implementation of an incentive plan and/or through any other act of disposal, in connection with operations involving share swaps or sales, by means of exchange or transfer or, finally, in relation to capital transactions involving the allocation or disposal of treasury shares (such as mergers, demergers, the issue of convertible bonds or warrants serviced by treasury shares);*

- *the minimum price may not be lower than 10% of the price recorded by the share on the trading day before each disposal transaction. However, such price limit will not apply to disposal transactions in favour of Directors, employees and/or collaborators of the Company and/or its Subsidiaries for the implementation of incentive plans.*
4. *to grant the Board of Directors full powers to execute this resolution, with the express right of delegation, also by approving any executive act related to the buyback plan."*

Milan, 5 March 2019

On behalf of the Board of Directors  
The Chief Executive Officer  
Enrico Vita