

ELICA S.p.A.

Registered office in Fabriano (AN), Via Ermanno Casoli No. 2

Share capital Euro 12,664,560.00 fully paid-in

Registered at the Ancona Company's Registration Office

Tax and VAT No.: 00096570429

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE
SHAREHOLDERS' MEETING
(pursuant to Article 153 of Legislative Decree No. 58/1998
and Article 2429 of the Civil Code)**

Dear Shareholders,

during the year ended 31/12/2014, we performed the supervisory activities required by law, in accordance with the "Conduct principles for the Board of Statutory Auditors" and recommended by the Italian Accounting Profession (Consigli Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

In particular, also in accordance with the instructions issued by Consob, we performed the following:

- we verified compliance with law, the By-Laws and Regulations;
- we met 8 times and we attended 1 Ordinary Shareholders' Meeting, 5 Board of Directors' meetings, 2 Remuneration and Appointments Committee meetings and 3 Internal Control and Risk Management Committee meetings, which were carried out in accordance with the legislative, statutory and regulatory provisions which govern their functioning. The resolutions passed were in compliance with law and the company by-laws and were not imprudent, reckless or such as to compromise the integrity of the company's assets;
- periodically, we received information from the Directors on the general performance and on the outlook, as well as on the most significant operations, in terms of size or nature, carried out by the Company and its subsidiaries.

In relation to such, we can reasonably assure that the actions taken are in conformity with law and the by-laws of the company and were not imprudent, risk related, in potential conflict of interest or contrary to the motions passed, or such as to compromise the integrity of the company assets.

The most important economic, financial and equity operations carried out in 2014 were as follows:

- a) the incorporation on 30/01/2014 of the Company Elica France S.a.s., with registered office in Paris, wholly-owned by Elica S.p.A.;
 - b) the approval on 14/02/2014 of the Long Term Incentive Plan 2013-2015 Regulation;
 - c) the acquisition by the Subsidiary Elica Group Polska of the Subsidiary I.S.M. Poland and the consequent merger, with effect from 1/10/2014, of I.S.M. Poland into Elica Group Polska;
- the following assignments were awarded to the Audit Firm and its network and other companies:

Type of service	Service provider	Company	Fees (Euro thousands)
Audit	Deloitte & Touche SpA	Elica SpA	273
Audit	Deloitte & Touche SpA	Air Force SpA	29
Audit	Deloitte & Touche S.C.	ELICAMEX S.A. de C.V.	22
Audit	Deloitte & Touche Sp.z.o.o.	Elica Group Polska S.p.z.o.o.	29
Audit	Deloitte & Touche GmbH	Exklusiv Hauben Gutmann GmbH	37
Audit	Deloitte Touche Tohmatsu Limited	Ariafina CO. LTD	21
Other services	Deloitte & Touche SpA	Elica SpA	5
Other services	Deloitte & Touche S.C.	Elica Inc.	4
Other services	Deloitte & Touche S.C.	Leonardo Services S.A. de C.V.	4
Other services	Deloitte & Touche S.C.	Elicamex S.A. de C.V.	3
Audit	B S R and Co. (KPMG affiliate)	Elica PB India Private Ltd	10
Audit	Price Waterhouse Coopers	Zhejiang Elica Putian Electric Co. Ltd	33
Other services	Price Waterhouse Coopers	Zhejiang Elica Putian Electric Co. Ltd	2

Total			472

- we constantly monitored the independence of the Independent Audit Firm, noting the absence of any critical aspects;
- we held meetings with the head of the independent audit firm, in accordance with Article 150, paragraph 3 of Legislative Decree 58/1998. During the meetings no significant information warranting disclosure became evident;
- we reviewed the adequacy of the organisational structure of the company, also through the information received from departmental managers and in relation to this there are no matters to report upon;
- we assessed the adequacy of the internal control system and the administration and accounting system and on its reliability to correctly represent operations, through the obtaining of information from managers and the review of company documents. In particular, the Internal Audit Manager during the year carried out a number of specific audit actions at Elica S.p.A. and some of the principal Overseas Subsidiaries; on 13/11/2014 the Board of Directors awarded until 31/12/2017 the Internal Audit function to the Management consultancy firm Protiviti S.r.l., in order to adjust the execution of this function in line with the current Group structure;
- we did not note the existence of atypical or unusual transactions with Group companies, related parties or with third parties;

We note the following significant non-recurring operation:

- a) the recognition of restructuring charges of Euro 2.8 million, due principally to the workforce restructuring plan, following the reconversion project of the productive area into a logistical hub, which concluded at the end of 2014;
- in relation to inter-company and related party transactions of an ordinary nature, these were adequately described in the Notes to the financial statements to which reference should be made. These transactions are appropriate and are in line with the corporate objectives of the Company;
- no petitions were received pursuant to art. 2408 of the Civil Code;
- we released on 18/03/2014 an opinion in relation to the 2014 remuneration of the Executive Chairman, the Chief Executive Officer, the Executive Director, members of the Internal Control and Risks Management Committee, the Appointments and

Remuneration Committee, in addition to the Internal Audit Manager and on 19/03/2015 an opinion on the 2015 remuneration of the Executive Directors.

- we reviewed the adequacy of the instructions given by the Parent Company to its subsidiaries in order that they could provide all necessary information to comply with the obligations required by law;
- the Company complied with the Self-Governance Code of the Committee for the Corporate Governance of listed companies of Borsa Italiana S.p.A.;
- we verified, at the meeting of 21/03/2014, in accordance with point 3.C.5 of the Self-Governance Code, the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members. In our verifications we did not note irregularities;
- during the meeting of 21/03/2014 we evaluated our independence in accordance with point 8.C.1 of the Self-Governance Code of listed Companies;
- we examined the declarations of the Chief Executive Officer and the Executive Responsible for the preparation of the corporate accounting documents, pursuant to Article 154-*bis* of the Consolidated Finance Act;
- on 31/07/2014 we had a meeting with the new Supervisory Board appointed on 21/03/2014; we reviewed documents and obtained information on the activities already carried out and on those scheduled for the current year.

In relation to the separate financial statements, we confirm that:

- they were prepared in accordance with International Accounting Standards (IAS/IFRS), as presented by the Board of Directors in the notes to the financial statements.

In particular, in the Directors' Report and in the Notes to the financial statements, the Directors have complied with that established by the regulatory provisions concerning disclosure on the risk management system and the internal control system in relation to the financial disclosure process;

- The impairment test carried out under IAS 36 did not result in any write-down of the goodwill and investments accounts;
- the notes to the financial statements, in addition to being in compliance with the norms for the preparation of the separate financial statements, also provide all information considered appropriate to represent the balance sheet, financial position and result of the Company;

- the information provided in the Directors' Report is complete and exhaustive, including that relating to the principal events after year-end.

Specifically, the Directors dedicated a section to describe the actions planned for 2015 in order to develop the business and strengthen the competitive position.

The Independent Audit Firm reported to us upon the parent company and consolidated financial statements without any exceptions or matters to be noted.

In the course of the supervisory activity carried out and based on the information obtained, no significant omissions and/or significant matters or irregularities that would require reporting to the Supervisory Authority or mention in the present report were noted.

In conclusion and taking into account the above matters, in relation to our responsibility, and not having proposals to present to the Shareholders' Meeting pursuant to Article 153, paragraph 2 of Legislative Decree 58/1998, we have no reason to impede the approval of the financial statements for the year ended 31/12/2014 and in relation to the net profit we do not report any observations on the proposal for the distribution of the dividend and the allocation of the residual net profit to the Reserve pursuant Article 2426 paragraph 8-bis of the Civil Code and to Extraordinary Reserve as presented by the Board of Directors.

Dear Shareholders,

at the Shareholders' AGM called for 29/04/2015, our mandate concludes, in addition to that of the Board of Directors and the independent audit firm, for whom on 19/03/2015 we presented to the Board of Directors our reasoned proposal for its renewal in accordance with Article 13 of Legislative Decree 39/2010 for the 2015-2023 period.

We therefore invite you to resolve upon this issue.

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In relation to the Group consolidated financial statements, we have reviewed them and have no further comments to make.

Jesi, 30/03/2015

THE BOARD OF STATUTORY AUDITORS

MARIOTTI CORRADO - Chairman

MARASCA STEFANO - Statutory Auditor

CASALI GILBERTO - Statutory Auditor

**LIST OF OFFICES HELD IN OTHER COMPANIES
IN ACCORDANCE WITH ARTICLE 144-QUINQUIESDECIES
OF THE ISSUERS' REGULATION**

Name	CORRADO	Surname	MARIOTTI
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	Name of Company	Office held	Duration of office
	Listed:		
1	ELICA SpA	Chairman Bd. Stat. Auds.	App. 2014 Annual Accounts
	Finance & Banks:		
2	BANCA POPOLARE DI ANCONA SpA	Chairman of Board of Directors	App. 2016 Annual Accounts
3	SOCIETA' REGIONALE DI GARANZIA MARCHE S.C.p.A.	Chairman Bd. Stat. Auds.	App. 2016 Annual Accounts
	Of significant size:		
4	NAZARENO GABRIELLI DIARIES SpA	Standing Auditor	App. 2015 Annual Accounts
5	SOMACIS SpA	Chairman Bd. Stat. Auds.	App. 2016 Annual Accounts
6	SOMIPRESS SpA	Chairman Bd. Stat. Auds.	App. 2014 Annual Accounts
7	CARNJ Società Cooperativa Agricola	Standing Auditor	App. 2015 Annual Accounts

Jesi, March 30, 2015

Mr. CORRADO MARIOTTI

Chairman of the Board of Statutory Auditors of ELICA S.p.A.

**LIST OF OFFICES HELD IN OTHER COMPANIES
IN ACCORDANCE WITH ARTICLE 144-QUINQUIESDECIES
OF THE ISSUERS' REGULATION**

Name	STEFANO	Surname	MARASCA
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	Name of Company	Office held	Duration of office
	Listed:		
1	ELICA SpA	Standing Auditor	App. 2014 Annual Accounts
2	CLABO SpA	Independent Director	App. 2017 Annual Accounts
	Non-listed:		
3	Fiorini Packaging SpA	Chair. Board of Statutory Auditors	App. 2017 Annual Accounts

Jesi, March 30, 2015

Mr. STEFANO MARASCA
Statutory Auditor of ELICA S.p.A.

**LIST OF OFFICES HELD IN OTHER COMPANIES
IN ACCORDANCE WITH ARTICLE 144-QUINQUIESDECIES
OF THE ISSUERS' REGULATION**

Name	GILBERTO	Surname	CASALI
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	Name of Company	Office held	Duration of office
	Listed:		
1	ELICA SpA	Standing Auditor	App. 2014 Annual Accounts
	Of significant size:		
2	GOLDEN LADY COMPANY SpA	Standing Auditor	App. 2015 Annual Accounts

Jesi, March 30, 2015

Mr. GILBERTO CASALI
Statutory Auditor of ELICA S.p.A.