



**BANZAI S.P.A.**

**Registered office in Milan, Corso Garibaldi, 71**

**Corporate Capital Euro 812.297,00 fully paid-in**

**Registered in the Register of Enterprises of Milan, tax code n. 03495470969**

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**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF BANZAI S.P.A.,**

**DRAFTED IN ACCORDANCE TO ARTICLE 125-TER OF LEGISLATIVE DECREE 24 FEBRUARY 1998  
N. 98 AND TO ARTICLES 84-TER AND 73 OF THE REGULATION ADOPTED BY CONSOB WITH  
RESOLUTION N. 11971 OF 1999**

**Dear Shareholders,**

the Ordinary Shareholders' meeting of Banzai S.p.A. (the "**Company**" or "**Banzai**") will be held in Milano at Centro Congressi Palazzo Stelline, Corso Magenta n.61 on **November 25, 2015, at 3:00 p.m.**

Shareholders are asked to resolve on the following Agenda:

- 1. Increase of the number of the members of the Board of Directors from seven to eight. Related and consequent resolutions.**

Due to the acceleration phase of the Group's growth, in views not only of current projects but also of the ones that shall be implemented in the near future, the Board of Directors considers appropriate to increase the number of directors from 7 (seven ) to 8 (eight) members, in compliance with the maximum number of members of the Board established by the By-laws, in order to include among its members the contribute of a further professionalism. Please note that, pursuant to Article 15 of the By-laws, *"the Company is managed by a board of directors consisting of minimum 5 (five) and maximum 11 (eleven) members, determined by a resolution of the ordinary shareholders' meeting while appointing the board of directors or changed by a subsequent resolution."*

In this regard, it should be pointed out that, following the enlargement of the Board of Directors, the presence of an equal number of members will not contribute in any way to hinder or slow down the normal functioning of the Board and the timeliness of its decisions, due to the fact



that Article 17 of the By-laws provides for the rule of the casting vote of the Chairman of the meeting in case of a tie; this shall be considered in itself sufficient to ensure the impossibility of any deadlocks within the Board in the decision-making process.

Given the above, the Board of Directors of your Company therefore proposes You to adopt the following resolution:

*"The ordinary shareholders' meeting of Banzai S.p.A., having examined the explanatory report of the Board of Directors,*

***resolves***

*- to increase the number of members of the Board of Directors from seven to eight.*

**2. Appointment of a director.**

In the context of the above-mentioned proposal of increase the number of Directors, in case this resolution is approved, we invite You to proceed with the contextual appointment of a new Director.

In respect of the technical arrangements, it should be pointed out that the appointment of a new Director shall be done in accordance with the provisions of Article 15 of the By-laws, to which reference is made. In particular, please note that the By-laws provides that:

i) in case of integration of the composition of the Board and not of appointment of the entire governing body, the system of voting list shall not be applied and, therefore, the appointment shall be made with a resolution approved with the majority required by the law;

ii) the new Director, if appointed, will remain in office until the expiry of the Board, namely until the Shareholders' Meeting called to approve the financial statements as at December 31, 2015.

In view of the proposed new structure, the Board of Directors, considering appropriate to introduce in the governing body a new member with experience and qualified skills, after a careful analysis of different profiles of business and senior management having such characteristics and requirements in order to hold the office of directors of listed companies and to meet, at the same time, the requirements of competence, professionalism and prestige sought, identified in Mr. Pietro Scott Jovane the ideal candidate to complement the existing skills of the Board of Directors. Mr. Pietro Scott Jovane having held, among other things, the office of Managing Director and General Manager of RCS MediaGroup S.p.A., has an established and considerable experience in order, among other things, to provide a more effective action in supporting the development plans of the



Company. The presence of the new Director in the Board of Directors of the Company can only enhance the prestige and image of the Company and the Group in its target market.

In any case, shareholders who wish to advance different and further proposals for the appointment of an additional member of the Board of Directors are invited to submit their applications, accompanied by: (i) the professional *curricula* of the candidates, (ii) the declarations in which the candidates accept the candidature and declare, on their own responsibility, the inexistence of any cause of ineligibility and/or incompatibility established by law, and that they meet the requirements prescribed by law n. 9 and by the regulations for the members of the Board, including their possibility to be appointed as independent director pursuant to Article 3 of the Self-discipline Code and to Article 148, paragraph 3 of TUF, and (iii) appropriate documentation certifying the right to propose the appointment.

According to the recommendation of Principle 6.P.1 of the Self-discipline Code published by Borsa Italiana S.p.A. on March 14, 2006, pursuant to which it is recommended that the appointment of directors is made with a transparent procedure, ensuring timely and adequate information on the personal and professional qualifications of the candidates:

i) shareholders are informed that the declaration of willingness to accept the office and the information concerning the personal and professional characteristics of the candidate, Mr. Pietro Scott Jovane, are filed at the registered office of the Company and available on the Company's website [www.banzai.it](http://www.banzai.it);

ii) those who wish to make further proposals for the appointment are invited to file the same, together with the documents indicated above, if possible within 10 days before the meeting, in order to allow the Company to make the same available to the public and to allow the participants to the Meeting to exercise their own voting right.

Given the above, the Board of Directors of your Company therefore proposes You to adopt the following resolution:

*"The ordinary shareholders' meeting of Banzai S.p.A., having examined the explanatory report of the Board of Directors,*

***resolves***



- to appoint a new director in the person of Mr. Pietro Scott Jovane, who will remain in office until the expiry of the mandate of the Board of Directors, namely until the Shareholders' Meeting for the approval of the financial statements as at December 31, 2015.

**3. Redetermination of the compensation of the members of the Board of Directors.  
Related and consequent resolutions.**

On June 6, 2013 the Shareholders' Meeting of the Company resolved to grant to Board of Directors for the years 2013, 2014 and 2015 a total gross remuneration payable to the Board of Directors of Eur 600,000.00 per year, of which Eur 500,000.00 to the Chairman and Eur 1,000.00 to each Director, granting the powers to the Board of Directors, with the opinion of Board of Statutory Auditors pursuant to the law, the allocation of the remaining amount of Eur 94.000,00 between the Directors in relation to the specific duties assigned to them. Following the listing of the Company on April 27, 2015 the Shareholders' Meeting of the Company has revised the remuneration payable to each Director in Eur 10,000.00 gross per year for the remaining period during which the same remained in office, i.e. until the approval of the financial statements as at December 31, 2015.

In light of the above, the Board of Directors, taking into account the possible appointment of a new Director, also in order to provide greater efficiency, considers appropriate to remove the existing monetary limit in relation to the special duties assigned to the Directors - set up by the aforementioned Shareholders' Meeting of June 6, 2013 - and to grant the power to determine the remuneration of Directors with specific responsibilities to the Board of Directors, based on the proposal of the Remuneration Committee and after having consulted the Board of Statutory Auditors, pursuant to Article 2389 of the Italian Civil Code. In addition, in view of the new organizational and functional structure that would be created, the Board of Directors deems advisable to lower the remuneration granted to Mr. Paolo Ainio as Executive Chairman from the current Eur 500,000.00 to Eur 350,000.00, only in case Mr. Pietro Scott Jovane is appointed Managing Director of the Company and from the date of such appointment.

The Board of Directors proposes also to set up the termination indemnity for the Directors appointed Managing Director.

Given the above, the Board of Directors of your Company therefore proposes You to adopt the following resolution:

*"The ordinary shareholders' meeting of Banzai S.p.A., having examined the explanatory report of the Board of Directors,*



***resolves***

- A. to redetermine the remuneration of the Chairman of the Board of Directors Mr. Paolo Ainio in Eur 350,000.00 gross per year, starting from the date hereof, for the remaining period during which the same remained in office, i.e. until the approval of the financial statements as at December 31, 2015;*
- B. to confirm to the current Directors, for the remaining period during which the same remained in office, i.e. until the approval of the financial statements as at December 31, 2015, a remuneration equal to Eur 10,000.00 gross per year to each Director;*
- C. to remove the monetary limit in relation to the special duties assigned to the Directors and to grant the power to determine the remuneration of Directors with specific responsibilities to the Board of Directors, based on the proposal of the Remuneration Committee and after having consulted the Board of Statutory Auditors, pursuant to Article 2389 of the Italian Civil Code;*
- D. to set up the termination indemnity for the Directors appointed Managing Director.*

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Milan, October 22, 2015

The Chairman of the Board of Directors

Paolo Ainio