

SARAS SpA

Registered office: S.S. 195 SULCITANA KM 19 - SARROCH (CA)

Share capital: EUR 54,629,666.67 (fully paid up)

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDER MEETING PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE 58/1998

Dear Shareholders,

this report was prepared by the Company's Board of Statutory Auditors appointed for three financial years by the Shareholders in the Meeting held on 28 April 2015, which is made up of Andrea Vasapolli, as Chairman, and Giovanni Luigi Camera and Paola Simonelli as Standing Auditors. Andrea Vasapolli resigned effective 30 December 2015 and was replaced by the Alternate Auditor, Giancarla Branda, elected in the same minority slate.

As regards the activity performed by the previous Board of Statutory Auditors, the report is based on the evidence available.

During the year ended 31 December 2015, the Board carried out the supervisory activities required by law, following the recommendations expressed in the Code of Conduct for Boards of Statutory Auditors drafted by the National Accounting Profession.

Regarding the activities performed during the year, taking into account the instructions provided by Consob with communication DEM/1025564 of 6 April 2001, as amended and supplemented with communication DEM/3021582 of 4 April 2003 and, subsequently, with communication DEM/6031329 of 7 April 2006, we:

- a) monitored compliance with the law and all the applicable rules and regulations as well as the Articles of Association;
- b) with the frequency provided for by art. 150 of Legislative Decree 58/1998 and with the methods provided for by art. 22 of the Articles of Association, obtained information from the Directors regarding the Company's operations and any expected developments, the activities performed and the transactions with a

significant impact on the Company's financial condition, operating performance and cash flows resolved upon and implemented by the Company and its subsidiaries during the year, and we can reasonably affirm, based on the information made available, that the decisions made and the actions undertaken are compliant with the law and with the articles of association and are not imprudent, risky, and did not represent potential conflicts of interest. Such transactions do not run counter to the resolutions adopted by Shareholders and did not jeopardise the Company's assets. The aforesaid information is presented in detail in the Report on Operations (to which reference is made for further information);

- c) did not observe the existence of atypical or unusual transactions with Group companies, with third parties, or with other related parties. With regard thereto, in the notes to the Financial Statements, the Directors point out and illustrate, analytically, the existence of numerous transactions involving goods and services as well as financial transactions with subsidiaries and with other related parties, elucidating the effects on performance, specifying that they were carried out at the same conditions that would have been applied between unrelated parties for transactions of the same nature and having the same import with relation to company interests. Furthermore, during 2015, the Company did not purchase or sell treasury shares on the Italian MTA (electronic stock market), even though the Annual General Meeting of Shareholders, at 28 April 2015, had authorised a buyback of ordinary Saras SpA shares pursuant to article 2357 of the Civil Code and 132 of Legislative Decree 58/1998, to be conducted within twelve months of 28 October 2015;
- d) formed a positive opinion on the compliance of the Procedure in matters of related-party transactions - approved with resolution of 23 January 2007 and amended, for the version currently in force, with the resolution of 19 March 2014 - with the principles contained in the Consob Regulations adopted with resolution no. 17221 of 12 March 2010, and subsequent amendments thereof, and in the Corporate Governance Code;
- e) examined and monitored, for the matters within the Board of Statutory Auditors' remit, the adequacy of the Company's organisational structure and the observance of best management practices, through meetings with the heads of the

administrative departments and with the independent auditors, in order to share relevant information. We have no specific observations to make in this regard;

f) examined and monitored, for the subsidiaries, the adequacy of the instructions given by the Company pursuant to art. 114, paragraph 2 of Legislative Decree. 58/1998, through:

- ✓ obtaining information from the heads of the various departments;
- ✓ meetings and exchanging information with the Chairman of the Board of Statutory Auditors;
- ✓ meetings with the Independent auditors,

and have no particular observations to make in this regard;

g) examined and monitored the adequacy of the internal control and the accounting and administration systems, as well as the reliability of the latter in terms of accurately representing company transactions, by:

- ✓ reviewing the report of the Manager responsible for preparing financial reports on the Company's internal control system;
- ✓ reviewing the reports of the Internal Audit department and the information report on the results of activities to monitor the implementation of corrective measures identified from time to time;
- ✓ obtaining information from the heads of the various departments;
- ✓ examining company documents;
- ✓ analysing the results of the work carried out by the Independent Auditors;
- ✓ sharing information with the control bodies of subsidiaries, pursuant to paragraphs 1 and 2 of Article 151 of Legislative Decree 58/1958M; and

have no particular observations to make in this regard;

h) have obtained and reviewed information regarding organisational and procedural activities implemented pursuant to Legislative Decree 231/2001, as subsequently amended, and have received, from the Supervisory Body, the minutes of the

meetings held during 2015, with such Supervisory Body assuring us that there are no facts or situations to be mentioned in this report;

- i) have monitored, pursuant to art. 149, paragraph 1, sub-paragraph c-bis of Legislative Decree 58/1998, the actual implementation of the Corporate Governance Code of listed companies prepared by the Corporate Governance for Listed Companies Committee, which the Company adopted with resolution of the Board of Directors dated 11 November 2006; we checked the correct application of the criteria adopted by the Board of Directors to verify the independence of the Directors as well as the independence of the members of the Board of Statutory Auditors, as provided for by art. 3,.C.5 of the foregoing Code;
- j) learned from the Board of Directors, receiving confirmation thereof by Reconta Ernst & Young SpA, the independent auditing firm retained by resolution of the Shareholder Meeting of 28 April 2015, upon a proposal by the Board of Statutory Auditors, mandated to perform the audit, did not receive assignments other than that of auditing the separate financial statements and the consolidated financial statements for financial years from 2015 through 2023 and that of performing a limited audit of the half-yearly reports for said period;
- k) issued, during 2015, favourable opinions on the following:
 - ✓ the remuneration allotted to the Chairman, to the Deputy Chairman of the Board of Directors and to the Chief Executive Officer with resolution of the Board of Directors of 14 May 2015, pursuant to art. 2389, paragraph 3 of the Civil Code;
 - ✓ the annual remuneration of the Directors sitting on the Control and Risk Committee and the Remuneration and Appointments Committee, pursuant to art. 2389, paragraph 3, of the Civil Code;
 - ✓ the remuneration of the Chairman of the Supervisory Body cited in Legislative Decree 231/2001;
 - ✓ the appointment of the Manager responsible for preparing financial reports , pursuant to art. 154-bis of Legislative Decree. 58/1998 and of art. 29 of the Articles of Association;
 - ✓ compliance of the independent directors with the independence requirements;

- l) have not have received notifications pursuant to art. 2408 of the Civil Code and complaints;
- m) received an analytical report regarding the impairment test performed to confirm the value of certain property, plant and equipment of substantial amount recorded in the financial statements of the subsidiaries;
- n) have received analytical information on the transactions with a major impact on the Company's financial condition, operating results and cash flows carried out, including those through subsidiaries. Of said transactions, examined and approved by the Board of Directors, attention is called to the following significant items:
- ✓ the execution, on 6 March 2015, of a medium-long term bank loan agreement, amounting to EUR 150 million, with final maturity on 6 March 2019;
 - ✓ the formation, on 4 September 2015, of a company named "Saras Trading SA", with registered office in Geneva and having as its corporate purpose the activities of procuring crude oil and other raw materials and of selling refined products;
 - ✓ the execution, on 10 December 2015, of a medium-long term bank loan agreement, amounting to EUR 265 million, with final maturity on 10 December 2020;
- o) have held meetings, pursuant to art. 150, paragraph 3 of Italian Legislative Decree 58/1998, with representatives of the independent auditing firm, from which no facts or critical issues worthy of mention in this report emerged;
- p) have received, within the terms provided for by art. 2429 of the Civil Code, the draft financial statements at 31 December 2015, prepared in accordance with the international financial reporting standards, as well as the report on operations;
- q) received, today, from the independent auditing firm, the reports pursuant to Legislative Degree 39/2010 for the separate financial statements and for the consolidated financial statements for the year ended 31 December 2015. These reports reveal no observations or references to problems.

To perform the supervisory activity described above during 2015, the Board of Statutory Auditors met 17 times (the one in office met 8 times); it participated in 1 Shareholder Meeting, in 8 Board of Directors' meetings (the one in office participated in 6 meetings) as well as 3 meetings of the Remuneration and Appointments Committee (the one in office participated in one meeting) and 5 Internal Control and Risk Management Committee meetings (the one on office participated in 3 meetings).

The basic information necessary to perform the activity under our purview was acquired, not only by participating in the foregoing meetings, but also through direct investigations, as well as by gathering information from the department heads concerned.

During the supervisory activity performed and based upon the information acquired from the auditing firm, no omissions and/or reproachable facts and/or irregularities or in any case facts significant enough to require reporting to the oversight bodies or mention in this report were observed.

Conclusions

Based on the supervisory activity performed during the year, having considered that as of today the auditing company issued an unqualified opinion, the Board of Statutory Auditors has no reason to object to the approval of the financial statements at 31 December 2015 and to the proposed resolutions formulated by the Board of Directors.

Lastly, it is also worthy of note that the Shareholder Meeting convened today is also called upon to appoint a Director and to replace a resigned Auditor on the Board of Statutory Auditors in compliance with of the principle of minority representation.

30 March 2016

The Board of Statutory Auditors

Giancarla Branda – Chairman [Signed]

Giovanni Luigi Camera [Signed]

Paola Simonelli [Signed]