

SARAS S.p.A.

**REPORT OF THE BOARD OF DIRECTORS ON AGENDA ITEMS PURSUANT TO
ARTICLE 125-ter OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998**

Dear Shareholders,

In the meeting notice dated 16th March 2012, you are invited to attend the AGM to be held at Palazzo Turati, Via Meravigli 9/b, Milan on 27th April 2012 at 10.30am in first call and, if necessary, on 28th April 2012, same time and venue, in second call, to vote on the following

AGENDA

1. Approval of the financial statements for the year ended 31 December 2011 and presentation of the consolidated financial statements for the year ended 31 December 2011. Related and subsequent resolutions.
2. Remuneration report pursuant to Art. 123-ter of Legislative Decree 58/98.
3. Appointment of the Board of Directors:
 - a) determination of term of office;
 - b) appointment of members;
 - c) determination of remuneration.
4. Appointment of the Board of Auditors:
 - a) appointment of members;
 - b) determination of remuneration.
5. Authorisation to buy and sell treasury shares. Related and subsequent resolutions.

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This report sets out the proposals relating to items 3 and 4 on the agenda and is drawn up pursuant to Article 125-ter of Legislative Decree no. 58 of 24 February 1998, as subsequently amended ("TUF"). In accordance with the above Decree, this report will be made publicly available at the registered office, the administrative head office, the stock market operator and the website www.saras.it of Saras S.p.A. (the "Company") at least forty days before the date of the AGM.

As specified below, the reports concerning the matters indicated in the other agenda items will be published within the time periods prescribed by law.

First item on the agenda

As regards the first item on the agenda, the Board of Directors informs you that the Company's draft financial statements for the year ended 31 December 2011, accompanied by the report on operations and by the certification pursuant to Art. 154-*bis*, paragraph 5, of the TUF by the delegated management bodies and by the chief financial officer, will be made available at the Company's registered office and administrative head office and at Borsa Italiana S.p.A. within the statutory time periods.

Moreover, during the fifteen days preceding the AGM, copies of the Board of Auditors' report and the report by the external auditors on the draft financial statements for the year ended 31 December 2011 will also be available at the Company's registered office and administrative head office and at Borsa Italiana S.p.A..

The documentation may also be consulted on the Company's website (www.saras.it).

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With regard to the presentation of the consolidated financial statements for the year ended 31 December 2011, for which the relevant documentation will be provided in a similar manner to that described for the draft financial statements above, the consolidated financial statements do not require shareholder approval.

Second item on the agenda

As regards the second item on the agenda, the Board of Directors informs you that the remuneration report, drawn up pursuant to Art. 123-*ter* of the TUF, will be made available in the time and manner prescribed by law.

Third item on the agenda

As regards the third item on the agenda, the Board of Directors reminds you that you have been invited to attend the AGM to vote on the appointment of the new Board of Directors and to determine its term of office and the Directors' remuneration.

As already specified in the notice of meeting for the AGM, to which reference can be made for further details, it is recalled that the Board of Directors will be appointed on the basis of candidate slates submitted, according to the procedures set out in Article 18 of the Articles of Association and in CONSOB Resolution no. 18083 of 25 January 2012, by Shareholders who represent, either individually or with others, at least 2% of the share capital comprising shares with voting rights at ordinary shareholders' meetings.

Slates must be deposited at the registered office by the twenty-fifth day preceding the date of the AGM in first call.

As regards the appointment of the Board of Directors, each Shareholder may submit and vote for one slate only and each candidate may appear on one slate only. Each slate must contain between three and fifteen candidates, numbered progressively.

At the end of the voting, the number of Directors will be equal to the number of candidates named on the slate that obtained the greatest number of votes and the following persons will be elected: (i) the candidates from the slate that obtained the greatest number of votes, except for the final candidate on that slate, and (ii) the first candidate taken from the slate that obtained the second best result provided that such person is not related in any way, not even indirectly, to the shareholders who submitted or voted for the slate that obtained the highest number of votes. If only one candidate slate is submitted, the Board of Directors will include all candidates on that single slate.

For all other details regarding the submission of slates and the documents to be attached thereto, including documentation about individual candidates, as well as the procedures governing appointments, please refer to the meeting notice, to Article 18 of the Articles of Association, to Article 18 of the AGM Regulations and to applicable laws and regulations and, in particular, to the provisions of Art. 144-*octies*, first paragraph, letter b) of CONSOB Resolution no. 11971 of 14 May 1999, as subsequently amended ("Issuer Regulations").

You are therefore invited to appoint the Board of Directors by voting for one of the slates that will be submitted in accordance with the procedures set out in applicable laws and in the Articles of Association, and to determine its term of office (which, as required by law and by the Articles of Association, cannot exceed three years) and the annual remuneration of directors pursuant to Article 2389, paragraph 1, of the Civil Code.

Fourth item on the agenda

As regards the fourth item on the agenda, the Board of Directors reminds you that you have been invited to attend the AGM to vote on the appointment of the members of the new Board of Auditors and to determine its remuneration.

In particular, you are asked to appoint three permanent auditors and two deputy auditors who, as required by law and by the Articles of Association, will remain in office for three years, stepping down on the date of the AGM called to approve the financial statements for the year ended 31 December 2014.

It is recalled that members of the Board of Auditors will be appointed on the basis of slates submitted, according to the procedures set out in Art. 26 of the Articles of Association and in CONSOB Resolution no. 18083 of 25 January 2012, by Shareholders who represent, either individually or with others, at least 2% of the share capital comprising shares with voting rights at ordinary shareholders' meetings.

Slates must be deposited at the registered office, together with the respective supporting documentation, by the twenty-fifth day preceding the date of the AGM in first call. If, by that date, only one slate has been deposited or if only "related" slates have been deposited within the meaning laid down by applicable regulations, the deadline for the submission of slates for the appointment of the Board of Auditors will be extended by three days, and the percentage required for the submission of slates will be reduced to 1% of the share capital comprising shares with voting rights at ordinary shareholders' meetings.

At the end of the voting the following persons will be elected: (i) for the post of permanent auditor: the candidates in positions nos. 1 (one) and 2 (two) on the slate that obtained the greatest number of votes; (ii) for the post of Chairman of the Board of Auditors: the candidate in position no. 1 (one) on the slate that obtained the greatest number of votes from among the slates submitted and voted for by shareholders who are not related, not even indirectly, to the shareholders who submitted or voted for the slate that obtained the greatest number of votes; (iii) for the post of deputy auditors: the candidates indicated as deputies in position no. 1 (one) both on the slate than obtained the greatest

number of votes and on the minority slate from which the Chairman of the Board of Auditors was taken.

In the event that two or more slates obtained the same number of votes, a new vote will be held in order to achieve an unequivocal result. If only one slate is submitted, the permanent auditors (including the Chairman of the Board of Auditors) and the deputy auditors will be elected from that slate.

For all other details regarding requirements of candidates, the submission of slates and the documents to be attached thereto, including documentation about individual candidates, as well as the procedures governing appointments, please refer to the notice of meeting, to Article 26 of the Articles of Association, to Article 18 of the AGM Regulations and to applicable laws and regulations and, in particular, to the provisions of Art. 144-*sexies*, fourth paragraph, of the Issuer Regulations.

You are therefore invited to appoint the members of the Board of Auditors by voting for one of the slates that will be submitted in accordance with the procedures set out in applicable laws and in the Articles of Association, and to determine its remuneration.

Fifth item on the agenda

As regards the fifth item on the agenda, the Board of Directors informs you that you have also been invited to attend the AGM to vote on the proposed authorisation to buy and sell treasury shares of the Company, pursuant to Article 2357 of the Civil Code, Article 132 of the TUF and Art. 2357-ter of the Civil Code (the "Programme").

An explanatory report on the aims and salient features of the Programme, draw up in accordance with and following the structure set out in Appendix 3A, model no. 4, of the Issuer Regulations, will be made publicly available in the time and manner prescribed by current laws.

Milan, 16 March 2012



For the Board of Directors

The Chairman