



**REPORT OF THE BOARD OF DIRECTORS ON THE
AGENDA ITEMS IN ACCORDANCE WITH ARTICLE 125-
ter OF LEGISLATIVE DECREE 58 OF 24 FEBRUARY 1998**

Dear Shareholders,

In a notice of meeting dated 13 September 2013, you were invited to attend the ordinary shareholders' meeting at Palazzo Turati, Via Meravigli 9/b, Milan, on 15 October 2013 at 11.00 am for the first call and, if necessary, on 16 October 2013 at the same time and venue for the second call, to vote on the following

AGENDA

Extraordinary Part

1. Amendment to articles 6 and 18 of the Bylaws. Related and consequent resolutions.

Ordinary Part

1. Appointment of a director. Determination of his remuneration. Related and consequent resolutions.

This report was prepared in accordance with article 125-*ter* of Legislative Decree no. 58 of 24 February 1998, as subsequently amended (hereinafter the "TUF"), as well as pursuant to article 84-*ter* of the Regulation approved by Consob under Resolution No. 11971 of 14 May 1999, as subsequently amended (hereinafter the "Issuer's Regulation"). This report will be made available to the public at the registered office and administrative office and on the website (www.saras.it) of Saras S.p.A. (the Company), in accordance with the terms set forth in the abovementioned laws and regulations.

Extraordinary Part

1. Amendment to articles 6 and 18 of the Bylaws. Related and consequent resolutions.

The report prepared in accordance with article 72 of the Issuers' Regulation will be made available to the public in accordance with the terms set forth in the same provision.

Ordinary Part

1. Appointment of a director. Determination of his remuneration. Related and consequent resolutions.

With regard to the first item on the agenda, the Board of Directors informs you that on 6 March 2013 Mr. Mario Greco, who was a non-executive and independent director, resigned. On 14 May 2013, the Board of Directors co-opted Mr. Igor Sechin to replace Mr. Mario Greco in order to have the Board fully formed. This co-optation anticipated in some ways the possible consequences of the amendments to the Bylaws concerning the appointment of the Board of Directors and submitted to the extraordinary shareholder's meeting. The co-optation also allowed the Company to avail itself of Mr. Igor Sachin's experience and managerial skills of (Mr. Sachin is also president of Rosneft Oil Gas which is the world's biggest listed company producing crude oil).

The co-optation procedure has been carried out pursuant to article 2386 of the Italian Civil Code and article 18, paragraph 12, of the Bylaws.

It should be noted that article 2386 of the Italian Civil Code provides that the co-opted director holds his office until the following general meeting. Mr. Igor Sechin's term will therefore expire in connection with the meeting you are called for.

The Board of Directors informs you that you have been convened to appoint a new member to the Board of Directors pursuant to article 2364 of the Italian Civil Code and article 18 of the Bylaws.

As already explained in the Notice of the meeting, to which you can refer for further details, it is worth noting that the appointment of the new director will take place according to the procedures set forth in article 18, paragraph 12, of the Bylaws currently in effect.

In particular, pursuant to article 18 of the Bylaws "one or more shareholders, representing in the aggregate at least 2.5% (two point five percent), or a different amount established pursuant to the law in force at the pertinent moment, of the share of capital comprising shares with voting rights at ordinary general meetings, may indicate their candidate by recording his name at the company headquarters at least ten days prior to the date of the general meeting on its first call. The preceding provisions of this article 18 shall apply to the extent that they are compatible. If the nominated director or the one that he replaces comes from a minority list, the shareholder who accounts for the largest percentage of capital present at the meeting

and the shareholders directly or indirectly associated with him may not vote. At the outcome of the vote, the candidate who receives most votes will be elected. The new director's term of office shall expire at the same time as that of the directors who held office at the time of his appointment and he shall be subject to the same laws, regulations and provisions of these By-laws applicable to the other directors.”

By the deadline set forth to present the names of the candidates, the following documents must also be submitted:

- a statement of each candidate attesting, under his/her own responsibility, that there are no ineligibility or incompatibility issues, as well as a declaration that he/she meets the requirements imposed by law and the Bylaws in order to assume the office of director;
- a statement attesting that the candidate meets the independence requirements pursuant to Art. 148, comma 3 of Legislative Decree 58/98;
- an adequate report of the personal and professional skills of the candidate; and
- a declaration issued by the legally entitled financial broker attesting the percentage of the shares owned required to present a candidate is met.

For further details concerning the submissions of the candidates' names and the documents to be filed with them, as well as the procedures for the appointment, we invite you to make reference to the notice of the meeting, to article 18 of the Bylaws, to article 18 of the Rules for the general meeting and to applicable laws and regulations.

You are therefore invited to appoint one director and choose him among the candidates that will be presented pursuant to the above-mentioned provisions. His term will expire, together with the Board currently in office, upon the approval of the financial statement for the financial year ending on December 31, 2014. You are also invited to determine the yearly remuneration of the new director pursuant to article 2389, paragraph 1, of the Italian Civil Code and article 25 of the Bylaws.

Milan, 13 September 2013

For the Board of Directors
The Chairman
Dott. Gian Marco Moratti