



**REPORT OF THE BOARD OF DIRECTORS TO THE  
EXTRAORDINARY MEETING ON THE BYLAWS'  
AMENDMENTS IN ACCORDANCE WITH ARTICLE 72  
OF THE ISSUER'S REGULATION**

Dear Shareholders,

This extraordinary meeting was called in order to discuss the following

## **AGENDA**

### **Extraordinary Part**

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

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This report was prepared in accordance with article 72 of the Regulation adopted by Consob under resolution No. 11971 on 14 May 1999, as subsequently amended (hereinafter “Issuers’ Regulation”), and in compliance with Annex 3A, scheme 3, of the above mentioned Regulation. This report will be made available to the public at the registered office and administrative office and on the website ([www.saras.it](http://www.saras.it)) of Saras S.p.A. (the Company) within the terms in set forth in the Issuers’ Regulation, therefore by 24 September 2013.

The Board of Directors informs you that the proposals of amendments to article 6 and article 18 of the Company’s bylaws are submitted to you for the reasons described below.

## **1. The Reasons for the Proposed Amendments**

On 15 April 2013, Angelo Moratti S.a.p.A. di Gian Marco Moratti e Massimo Moratti, Mr. Gian Marco Moratti and Mr. Massimo Moratti signed a share purchase agreement with Rosneft JV Projects S.A. (hereinafter “Rosneft”), a subsidiary of Rosneft Oil Company, in order to sell to Rosneft 130,290,883 Company’s shares.

The transaction was closed on 23 April 2013.

After the sale Rosneft launched a voluntary partial Public Tender Offer. As a result of the Public Tender Offer, Rosneft now holds 20.989% of the Company share capital.

On 21 June 2013, Rosneft Oil Company and the Company signed an agreement to establish on a parity basis a joint venture on equal terms aimed at conducting commercial activities in the crude oil and other oil products sector (the letter of intent providing for the establishment of the joint venture was signed on December 2012).

As you know, pursuant to the share purchase agreement signed on 15 April 2013, Angelo Moratti S.a.p.A undertook to ask the Company’s Board of Directors to call a meeting of the shareholders as soon as possible, and in any case within six months since the closing date of the transaction. Moreover, Angelo Moratti S.a.p.A also undertook to vote in that meeting, or in the next extraordinary shareholders’ meeting called by the Board of Directors, in favor of the following amendments of the Bylaws of Saras:

- without any prejudice to the provisions of the Bylaws implementing article 147-ter of the Legislative Decree 24 February 1998, n. 58 (hereinafter “TUF”), one director shall be chosen from the list of candidates submitted and voted by a shareholders who holds individually at least 12% of the share capital, and that was the second most voted list;
- paragraph 3 of article 6 of the Bylaws shall be amended in order to remove the provision that allows to exclude the pre-emption rights granted to the shareholders within 10% of the share capital as provided by the second part of the fourth paragraph of article 2441 of the Italian Civil Code.

Also in light of the positive relationship with Rosneft, the relevance of the abovementioned joint venture and the support that the representative of a shareholder like Rosneft (which is the biggest crude oil listed producer in the world and holds the biggest proved reserves of liquid hydrocarbons) could provide, the Board of

Directors resolved to submit the abovementioned amendments to the shareholders' meeting.

In this regard, the Board of Directors observes that the amendment concerning the appointment of directors aims at allowing minority shareholders that have a substantial participation in the share capital (as Rosneft) to appoint a director and have a representative in the Board of Directors. This without prejudice to the right of the other minority shareholders to appoint a director pursuant to article 147-*ter* TUF. The proposed amendment allows to adapt the Bylaws to the current shareholder structure of the Company and increase the representation of minority shareholders in the Board of Directors.

The amendment to the article on capital increase – which has been assessed also in light of Rosneft requests – aims at reducing the chance of transactions whereby equal treatment of shareholders is not entirely ensured. Should such an amendment be approved, a capital increase envisaging the exclusion of the pre-emption right would be submitted to the approval of the shareholder meeting pursuant to the general rule set forth in article 2441 of the Italian Civil Code.

## 2. Comparison of the Bylaws' articles in the current and proposed version.

<p><b>Article 6</b></p> <p><b>Share Capital</b></p> <p>The subscribed and paid share of capital is 54,629,666.67 euros divided into 951,000,000 ordinary shares.</p> <p>At the extraordinary general meeting of January 11th 2006, it was resolved that the share of capital be increased to a maximum of 67,784,444.00 euros. This would exclude the pre-emption rights under paragraph 5 of article 2441 of the Civil Code, through the issuance, by December 31st, 2006, of a maximum of 289,000,000 ordinary shares at the minimum price of 50 cents each (including share premium) with normal entitlements and with a view towards placement thereof in one or more tranches by various methods and through an offering to the general public in Italy and a private placement with Italian professional investors and foreign institutional investors within the framework of the listing of the company's ordinary shares on a regulated market organised and managed by Borsa Italiana S.p.A.. Once the deadline of December 31st, 2006 passes, the share of capital shall be deemed to be increased by an amount equal to the subscriptions gathered to such date.</p> <p>In resolutions increasing the share of capital for valuable consideration and apart from the case provided by law, the pre-emption rights can be excluded to a</p>	<p><b>Article 6</b></p> <p><b>Share Capital</b></p> <p>The subscribed and paid share of capital is 54,629,666.67 euros divided into 951,000,000 ordinary shares.</p> <p>At the extraordinary general meeting of January 11th 2006, it was resolved that the share of capital be increased to a maximum of 67,784,444.00 euros. This would exclude the pre-emption rights under paragraph 5 of article 2441 of the Civil Code, through the issuance, by December 31st, 2006, of a maximum of 289,000,000 ordinary shares at the minimum price of 50 cents each (including share premium) with normal entitlements and with a view towards placement thereof in one or more tranches by various methods and through an offering to the general public in Italy and a private placement with Italian professional investors and foreign institutional investors within the framework of the listing of the company's ordinary shares on a regulated market organised and managed by Borsa Italiana S.p.A.. Once the deadline of December 31st, 2006 passes, the share of capital shall be deemed to be increased by an amount equal to the subscriptions gathered to such date.</p> <p>In resolutions increasing the share of capital for valuable consideration <del>and apart from the case provided by law,</del> the pre-emption rights can be excluded <del>to a</del></p>

<p>maximum extent of ten percent of the existing capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed in writing for such purposes by the firm in charge of auditing the accounts.</p> <p>The board of directors is authorised, pursuant to article 2443 of the Civil Code, to increase the share of capital on one or more occasions by June 30th, 2009 up to a maximum of 10% of the company's capital as of the day following the date of commencement of trade in the ordinary shares on a regulated market organised and managed by Borsa Italiana S.p.A.. This increase would be through the issuance of ordinary shares with normal entitlements to be offered for subscription to professional investors in Italy and institutional investors abroad or the general public, excluding the pre-emption rights set forth in the second sentence of paragraph 4 of article 2441 of the Civil Code, in accordance with the procedures and conditions of the law.</p> <p>Calls to pay capital shall be made by the board of directors in the manner and at the times decided by the shareholders in the general meeting. Late payments by shareholders shall accrue interest at the statutory rate without prejudice to the provisions of article 2344 of the Civil Code.</p> <p>Increases in capital may be paid by contributions in kind to the extent permitted by the law.</p>	<p><del>maximum extent of ten percent of the existing capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed in writing for such purposes by the firm in charge of auditing the accounts</del> <u>in the cases provided by the law.</u></p> <p>The board of directors is authorised, pursuant to article 2443 of the Civil Code, to increase the share of capital on one or more occasions by June 30th, 2009 up to a maximum of 10% of the company's capital as of the day following the date of commencement of trade in the ordinary shares on a regulated market organised and managed by Borsa Italiana S.p.A.. This increase would be through the issuance of ordinary shares with normal entitlements to be offered for subscription to professional investors in Italy and institutional investors abroad or the general public, excluding the pre-emption rights set forth in the second sentence of paragraph 4 of article 2441 of the Civil Code, in accordance with the procedures and conditions of the law.</p> <p>Calls to pay capital shall be made by the board of directors in the manner and at the times decided by the shareholders in the general meeting. Late payments by shareholders shall accrue interest at the statutory rate without prejudice to the provisions of article 2344 of the Civil Code.</p> <p>Increases in capital may be paid by contributions in kind to the extent permitted by the law.</p>
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<p><b>Article 18</b></p> <p><b>Number of Directors and Term of Office</b></p> <p>The company shall be managed by a board of directors comprised of not less than three and not more than fifteen members.</p> <p>The shareholders in a general meeting shall determine the number of directors within the aforementioned limits and elect the directors in accordance with the list system described hereunder. The number of directors may be increased by resolution of the shareholders in a general meeting and during the board's term of office, provided that the term of office of such directors shall expire at the same time as that of the directors who held office at the time of their appointment.</p> <p>The directors' term of office shall be determined at the time of their appointment by the shareholders in a general meeting and may not exceed three financial years. The mandate expires on the date of the general meeting convened to approve the financial statements for the last financial year of the term of office. Directors may be reelected.</p> <p>Members of the board of directors shall be elected, in accordance with the gender balance regulations in force, on the basis of lists of candidates in accordance with the procedures set forth hereunder.</p> <p>One or more shareholders representing, on the basis of the shares recorded as</p>	<p><b>Article 18</b></p> <p><b>Number of Directors and Term of Office</b></p> <p>The company shall be managed by a board of directors comprised of not less than three and not more than fifteen members.</p> <p>The shareholders in a general meeting shall determine the number of directors within the aforementioned limits and elect the directors in accordance with the list system described hereunder. The number of directors may be increased by resolution of the shareholders in a general meeting and during the board's term of office, provided that the term of office of such directors shall expire at the same time as that of the directors who held office at the time of their appointment.</p> <p>The directors' term of office shall be determined at the time of their appointment by the shareholders in a general meeting and may not exceed three financial years. The mandate expires on the date of the general meeting convened to approve the financial statements for the last financial year of the term of office. Directors may be reelected.</p> <p>Members of the board of directors shall be elected, in accordance with the gender balance regulations in force, on the basis of lists of candidates in accordance with the procedures set forth hereunder.</p> <p>One or more shareholders representing, on the basis of the shares recorded as</p>
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<p>being held by those shareholders on the day that the list is submitted to the company, 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 capital comprising shares with voting rights at ordinary general meetings may submit a list of between three and fifteen candidates ranked progressively by number. Such list shall be filed at the company headquarters no later than the twenty-fifth day prior to the date of the general meeting on its first call, failing which the list shall be deemed null and void.</p> <p>For the purposes of proving ownership of the number of shares required to submit the lists, reference shall be made to the certificate issued by the financial broker, which may also be presented after the list has been filed, as long as it is presented before the deadline for the publication of the lists by the company. Lists with three or more candidates must include candidates of both sexes such that the percentage (rounded up) of candidates from the gender with lesser representation is equal to the percentage prescribed by the gender balance regulations in force with regard to the composition of the Board of Directors.</p> <p>Each shareholder may submit and vote for a single list of candidates. Each candidate may appear on only one list, failing which the candidate will be ineligible. Shareholders shall cast their votes for a list and hence all the candidates included thereon without the possibility to make changes, additions or</p>	<p>being held by those shareholders on the day that the list is submitted to the company, 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 capital comprising shares with voting rights at ordinary general meetings may submit a list of between three and fifteen candidates ranked progressively by number. Such list shall be filed at the company headquarters no later than the twenty-fifth day prior to the date of the general meeting on its first call, failing which the list shall be deemed null and void.</p> <p>For the purposes of proving ownership of the number of shares required to submit the lists, reference shall be made to the certificate issued by the financial broker, which may also be presented after the list has been filed, as long as it is presented before the deadline for the publication of the lists by the company. Lists with three or more candidates must include candidates of both sexes such that the percentage (rounded up) of candidates from the gender with lesser representation is equal to the percentage prescribed by the gender balance regulations in force with regard to the composition of the Board of Directors.</p> <p>Each shareholder may submit and vote for a single list of candidates. Each candidate may appear on only one list, failing which the candidate will be ineligible. Shareholders shall cast their votes for a list and hence all the candidates included thereon without the possibility to make changes, additions or</p>
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<p>exclusions.</p> <p>The lists must be accompanied by statements, likewise to be filed at the company headquarters by the same date, whereby all of the candidates appearing thereon declare – assuming all liability for the statement – that there are no grounds for their ineligibility or incompatibility and that they meet the requirements of the applicable law and the By-laws for the office of director of the company.</p> <p>The number of directors shall be equal to the number of candidates on the list that obtains the most votes.</p> <p>At the outcome of the vote, the following shall be elected: (i) the candidates on the list that obtain the most votes, except for the last ranked candidate on that list, and (ii) the first ranked candidate on the list that obtains the second best result and is not directly or indirectly linked in any way to the shareholders who have presented or voted for the list that obtained most votes. In the event that just one list of candidates is submitted, the board of directors shall be composed of all the candidates on the single list.</p> <p>If the election of candidates in the manner described above fails to ensure that the composition of the Board of Directors is in accordance with the gender balance regulations in force, then the candidate of the gender with greater representation who was elected last (in descending order) in the candidate list that received the greatest number of votes shall be substituted by the non-elected candidate of the gender with</p>	<p>exclusions.</p> <p>The lists must be accompanied by statements, likewise to be filed at the company headquarters by the same date, whereby all of the candidates appearing thereon declare – assuming all liability for the statement – that there are no grounds for their ineligibility or incompatibility and that they meet the requirements of the applicable law and the By-laws for the office of director of the company.</p> <p>The number of directors shall be equal to the number of candidates on the list that obtains the most votes.</p> <p>At the outcome of the vote, the following shall be elected: (i) the candidates on the list that obtain the most votes, except for, <u>in case each or both of the lists identified below are validly submitted and voted,</u> the last ranked candidate <u>or the last two candidates respectively</u> on that list, <del>and</del> (ii) the first ranked candidate on the list that obtains the <del>second</del> best result <u>on those lists which are not</u> <del>and is not</del> directly or indirectly linked in any way to the shareholders who have presented or voted for the list that obtained most votes. <del>In the event that just one list of candidates is submitted, the board of directors shall be composed of all the candidates on the single list.</del> <u>and (iii) the first ranked candidate on the list submitted and voted by shareholders individually representing at least 12 % of the share capital made up by shares having voting rights in the ordinary general meeting (even if this list is linked with the shareholders who have submitted and voted the list that obtained</u></p>
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<p>lesser representation who was first in the same list. If, as a result of such substitution procedure, the composition of the Board of Directors is not in accordance with the gender balance regulations in force, then the substitution shall be made by resolution of a shareholders' meeting to be passed by relative majority, upon presentation of candidates of the gender with less representation.</p> <p>If during the term of the financial year one or more vacancies on the board arise, the provisions of article 2386 of the Civil Code shall be applied. If the director no longer in office came from the list which obtained the second best result, the vacancy will be filled by appointing the next highest ranking candidate on that list who is still eligible and willing to accept the directorship. A director nominated by resolution of the board of directors or one appointed to replace him shall need to be confirmed at the next general meeting in the manner described hereafter. 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</p>	<p><u>the most votes), as long as this list obtained the second best result.</u></p> <p>If the election of candidates in the manner described above fails to ensure that the composition of the Board of Directors is in accordance with the gender balance regulations in force, then the candidate of the gender with greater representation who was elected last (in descending order) in the candidate list that received the greatest number of votes shall be substituted by the non-elected candidate of the gender with lesser representation who was first in the same list. If, as a result of such substitution procedure, the composition of the Board of Directors is not in accordance with the gender balance regulations in force, then the substitution shall be made by resolution of a shareholders' meeting to be passed by relative majority, upon presentation of candidates of the gender with less representation.</p> <p>If during the term of the financial year one or more vacancies on the board arise, the provisions of article 2386 of the Civil Code shall be applied. If the director no longer in office came from <u>a different</u> <del>the</del> list <u>from that</u> which obtained the <del>second best result</del> <u>most votes</u>, the vacancy will be filled by appointing the next highest ranking candidate on that list who is still eligible and willing to accept the directorship. A director nominated by resolution of the board of directors or one appointed to replace him shall need to be confirmed at the next general meeting in the manner described hereafter. One or more shareholders, representing in the aggregate at least</p>
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<p>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. In any case, the substitution of directors whose appointment is terminated shall be made by the Board of Directors so as to ensure compliance with the gender balance regulations in force.</p> <p>Should the majority of the board of directors cease to hold office for any reason or cause whatsoever, the entire board will be deemed to have resigned and a general meeting shall have to be convened without delay by the remaining directors for the purposes of appointing the new board.</p>	<p>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 <u>the a minority list mentioned under paragraph 9, (ii) of this article 18</u>, 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. In any case, the substitution of directors whose appointment is terminated shall be made by the Board of Directors so as to ensure compliance with the gender balance regulations in force.</p> <p>Should the majority of the board of directors cease to hold office for any reason or cause whatsoever, the entire board will be deemed to have resigned and a general meeting shall have to be convened without delay by the remaining directors for the purposes of appointing the new board.</p>
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### **3. Information on the Right of Withdrawal**

The proposed amendments to the Bylaws do not give rise to the right of withdrawal, because they are not included among those mentioned in article 2437 of the Italian Civil Code.

### **4. Draft Resolution Proposed to the Extraordinary Shareholders' Meeting**

Dear Shareholders,

If you agree on the amendments described under point 2 above, we propose the adoption of the following resolution:

*“ The Shareholders' Meeting,*

- *Having examined the report of the Board of Directors;*
- *Acknowledging the proposed amendments to certain articles of the Bylaws;*

*Resolves*

- *To approve the amendments to article 6 (Share Capital) and article 18 (Number of Directors and Term of Office) of the Bylaws, as described above”.*

Milan, 13 September 2013

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