



# Special meeting of the savings shareholders 6 May 2014

Directors' report on the item on the agenda published pursuant to art. 125-ter, Decree no. 58 dated 24 February 1998



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**Indesit Company S.p.A.**

Registered office: Viale Aristide Merloni 47, 60044 Fabriano (AN)  
Share capital € 102,759,269.40, fully paid up  
Ancona Companies Register,  
Tax code and VAT no. 00693740425  
[www.indesitcompany.com](http://www.indesitcompany.com)

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## **Notice of special meeting of the savings shareholders**

### **Full notice**

Those entitled to vote at the special meeting of the savings shareholders of Indesit Company S.p.A. (the "Company") are hereby called to a special meeting at the Company's registered offices in Fabriano, Viale Aristide Merloni 47, on 6 May 2014, at 10 am in first and only calling to discuss and vote on the following

### **Agenda**

Obligatory conversion of non-convertible savings shares into ordinary shares. Related and consequent resolutions.

### **Information on the share capital**

The share capital at 21/3/2014 is € 102,759,269.40, represented by 114,176,966 shares, par value € 0.90 each, of which:

- 113,665,684 ordinary shares, each entitling the holder to one vote at the shareholders' meeting;
- 511,282 non-convertible savings shares without voting rights.

The Company holds 11,008,260 ordinary shares (9.68% of the ordinary share capital), the voting rights of which are suspended.

### **Information on the exercise of rights Method and deadlines for access to documentation**

All written communications required by this notice of meeting must reach the Corporate Affairs Office at the certified email address [affari.societari@pec.indesit.com](mailto:affari.societari@pec.indesit.com) or fax number (+39) 0732637220.

This address may also be used to request:

- attendance at the meeting: requests must be received at least two business days before the meeting that subjects wish to attend;
- further information from the Company about the Meeting.

All documents for the meeting, especially the report of the Board of Directors on the item on the agenda, will be made available to the public together with the full text of proposed resolutions, within the legal deadline, at the Company's registered offices, on the Company's website at the address [www.indesitcompany.com/assemblea](http://www.indesitcompany.com/assemblea) ("Website") and at Borsa Italiana S.p.A.

### **Entitlement to participate**

Entitlement to participate in shareholders' meetings and exercise voting rights is certified by a notice to the Company issued by a broker, on the basis of its accounting records, in favor of the subject entitled to vote at the record date (24/4/2014). Subjects who become shareholders subsequent to said date shall not be entitled to participate in or vote at the shareholders' meeting. The notice from the broker must be received by the end of the third trading day prior to the date fixed for the Meeting in first and only calling and, therefore, by 30/4/2014. Entitlement to participate and vote is not forfeited if notices reach the Company after the deadlines indicated in this clause, provided they arrive before the start of business at the meeting. It should be remembered that notices to the Company are made by brokers, at the request of the subjects entitled to vote, in the manner indicated in the section on "Information for the exercise of rights".

To facilitate verification of their entitlement, entitled subjects or their proxies are invited to arrive before the time indicated for the meeting with an identification document and a copy of the notice that brokers are required by current law to issue to the Company on their behalf.

### **Proxy voting**

All subjects entitled to participate may be represented by written proxy as allowed by law by signing 1) the proxy statement at the bottom of the copy of the broker's certificate or 2) a proxy form available from the Website. Notification of the proxy given may be carried out in the manner indicated in the section on "Information for the exercise of rights".

If representatives deliver or transmit a copy of the proxy to the Company, they must confirm, under their own responsibility, the conformity of the proxy with the original and the identity of the delegating party. Note that the by-laws do not provide for voting by correspondence or electronic means.

### **Designated Representative**

Proxy may be conferred free of charge for the delegator (except for transmission expenses) for the purposes of this shareholders' meeting on "Società per Amministrazioni Fiduciarie - SPAFID S.p.A.", designated for the purpose by the Company pursuant to art. 135-*undecies*, Decree No. 58 dated 24 February 1998, provided that said proxy reaches the Designated Representative by 2/5/2014, by courier or registered letter with advice of receipt, at Foro Buonaparte 10 – 20121 Milan. Proxies are only valid for motions on which voting instructions have been given. Proxies and instructions may be revoked within the term indicated above. Proxies are given by signing the proxy form available from the Website.

### **Additions to the agenda and presentation of new proposed resolutions**

Shareholders who, together or alone, represent at least one-fortieth of the share capital may apply to the Company in writing, in the manner indicated in the section on "Information for the exercise of rights" and within ten days of publication of this notice of meeting, to add items to the agenda for discussion or present additional proposed resolutions about matters already included on the agenda. A report on the matters proposed for discussion or the reason for the additional proposed resolutions about matters already included on the agenda must be presented, in the manner and by the deadline indicated above, together with such application.

Additions to the agenda are not allowed for matters on which the Shareholders' Meeting must vote, by law, following motions presented by the Board of directors or on the basis of a project or report prepared by the latter, or for matters other than those indicated in the section on "Information for the exercise of rights".

Notice of any additions allowed by the Board of Directors or of the presentation of additional proposed resolutions about matters already included on the agenda is given, at least fifteen days before the date fixed for the shareholders' meeting, in the manner required for this notice of meeting. At the same time, the Board of directors makes the above report/s filed with the Company available to the public, together with its considerations, if any.

### **Right to ask questions**

Even before the start of the meeting, those entitled to vote may submit written questions concerning matters on the agenda, in the manner described in the section on "Information for the exercise of rights", on condition that they are made at least three days prior to the date of the meeting (this deadline expires on 2/5/2014, since 3/5/2014 is considered to be a holiday). Together with these questions, questioners must present suitable documentation confirming their entitlement to exercise voting rights (see the section on "Entitlement to participate").

Questions submitted before a shareholders' meeting must be answered during the meeting, at the latest. The Company reserves the right to answer the questions received on the Website and, in any case, to give a single answer to a number of questions on the same subject.

### **Right to withdraw**

Should the proposed obligatory conversion of the savings shares into ordinary shares be approved at the Extraordinary Meeting of the ordinary shareholders and also at the Special Meeting of savings shareholders, the holders of savings shares that did not contribute to the adoption of the related resolutions may exercise their right to withdraw within fifteen days of the date of filing of the resolution that justifies such action pursuant to art. 2437-*bis* of the Italian Civil Code; this date will be communicated in a notice published in a national daily newspaper and on the Website. Such notice will also be posted at the registered offices of the Company and sent to Borsa Italiana S.p.A. and to Consob.

In this regard, the unit selling price of the savings shares of Indesit Company SpA, in relation to which the right to withdraw may be exercised, will be calculated, in compliance with art. 2437-*ter* of the Italian Civil Code, with

sole reference to the simple average of the closing prices struck during the six-month period prior to the date of publication of this notice and will be published in a national daily newspaper jointly extract of this notice.

Peterborough, 21 March 2014

For the Board of Directors

The Chairman

Marco Milani

## Board of Directors' Report

### *Obligatory conversion of non-convertible savings shares into ordinary shares.*

Shareholders,

The holders of non-convertible savings shares have been called to a special meeting, pursuant and consequent to art. 2376 of the Italian Civil Code and arts. 146 and 147-*bis* of Decree No. 58 dated 24 February 1998, to resolve on the proposed obligatory and automatic conversion, at par without adjustment, of all 511,282 non-convertible savings shares into the same number of new ordinary shares, with the same characteristics as the ordinary shares already in circulation, via the issue, to service the conversion, of 511,282 ordinary shares, par value Euro 0.90 each, and simultaneous cancellation of the 511,282 non-convertible savings shares, par value Euro 0.90 each, currently in circulation. This proposal also involves amending a number of articles of the By-laws, as detailed further below and in the report prepared by the Board of Directors for the ordinary shareholders' meeting.

The proposed operation concerns all the savings shares in circulation (511,282), which it is proposed to convert, at par without adjustment, into the same number of new ordinary shares, also of par value Euro 0.90 each, with the same characteristics as the ordinary shares already in circulation and with enjoyment rights from 1 January 2014. Consequent to the obligatory conversion of the savings shares into ordinary shares, the 511,282 savings shares currently in circulation will be canceled.

The ordinary shareholders have been called to approve the conversion resolution at an Ordinary and Extraordinary Shareholders' Meeting to be held on 6 May 2014 and, if necessary, in second calling on 7 May 2014 ("Meeting of the Ordinary Shareholders").

The Reports of the Board of Directors on the items on the agenda for the Extraordinary Session of the Meeting of the Ordinary Shareholders contain a detailed description of the reasons for the operation, the rights and privileges accorded to the savings shareholders, the critical aspects of the operation, the conversion methodology and the amendments to the articles of association inherent in and consequent to the operation.

The Board of Directors has not subordinated completion of the conversion to any efficacy conditions, except for that inherent in receipt of the necessary approvals from the special meeting of the savings shareholders and the Meeting of the Ordinary Shareholders.

At the effective date of the conversion operation, the share capital of the Company, currently represented by 114,176,966 shares, par value Euro 0.90 each, comprising 113,665,684 ordinary and 511,282 non-convertible savings shares, will be represented by 114,176,966 ordinary shares with the same par value.

| <i>Share capital</i> | <i>no. of shares<br/>before conversion</i> | <i>%</i>      | <i>no. of shares<br/>after conversion</i> | <i>%</i>      |
|----------------------|--|---------------|---|---------------|
| Ordinary             | 113,665,684                                | 99.55         | 114,176,966                               | 100.00        |
| Savings              | 511,282                                    | 0.45          | 0   | -             |
| <b>total</b>         | <b>114,176,966</b>                         | <b>100.00</b> | <b>114,176,966</b>                        | <b>100.00</b> |

As mentioned, the operation will not change the amount of share capital (Euro 102,759,269.40), since the conversion involves canceling 511,282 savings shares, par value Euro 0.90 each, and issuing 511,282 ordinary shares, par value Euro 0.90 each.

#### **Right to withdraw**

Since the resolution to convert the savings shares into ordinary shares involves amendments to the By-laws of the Company regarding the voting and participation rights of the savings shareholders, those savings



shareholders who do not vote in favor at the extraordinary session of the shareholders' meeting or at the special meeting will be entitled to exercise their right to withdraw pursuant to art. 2437, para. 1.g), of the Italian Civil Code.

Pursuant to art. 2437-*bis* of the Italian Civil Code, parties entitled to exercise the right to withdraw may exercise such right, in relation to all or part of the shares held, by sending a registered letter ("Declaration of Withdrawal") to the registered offices of the Company within 15 days of the date of filing the resolution that justifies such withdrawal pursuant to art. 2437-*bis* of the Italian Civil Code. Information about this filing will be given by publishing a notice in a national daily newspaper and on the Website; this notice will also be posted at the registered offices of the Company and sent to Consob and Borsa Italiana SpA.

In addition to that specified below and without prejudice to the provisions of art. 127-*bis* of Decree No. 58 dated 24 February 1998, the withdrawing shareholder must attach to the Declaration of Withdrawal a suitable communication, issued by an authorized broker, that confirms (i) ownership on the account of the shares subject to withdrawal on the date of the meeting whose resolution justifies exercise of the right to withdraw and (ii) ownership on the account of the shares subject to withdrawal on the date of such communication.

With reference to the Declaration of Withdrawal, this must indicate:

- (i) the identification details of the withdrawing shareholder, including tax code;
- (ii) the domicile of the withdrawing shareholder for all communications relating to the procedure, including telephone number and e-mail address;
- (iii) the number and category of the shares for which the right to withdraw is exercised;
- (iv) the IBAN code of the bank current account to which the amount of the payment for the shares subject to withdrawal must be credited.

In addition, the Declaration of Withdrawal must also contain the details of the broker with which the shares subject to withdrawal are deposited, and a declaration from the withdrawing shareholder that such shares are free from pledges and other restrictions in favor of third parties. Should the shares subject to withdrawal be pledged or otherwise restricted in favor of third parties, the withdrawing shareholder must also attach to the Declaration of Withdrawal a declaration from the attaching creditor or the party favored by the restriction, in which that party irrevocably and unconditionally consents to the release of the shares from the pledge and/or restriction, as well as to the liquidation of the shares subject to withdrawal in conformity with the instructions given by the withdrawing shareholder.

The liquidation amounts will be determined pursuant to art. 2437-*ter*, para. 3, of the Italian Civil Code, making sole reference to the simple average of the closing stockmarket prices during the six-month period prior to the publication of the notice that called the meeting whose resolutions justify the withdrawal.

These amounts will be communicated at the time of publishing the notice of the Meeting of the Ordinary Shareholders in a national daily newspaper and on the Website.

Following the above period of 15 days for exercise of the right to withdraw:

- (i) the directors of the Company will offer the shares subject to withdrawal under option to all the savings shareholders that did not exercise the right to withdraw, as well as to the ordinary shareholders; a period of not less than 30 days will be allowed for the exercise of these option rights, commencing from the date of filing the offer under option with the Ancona Companies Register; shareholders that exercise their option rights will also have pre-emption rights for the purchase of any shares subject to withdrawal that were not taken up under option, on condition that they request such rights at the same time; any residual shares subject to withdrawal not purchased by the shareholders of the Company may be offered to the market by the directors of the Company;
- (ii) if any shares subject to withdrawal are not acquired, such shares will be redeemed by the Company and an amount corresponding to the liquidation amount of such shares will be drawn for this purpose from the reserve for the purchase of treasury shares.

The process of liquidating the shares subject to withdrawal will be carried out pursuant to art. 2437-*quater* of the Italian Civil Code, and on an operational basis that could enable the Company to complete the liquidation of the shares subject to withdrawal prior to the deadline established for such process.

### ***Amendments to the By-laws***

Should the proposed obligatory and automatic conversion of the savings shares into ordinary shares be approved, the By-laws will have to be amended to eliminate the references made currently to the category of savings shares.

This matter is covered in the Report of the Board of Directors on the second item on the agenda for the extraordinary session of the Meeting of the Ordinary Shareholders.

More specifically, it will be necessary to amend art. 5, paras. 1 and 7; art. 6, para. 1; art. 25 and art. 27 of the By-laws, **the current text of which is set out below** with, to the side, the wording proposed as a consequence of the proposed conversion operation. It will also be necessary to delete art. 5 *bis* of the current By-laws.

\* \* \* \* \*

The special meeting of savings shareholders is invited to adopt, pursuant and consequent to art. 2376 of the Italian Civil Code and arts. 146 and 147-*bis* of Decree No. 58 dated 24 February 1998, the following resolutions:

“The special meeting of the savings shareholders of Indesit Company S.p.A.,

- having seen and approved in its entirety the Report of the Board of Directors on the proposed obligatory conversion described herein and the proposal made therein,
- having noted that the extraordinary meeting of Indesit Company S.p.A. is called for 6 May 2014 at 11 a.m. and, if necessary, in second calling on 7 May 2014 ("Meeting of the Ordinary Shareholders") to resolve on the proposed obligatory conversion described herein;
- taking account of the provisions of art. 146, Decree No. 58 dated 24 February 1998, in relation to the resolutions of the above extraordinary meeting on the proposed obligatory conversion described herein

resolves

pursuant and consequent to art. 2376 of the Italian Civil Code and arts. 146 and 147-*bis* of Decree No. 58 dated 24 February 1998:

- a. to approve in full, to the extent of its responsibilities, the proposed obligatory and automatic conversion of all 511,282 (five hundred and eleven thousand two hundred and eighty-two) non-convertible savings shares in the Company, with a par value of Euro 0.90 (zero point nine zero) each, into the same number of new ordinary shares, with the same characteristics as the ordinary shares already in circulation at the date of execution of the operation and with enjoyment rights from 1 January 2014, presented to the Meeting of the Ordinary Shareholders for approval;
- b. to approve that the above operation be carried out on the basis of an exchange ratio of 1 (one) ordinary share for each savings share, with the issue of 511,282 (five hundred and eleven thousand two hundred and eighty-two) ordinary shares to replace the savings shares;
- c. as proposed by the Board of Directors in relation to the second item on the agenda for the extraordinary session of the Meeting of the Ordinary Shareholders and if, as a consequence of the above, the full conversion of the savings shares in the Company into ordinary shares takes place, with effect from the effective date of the conversion specified herein:
  - to delete art. 5 *bis* and art. 25, paras. 3 and 4, of the current By-laws;
  - to amend art. 5, para. 1, and art. 25, paras. 1 and 27, of the By-laws;
- d. to grant the Board of Directors and, acting for it, the Chairman, all the widest powers to:
  - i. implement in practice, in compliance with the law, the resolutions adopted, making all amendments and additions to such resolutions as may be requested by the competent authorities, the notary or the companies register competent for the filing, with the right to appoint special representatives;
  - ii. determine the effective date of the obligatory conversion (and also the related amendments to the By-laws, without prejudice to the provisions of art. 2346 of the Italian Civil Code), which must be (i) agreed with Borsa Italiana S.p.A. and communicated in a notice published on the Website and in a national daily newspaper pursuant to art. 72, para. 5, of the Issuers' Regulation; (ii) subsequent to the detachment of the dividend authorized at the Meeting of the Ordinary Shareholders;
  - iii. complete all necessary formalities so that the resolutions are recorded on the Companies Register, with the power to make any non-material amendments, adjustments or additions that may be

appropriate for this purpose or requested by the competent authorities, at the time of filing or otherwise, and, in general, to do whatever is necessary to implement such resolutions in full, with any and every necessary and appropriate power for this purpose, without any exclusions or exceptions, and to arrange for the filing and publication pursuant to the law of the updated text of the By-laws with the amendments made as a result of the above resolutions and consequent to their implementation."

Peterborough, 21 March 2014  
For the Board of Directors  
The Chairman  
Marco Milani

