



# Ordinary and extraordinary shareholders' meeting 6-7 May 2014

Directors' reports on items first, fourth and fifth on the ordinary part on the agenda published pursuant to art. 125-ter, Decree no. 58 dated 24 February 1998



**Ordinary and extraordinary shareholders' meeting  
6 - 7 May 2014**

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published pursuant to art. 125-ter, Decree No. 58 dated 24 February 1998**

**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)

**Directors' reports on items on the agenda  
of the shareholders' meeting called for 6-7 May 2014**

**ORDINARY SESSION  
Report on items first, fourth and fifth**

## Directors' report on the 1st item on the agenda

*Financial statements at 31 December 2013, accompanied by the reports of the Board of directors, the Board of statutory auditors and the independent auditors:*

- i. approval of the Separate financial statements;*
- ii. decision about the allocation of profit for the year.*

Shareholders,

The purpose of this report is to provide useful information for assessing the proposals to:

- i. approve the Separate financial statements at 31 December 2013;
- ii. decision about the allocation of profit for the year.

More detailed information on accounting data and events in 2013 can be found in the draft separate financial statements and consolidated financial statements, in the report on operations of Indesit Company at 31 December 2013 and in the reports to the Meeting by the independent auditors and the Board of statutory auditors, which are filed at the registered offices prior to the legal deadline.

### **i. Approval of the Separate financial statements**

The Board of directors invites those with voting rights to approve the separate financial statements at 31 December 2013, as presented, published and filed in the Company's records.

### **ii. Decision about the allocation of profit for the year**

The separate financial statements of the Company at 31 December 2013 report profit for the year of Euro 4,805,712.

The Company is no longer required to appropriate profits to the legal reserve, as this already exceeds one fifth of the share capital.

At the date of this report, share capital amounts to Euro 102,759,269.40, represented by 114,176,966 shares of par value Each 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 Board of Directors proposes not to distribute the profit for the year, except for that established in art. 25, para. 1, of the By-laws, which envisages, after allocating 5% of the net profit reported in the financial statements to the legal reserve, a further allocation to the savings shares of up to 5% (five percent) of their par value.

Given this requirement, the Board proposes to allocate a dividend of Euro 0.045 to each of the non-convertible savings shares in circulation, using for this purpose the net profit for the year by up to Euro 23,007.69, and to allocate the residual net profit of Euro 4,782,704.31 to the extraordinary reserve.

The dividends will be payable from 22/5/2014, with coupon detachment on 19/5/2014 and a record date of 21/5/2014.

Dividends payable in 2014 will enjoy the tax benefit envisaged in art. 1, para. 3, of the Finance Ministry Decree dated 2/4/2008, since the Company has available distributable reserves that were formed in their entirety prior to 31 December 2007.

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Given and considering all of the above, the Board of directors recommends approval of the following proposed resolutions:

"The Ordinary shareholders' meeting of Indesit Company S.p.A.:

- having taken note of the consolidated and draft separate financial statements at 31 December 2013, as well as the report on operations, the report of the Board of statutory auditors pursuant to art. 153 of Decree 58/1998 and the Reports of the independent auditors, as presented and filed with the Company;
- taking account of the proposal contained in the report of the Board of Directors on the items on the agenda for this Meeting,
- and taking account of the provisions of art. 25.1 of the By-laws;

resolves to:

- i. approve the separate financial statements at 31 December 2013 and the report on operations as presented and filed in the Company's records;
- ii. allocate the profit for the year of Euro 4,805,712 (four million eight hundred and five thousand seven hundred and twelve) as follows:
  - a) Euro 0.045 (euro zero point zero four five) as a unit dividend for each of the 511,282 (five hundred and eleven thousand two hundred and eighty-two) non-convertible savings shares in circulation;
  - c) allocate the remaining profit for the year of Euro 4,782,704.31, after paying the dividend indicated in the above point, to the extraordinary reserve."

Peterborough, 21 March 2014

For the Board of Directors

The Chairman

Marco Milani

## Directors' report on the fourth item on the agenda

### **Proposal for a new authorization to purchase and dispose of treasury shares**

(Directors' Report prepared pursuant to art. 73 Issuers' Regulations)

Shareholders,

You have been called to this Meeting to examine and approve a proposed resolution to grant the Board a new authorization to purchase and/or dispose of shares in Indesit Company S.p.A. (hereinafter the "Company") pursuant and consequent to art. 2357 et seq. of the Italian Civil Code and art. 132 of Decree 58/1998 ("Decree No. 58 dated 24 February 1998") and art. 144 *bis*, of the Issuers' Regulations.

By the meeting resolution adopted on 7 May 2013, the Board of Directors was authorized to purchase and/or dispose of the Company's ordinary and/or non-convertible savings shares for a period of 12 months from the date of said resolution and in compliance with criteria indicated therein. Said authorization will therefore expire on 6 May 2014. No treasury share transactions have taken place pursuant to the above resolution, but 31,490 treasury shares were used in the context of the Long-term incentive plan for the employees of Indesit Company S.p.A. and/or its subsidiaries, including certain Directors who have executive responsibilities (the "IIP Plan"), approved at the Shareholders' Meeting held on 7 May 2013.

When the shareholders' meeting was called to approve the financial statements at 31 December 2013, the Board decided to request the shareholders to grant a new authorization to purchase and/or dispose of treasury shares. This power provides strategic and managerial flexibility, which Directors need for the reasons to be illustrated herein.

The share capital at 21 March 2014 is Euro 102,759,269.40, represented by 114,176,966 shares, par value Euro 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 text of this report and the related resolution make reference to the total number of shares issued by the Company.

The Company holds 11,008,260 ordinary shares (9.68% of ordinary capital, representing 9.64% of the share capital), whose rights to vote are therefore suspended.

### **Main reasons for requesting authorization to purchase and dispose of treasury shares**

Without prejudice to the reasons easily found in the content of the authorization requested and to compliance with laws in force on the matter, the main reasons leading the Board to propose the resolutions illustrated in this Report can be summarized as follows:

- the need, in accordance with laws in force, acting directly or through authorized intermediaries, to limit anomalous movements in the Company's share price and to regulate trading and prices when faced with short-term distorting occurrences linked to excessive volatility or low trading liquidity;
- the opportunity to increase and/or realize the investment in treasury shares at any time the market allows this to be appropriately remunerative;
- the use of treasury shares to service the IIP Plan;
- the opportunity to use treasury shares as consideration for the purchase of equity interests, to service special and other financial operations (e.g. convertible loans), to guarantee loans, or for simple disposal as part of the Company's investment and financial policies.

### **Indication of maximum number and par value of shares for which authorization is requested**

The authorization that the Board of Directors requests of the shareholders' meeting concerns the purchase in one or more *tranches* of the Company's shares, up to a maximum number that, considering the treasury shares already held by the Company and subsidiaries, or acquired through trust companies or intermediaries, does not exceed the legal limit at the time of each purchase. According to art. 2357, para. 1, of the Italian Civil Code, said purchases may be made to the extent of the distributable profits and available reserves reported in latest

approved financial statements, with the consequent creation, pursuant to art. 2357-ter, para. 3, of the Italian Civil Code, of a restricted reserve for the amount of the treasury shares acquired each time.

On disposal of the treasury shares acquired from time to time, the above reserve will be reclassified to the reserves from which it originated.

### **Minimum and maximum consideration**

#### Purchase of treasury shares

The purchase price of each share must not be more than 15% lower or higher than the average official stock market price over the three trading days prior to each purchase operation.

#### Disposal of treasury shares

The treasury shares already owned or subsequently purchased may be disposed of, even before having completed the purchases authorized above, at a price or, in any case, under the conditions and criteria established by the Board of Directors, considering the manner of use, consistent with the trend of share prices in the period prior to the transaction and the Company's best interests.

Said price limit does not apply if shares are sold to employees and/or directors and/or collaborators of the Company or its subsidiaries, in the context of the IIP Plan.

### **Authorization duration**

The authorization to purchase and sell is requested for twelve months from the date on which the shareholders' meeting adopts said resolution. The short authorization duration is intended to coincide with the meeting called to approve the financial statements. Accordingly, the authorization will be revoked automatically if a new authorization is granted at a shareholders' meeting held prior to the annual expiry date. If, from time to time for any reason, the number of treasury shares held exceeds the legal limit, the excess shall be sold in the manner indicated below within the maximum period of time allowed by the regulations.

### **Method of purchase and disposal of treasury shares**

#### Purchase of treasury shares

The purchase operations may be made pursuant to the combined provisions of art. 132 of Decree No. 58 dated 24 February 1998 and art. 144 bis, of the Issuers' Regulations, taking account of the specific exemption envisaged in para. 3 of art. 132 of Decree No. 58 dated 24 February 1998 and by any other method allowed by laws and regulations in force on the subject.

#### Disposal of treasury shares

Treasury shares already owned, or subsequently acquired, may be disposed of in full or partially at any time, in one or more parts and even before the above authorized purchases have been completed, applying methods consistent with the objectives indicated in this report using any form of disposal permitted by the laws in force on the subject.

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The treasury shares purchased pursuant to the meeting resolution proposed herein will not be excluded from the amount of share capital used to calculate significant interests pursuant to art. 106, paras. 1 and 3.b), of Decree No. 58 dated 24 February 1998, pursuant to art. 44-bis of the Issuers' Regulation (as amended by Consob resolution no. 17731 dated 5 April 2011), if the shareholders' resolution is adopted by the majority of shareholders present, excluding the shareholder or shareholders holding, together or alone, the majority or relative majority interest, as long as it exceeds 10% of capital.

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Please note that point 7 of Scheme no. 4 of Annex 3A of Issuers' Regulation is not applicable, since the purchase operation is not intended to reduce share capital via cancellation of the treasury shares purchased.

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In the light of the above, if you agree with the Board proposal, would you kindly resolve as follows:

“The Ordinary shareholders' meeting of Indesit Company S.p.A.:

- having heard and approved the Board of Directors' Report;
- noting that, at the date of this resolution, Indesit Company S.p.A. holds 11,008,260 ordinary shares



(representing 9.64% of share capital)

- that share capital at the date of this resolution amounts to Euro 102,759,269.40, represented by 114,176,966 shares, par value Euro 0.90 (zero point nine zero) each, comprising 113,665,684 ordinary shares and 511, 282 (five hundred and eleven thousand two hundred and eighty-two) savings shares;
- noting exoneration from the offer obligation arising from approval of the resolution pursuant to art. 44-*bis* of the Issuers' Regulations;

resolves to:

- 1) authorize, pursuant to art. 2357, para. 2, of the Italian Civil Code, the Board of Directors and, for it, each Executive Director as sole signatory, acting directly or through delegated parties, to purchase treasury shares at any time, on one or more occasions, for a period of twelve months from the date of this resolution, establishing that:
  - a) the maximum number of shares acquired or acquirable must not exceed the overall legal limits, considering the shares already held at the time of each purchase;
  - b) the purchase price of each share must not be more than 15% lower or higher than the average official stock market price over the three trading days prior to each purchase operation;
  - c) the purchase operations may be made pursuant to the combined provisions of art. 132 of Decree No. 58 dated 24 February 1998 and art. 144-*bis* of Consob Resolution no. 11971/1999, considering the specific exemption envisaged in para. 3 of art. 132 of Decree No. 58 dated 24 February 1998 and by any other method allowed by laws and regulations in force on the subject;
  - d) purchases may be made to the extent of the distributable profits and reserves available, as reported in the lasted approved financial statements (and actually existing at the date of said purchases), approved with the consequent creation, pursuant to art. 2357-*ter*, para. 3, of the Italian Civil Code, of a restricted reserve equal to the amount of the treasury shares purchased each time;
- 2) authorize for a period of twelve months from the date of this resolution, pursuant to art. 2357-*ter*, para. 1, of the Italian Civil Code, the Board of Directors and, for it, each Executive Director as sole signatory, acting directly or through delegated parties, to make use of, on one or more occasions at any time, all or part of the treasury shares already held or acquired pursuant to this resolution, even before completion of the purchases authorized above, in any way deemed suitable to achieve the desired objectives, establishing that:
  - a) the treasury shares already owned or subsequently purchased may be disposed of, even before having completed the purchases authorized above, at a price or, in any case, under the conditions and criteria established by the Board of Directors, considering the manner of use, consistent with the the trend of share prices in the period prior to the transaction and the Company's best interests;
  - b) the limit set in point a) sub 2) above will not apply if shares are sold to members of the Board of Directors of Indesit Company S.p.A. and/or employees of Indesit Company S.p.A. and its Italian and foreign subsidiaries in the context of the Incentive plan approved at the Shareholders' Meeting held on 7 May 2013;
  - c) upon the sale of treasury shares, the reserve established pursuant to art. 2357-*ter*, para. 3, of the Italian Civil Code will be reclassified to the reserves from which it originated;
- 3) to grant the Board of Directors, and for it, each Executive Director as sole signatory, all powers to make the appropriate accounting entries resulting from the purchase and disposal operations, in compliance with the laws in force and accounting standards applicable each time;
- 4) to grant the Board of Directors, and for it, each Executive Directors as sole signatory, acting directly or by delegation, all powers to implement the above resolutions and comply with anything required prior to registration by the competent authorities, the notary or the competent Companies Register, and to make any amendments required by said authorities to the text of the resolutions adopted”.

Peterborough, 21 March 2014

For the Board of Directors

The Chairman

Marco Milani

## Board of directors' report on the fifth item on the agenda

### *Remuneration policy pursuant to art. 123-ter, Decree 58/1998.*

Shareholders,

The Board of Directors has approved the "Report on the remuneration of the executives with strategic responsibilities of Indesit Company S.p.A., prepared pursuant to art. 123-ter of Decree No. 58 dated 24 February 1998 and art. 84-*quater* of the Issuers' Regulation (hereinafter, the "Compensation Report").

As established by the regulations, the Compensation Report is divided into two sections. The first describes:

- a. Company policy concerning the remuneration of members of administrative bodies and executives with strategic responsibilities in force within the Group, approved by the Board following a proposal from the Human Resources Committee meeting as the Compensation Committee;
- b. the procedures used to adopt and implement said policy.

The second section illustrates, by name for each member of the administrative and control bodies and in an aggregated form for executives with strategic responsibilities:

- c. each item included in said remuneration, including the treatment applicable upon termination of appointment or the working relationship, highlighting its consistency with the Company's remuneration policy approved in the previous year;
- d. analytically, the remuneration paid by the Company or subsidiaries or associates in 2013 for any purpose and in any form, indicating any parts of said remuneration relating to activities carried out in periods prior to the reference period and highlighting, also, the remuneration to be paid in one or more subsequent years for activities carried out in the current year, indicating where applicable an estimated value for any components of remuneration that are not currently quantifiable.

The Compensation Report, attached to the annual Report on corporate governance and the ownership structure, is published by the Company with the timing and in the manner specified in the regulations.

The shareholders' meeting is called on to resolve in favor of or against the first section of the Report. As envisaged in para. 6 of art. 123-ter of Decree No. 58 dated 24 February 1998, the resolution is not binding. Voting results are made available to the public pursuant to article 125-*quater*, para. 2, of Decree No. 58 dated 24 February 1998.

The Compensation Report is submitted to the shareholders' meeting pursuant to and consequent to art. 13, para. 3.3, of the Regulations adopted by Consob through resolution no. 17221 dated 12 March 2010, on transactions with related parties, as amended by Consob with resolution no. 17389 dated 23 June 2010 and subsequent amendments and/or additions and/or interpretations and by art. 6.1.f) of the Procedure for Transactions with Related Parties, prepared pursuant to said regulations and adopted by the Board of Directors.

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Having stated the above, the Board of Directors invites the shareholders to express themselves as follows:

"The Ordinary Shareholders' Meeting of Indesit Company S.p.A., having seen the Report on the remuneration of executives with strategic responsibilities of Indesit Company S.p.A., prepared pursuant to art. 123-ter of Decree No. 58 dated 24 February 1998 and art. 84-*quater* of the Issuers' Regulations, expresses a favorable opinion on the first section of said Report concerning the policies adopted for the remuneration of members of the administrative bodies and executives with strategic responsibilities, and the procedures used to adopt and implement said policy of the Group led by Indesit Company S.p.A."

Peterborough, 21 March 2014

For the Board of Directors

The Chairman

Marco Milani

