



DE' LONGHI S.P.A.

Registered office in Treviso – Via Ludovico Seitz 47

Share capital 224,250,000.00 euros fully paid up

Tax Code and Registration in the Company Register of Treviso No. 11570840154

**DIRECTORS' REPORT FOR THE
MEETING OF THE SHAREHOLDERS OF DE' LONGHI S.P.A
CONVENED IN ORDINARY AND EXTRAORDINARY SESSIONS FOR
14 APRIL 2016, IN A SINGLE CALL**

SHAREHOLDERS' MEETING OF 14 APRIL 2016

(Report prepared in accordance with Article 125-ter of the "TUF" and Articles 73 and 84-ter of the Issuers' Regulation)

Dear Shareholders,

in compliance with Article 123-ter of Legislative Decree No. 58 of 24 February 1998, as amended, (the “TUF”), and with Articles 73 and 84-ter of the regulation implementing the TUF regarding regulation of issuers, adopted by Consob with Resolution No. 11971 of 14 May 1999, as amended, (the “**Issuers’ Regulation**”), the Board of Directors of De’ Longhi S.p.A (hereinafter also referred to as the “**Company**” or the “**Issuer**”) hereby provides you with an report (the “Report”) explaining the items on the agenda for the Shareholders’ Meeting convened in ordinary and extraordinary sessions - by notice published on 4 March 2016 on the Company’s website (www.delonghigroup.com, “Investor Relations” – “Governance” – “Annual Shareholders’ Meeting” – “2016”) and on the Info authorised storage mechanism (accessible via the website www.info.it), and in extract form in the “Italia Oggi” newspaper on 5 March 2016 – at the Company’s registered office in Via L. Seitz 47, Treviso, Italy for 14 April 2016 at 8:45am, in single call (the “**Shareholders’ Meeting**”).

In particular, the **agenda** for the above Shareholders’ Meeting is the following:

Ordinary Part

1. *Presentation of the Annual Financial Report including the draft Statutory Financial Statements at 31 December 2015, the Report by the Board of Statutory Auditors and the Independent Auditors’ Report. Resolutions thereon.*
2. *Presentation of the Annual Remuneration Report of De’ Longhi S.p.A. and the consultative vote of the Shareholders’ Meeting on the 2016 Remuneration Policy (Section I of the Annual Remuneration Report of De’ Longhi S.p.A) in accordance with Article 123-ter of Legislative Decree No. 58/98.*
3. *Appointment of the Board of Directors after determining the number of members; determination of the duration of the term of office and relative remuneration. Resolutions thereon.*
4. *Appointment of the Board of Statutory Auditors and its Chairman; determination of the relative remuneration. Resolutions thereon.*
5. *Proposal of an equity-based incentive Plan concerning the ordinary shares of De’ Longhi S.p.A called the “Stock Option Plan 2016-2022” for the Company’s Chief Executive Officer and for the Top Management of the De’ Longhi Group. Resolutions thereon.*
6. *Proposal to authorise the purchase and disposal of treasury shares, by revoking the resolution taken by the Shareholders’ Meeting of 14 April 2015. Resolutions thereon.*

Extraordinary part

1. *Share capital increase by payment, in one or more tranches, with the exclusion of pre-emption rights pursuant to Article 2441, paragraphs 4, second subparagraph, 6 and 8 of the Italian Civil Code, Article 158 of Legislative Decree No. 58 of 24 February 1998 and subsequent amendments and additions, and Article 5-bis, paragraph 3 of the Articles of Association, by issuing, in one or more issues, a maximum of 2,000,000 ordinary shares with a nominal value of 1.50 euros each and for a maximum nominal amount of 3,000,000 euros, reserved for the beneficiaries of the “Stock Option Plan 2016-2022”. Subsequent introduction of the new Article 5-quater in the Articles of Association. Resolutions thereon.*

This Report must be read together with the separate reports on the proposals for the items on the agenda for the Shareholders’ Meeting, prepared in accordance with the applicable articles of the TUF and of the Issuers’ Regulations.

This Report will be filed and made available to the public on 4 March 2016 at the Company's registered office and on its website www.delonghigroup.com (“Investor Relations” – “Governance” – “Annual Shareholders’ Meeting” – “2016”), and on the IINFO authorised storage mechanism accessible via the website www.linfo.it.

FIRST ITEM ON THE AGENDA FOR THE ORDINARY PART

“Presentation of the Annual Financial Report including the draft Statutory Financial Statements at 31 December 2015, the Report by the Board of Statutory Auditors and the Independent Auditors’ Report. Resolutions thereon.”

Dear Shareholders,

Please note that any comment related to the first item of the agenda for the ordinary part of the Shareholders’ Meeting, including its proposed resolution, is fully explained in the Annual Financial Report -including the draft statutory financial statements and the consolidated financial statements as at 31 December 2015, the Management Report, and the certification pursuant to Article 154-bis, paragraph 5, of the TUF - which will be filed and made available to the public on 23 March 2016 at the Company's registered office and on its website www.delonghigroup.com (section “Investor Relations” – “Governance” – “Annual Shareholders’ Meeting” – “2016”), and on the IINFO authorised storage mechanism accessible via the website www.iinfo.it, together with all other documentation required by applicable law. The Statutory Auditors’ Report and the Independent Auditors’ Report will be made available to the public in the same way by the same deadline.

SECOND ITEM ON THE AGENDA FOR THE ORDINARY PART

“Presentation of the Annual Remuneration Report of De’ Longhi S.p.A. and the consultative vote of the Shareholders’ Meeting on the 2016 Remuneration Policy (Section I of the Annual Remuneration Report of De’ Longhi S.p.A) in accordance with Article 123-ter of Legislative Decree No. 58/98.”

Dear Shareholders,

With regard to the second item on the agenda for the ordinary part of the Shareholders’ Meeting, you are asked again this year to give your consultative vote on the “2016 Remuneration Policy” of De’ Longhi S.p.A (the “**Remuneration Policy**”) described in Section I of the Annual Remuneration Report of De’ Longhi S.p.A: in accordance with the combined provision of Article 123-ter, paragraphs 3 and 6, of the TUF, the Annual Shareholders’ Meeting convened to approve the statutory financial statements is called to express its opinion on the Company’s policy for remunerating the members of the board of directors, general managers and key managers with strategic responsibilities and on the procedures used to adopt and implement this policy.

As expressly indicated by Article 123-ter, paragraph 6, of the TUF, the resolution the Shareholders' Meeting must adopt with regard to the Remuneration Policy and the related adoption and implementation procedures is not binding and is limited to expressing an opinion for or against the Remuneration Policy and the related adoption and implementation. The voting result will be made available to the public on the Company's website in accordance with Article 125-*quater*, paragraph 2 of the TUF.

It should be noted that the "*Annual Remuneration Report of De' Longhi S.p.A*" and, therefore, the 2016 Remuneration Policy contained in Section I of the same report have been approved by the Board of Directors on 3 March 2016, upon the proposal of the Remuneration and Appointments Committee - in accordance with the laws and regulations in force - and will be filed and made available to the public at the Company's registered office and on its website www.delonghigroup.com ("*Investor Relations*" – "*Governance*" – "*Annual Shareholders' Meeting*" – "*2016*"), and on the IINFO authorised storage mechanism accessible on the website www.linfo.it at least 21 days before the date of the Shareholders' Meeting (therefore, by 23 March 2016).

For further details, please refer to the above report, the contents of which have also been defined in accordance with Article 84-*quater* of the Issuers' Regulation and in consideration of the related Annex 3A, Scheme 7-*bis* and Scheme 7-*ter*.

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The Shareholders' Meeting is therefore invited to adopt the following proposed resolution:

"The Meeting of the Shareholders of De' Longhi S.p.A.:

- having reviewed the Annual Remuneration Report of De' Longhi S.p.A, prepared in accordance with the laws and regulations in force,

RESOLVES

to give its opinion in favour of the 2016 Remuneration Policy of De' Longhi S.p.A and the related adoption and implementation procedures."

THIRD ITEM ON THE AGENDA FOR THE ORDINARY PART

“Appointment of the Board of Directors after determining the number of members; determination of the duration of the term of office and relative remuneration. Resolutions thereon.”

Dear Shareholders,

With the approval of the Annual Financial Report as at 31 December 2015, the mandate expires for the Company’s Board of Directors, appointed by the Shareholders’ Meeting on 23 April 2013 for the years 2013-2015, and consisting of Directors: Giuseppe de’ Longhi (Chairman), Fabio de’ Longhi (Chief Executive Officer), Silvia de’ Longhi, Cristina Pagni (Independent), Stefania Petruccioli (Independent), Alberto Clò (Independent), Renato Corrada (Independent), Carlo Garavaglia, Giorgio Sandri and Silvio Sartori.

You are therefore asked to renew the Board of Directors, after establishing the number of members, and fixing the term of office and related remuneration or the methods for determining them.

To this end, you are reminded that, according to Article 9 of the Articles of Association of De’ Longhi (the “**Articles of Association**”):

- (i) the number of members constituting the Board of Directors cannot be less than three or more than thirteen;
- (ii) the term of office, in accordance with Article 2383 of the Civil Code, cannot exceed three financial years;
- (iii) the directors are appointed based on the lists submitted by the shareholders.

With regard to the remuneration due to the directors who are elected, the Board of Directors reminds shareholders that to determine the gross annual remuneration of each member of the Board of Directors they should take into account the remuneration policy established in the “*Annual Remuneration Report of De’ Longhi S.p.A.*” subject to the consultative vote of the Company’s Shareholders’ Meeting.

The Board of Directors therefore invites shareholders to submit proposals on the subject and to submit the lists of candidates, in the manner and in the terms referred to in Article 9 of the Articles of Association.

In particular, shareholders representing - on the day in which the lists are submitted - either individually or together with other shareholders, at least 1% of the share capital (as determined by Consob Resolution No. 19499 of 28 January 2016, in accordance with existing provisions of law and regulations) can submit a list containing up to a

maximum of thirteen candidates, listed using sequential numbers; at least two candidates, always indicated at least at the second and seventh place of each list, must possess the requisites of independence established by Article 147-ter, paragraph 4, of the TUF (which refers to Article 148, paragraph 3, of the TUF).

Each candidate may appear on only one list or shall be deemed ineligible.

Shareholders are reminded, in accordance with Article 9 of the Articles of Association, that the lists containing three or more candidates must comprise candidates belonging to both genders (male and female), so that both genders are represented by at least one third (rounded up to the nearest whole number) of candidates for the office of Director.

The lists submitted by the shareholders must be filed at the Company's registered office (marked to the attention of the Head of Legal and Corporate Affairs) at least twenty-five days before the day of the Shareholders' Meeting (therefore, by 20 March 2016), otherwise the lists will be invalid.

The following documents must be filed together with each list:

(i) the special certificate issued by an authorised intermediary in accordance with the law proving ownership of the number of shares necessary to present the lists (which may be presented after the lists have been submitted provided that this is before the term envisaged for the publication of the lists by the Company, namely by 24 March 2016);

(ii) a curriculum vitae of each candidate included in the list, containing a detailed description of the candidates' personal and professional characteristics (including a list of the positions of administration and control held by the candidates in other companies); and

(iii) the statement in which each candidate accepts candidacy and certifies, at their own responsibility and under penalty of being excluded from the list, that there is no impediment preventing election and that the requisites required by the law in force and by the Articles of Association for the office of director have been met, and that they possess the requirements of independence established by Article 147-ter, paragraph 4, of the TUF (which refers to Article 148, paragraph 3 of the TUF).

Note should be taken of the provisions of Article 147-ter, paragraph 3, of the TUF, concerning the absence of links between the minority list that obtained the most votes and the Shareholders who submitted or voted for the list obtaining the highest number of votes, taking into account Consob Communication No. DEM/9017893 of 26 February 2009.

The lists and a copy of the required accompanying documentation can be filed at the Company's registered office (marked to the attention of the Head of Legal and Corporate Affairs) or sent to the following certified email address:

societariodelonghispa@legalmail.it or by fax to +39 0422 413394. On this point, information that identifies the person submitting the lists and a contact number must be sent together with the above documentation. This is in consideration of Article 144-*octies* of the Issuers' Regulation.

Shareholders are reminded that any list which does not observe the above rules shall be deemed as not submitted.

In defining the composition of the lists, it is recommended that Shareholders appoint candidates who as a whole possess a range of skills that complement each other in: (i) general management, (ii) risk management and control, (iii) legal and corporate governance, (iv) marketing, communication and market analysis, (v) accounting and financial reporting, (vi) internal audit and compliance, (vii) finance or remuneration policies, (viii) mergers and/or acquisitions, gained through administrative, entrepreneurial, managerial, industrial, and financial experience, and experience in companies specialising in private equity, legal or tax firms or by exercising professional activities or university teaching.

During the internal assessment performed on its size, composition and operation, and those of its Committees, the Board of Directors: (i) has confirmed the adequacy of the Board's current composition (of 10 members) in terms of size; the Directors also believe that a possible reduction of the number of Board members, with a view to aligning with current trends and best practices, would enable the Board to still maintain adequate operation, provided that its composition suitably encompasses the necessary professional expertise; (ii) has decided that the administrative body should consist of varied and comprehensive professional roles and that the tasks and responsibilities of the office require that the directors possess, in addition to the professional requirements imposed by law, also adequate experience and knowledge of business management and the dynamics of the economic and financial system, of the systems of corporate governance, organisation, business administration and risk management and control. An essential prerequisite is that each Director will ensure they have sufficient time to fulfil the role of Director with due commitment; (iii) has remarked that if the Board comprises more than seven directors, at least two (or one if the number of its members is not more than seven) of its members must meet the independence requirements required by paragraph 4 of Article 147-*ter* of the TUF (which refers to Article 148, paragraph 3 of the TUF); (iv) has highlighted the need, in compliance with the laws and regulations in force, that the Board members belong to both genders, in the belief that an administrative body adequately represented by both genders is able to perform a more effective monitoring and direction activity, also thanks to the diversity of perspectives and viewpoints, skills and connections with the external environment, that each gender can bring.

In view of the results of this assessment, the Board of Directors deems that the presence of people with the above professional skills and characteristics among the Company directors is particularly appropriate. The Board is convinced that the heterogeneous and highly qualified nature of the professionals called upon to contribute to the work of the administrative body generates a fruitful exchange on the various issues under discussion which encourages and best supports the activities of the executive directors.

It is also remembered that, in compliance with the Articles of Association, the members of the Board of Directors will be appointed as follows:

(i) all the directors except one are taken, in the order they appear on the list, from the list that obtained the highest number of votes cast by the shareholders, except as provided below to ensure a balance between the genders in compliance with the laws and regulations in force regarding gender equality;

(ii) the remaining director is taken from the list that has obtained the second highest number of votes and which is not connected in any way, not even indirectly, with the shareholders who submitted or voted for the first list.

If only one list is submitted or admitted to the vote, the candidates in this list will be appointed directors from that list, following the order they appear on the same list.

If, as a result of the list voting or voting on the only list submitted, the composition of the Board of Directors does not comply with the laws and regulations on gender equality in force, the candidate of the most represented gender elected last in sequential order in the list which obtained the highest number of votes will be replaced by the first candidate of the least represented gender, from the same list and in sequential order, who was not elected. This replacement procedure will be used until the composition of the Board of Directors complies with the laws and regulations in force and, in particular, those concerning gender equality. If this replacement procedure does not ensure gender equality, directors will be replaced using a Shareholders' Meeting resolution passed by a simple majority after candidates belonging to the least represented gender have been submitted.

Should it not be possible to appoint the directors using this list method, the Shareholders' Meeting shall resolve with a legal majority, without observing the procedure above, in compliance with the laws and regulations in force, particularly those regarding gender equality.

Therefore, the Shareholders' Meeting is invited to vote on the appointment of members of the Board of Directors, in compliance with Article 9 of the Articles of Association, after the number of directors and their term of office have been determined as well as the remuneration due to them.

To enable Shareholders to vote in a different way with regard to the various aspects covered by this item of the agenda for the ordinary part of the Shareholders' Meeting, it is recommended that Shareholders who wish to submit a list for the renewal of Board of Directors prepare and submit, together with this list, resolution proposals relating to each of the following issues:

- (i) the number of directors who will make up the Board of Directors, in compliance with the limits set by the Articles of Association;
- (ii) term of office of the incoming Board of Directors, in compliance with the limits set by the Articles of Association;
- (iii) appointment of the directors and the Chairman of the Board of Directors, it being understood that, in accordance with Article 11 of the Articles of Association, if the Shareholders' Meeting fails to appoint the Chairman, the Board of Directors may do so;
- (iv) determination of the related remuneration or of the methods of determining them.

The lists, and the information submitted together with them, as well as the proposals on the items will be published, in accordance with the laws and regulations in force, by being made available at the Company's registered office and on its website www.delonghigroup.com ("*Investor Relations*" – "*Governance*" – "*Annual Shareholders' Meeting*" – "*2016*"), and on the IINFO authorised storage mechanism accessible on the website www.1info.it, at least 21 days before the date of the Shareholders' Meeting (therefore, by 24 March 2016).

FOURTH ITEM ON THE AGENDA FOR THE ORDINARY PART

“Appointment of the Board of Statutory Auditors and its Chairman; determination of the relative remuneration. Resolutions thereon.”

Dear Shareholders,

With the approval of the Annual Financial Report as at 31 December 2015, the mandate will also expire for the Board of Statutory Auditors, appointed by the Shareholders' Meeting on 23 April 2013, for the years 2013-2015, and consisting of the Auditors: Gianluca Ponzellini, (Chairman), Paola Mignani and Alberto Villani (Statutory Auditors), Piera Tula and Enrico Pian (Substitute Auditors).

You are therefore asked to renew the Board of Statutory Auditors (which, pursuant to Article 14 of the Articles of Association, must be composed of three statutory auditors, including the Chairman, and two substitute auditors) and appoint its Chairman, determining the related remuneration.

On this point, you are reminded that, pursuant to Article 14 of the Articles of Association, the appointment of the Board of Statutory Auditors is carried out based on the lists submitted by the shareholders in which the candidates are listed using sequential numbers.

Each list contains a number of candidates that is no greater than the number of members to be elected (three statutory auditors and two substitute auditors).

In accordance with Article 14 of the Articles of Association, the lists containing a total of three or more candidates must comprise candidates belonging to both genders (male and female), so that both genders are represented by at least one third (rounded up to the nearest whole number) of candidates for the office of Statutory Auditor and by at least one third (rounded up to the nearest whole number) of candidates for the office of substitute auditor.

Shareholders holding, on the day in which the lists are submitted, either individually or together with other Shareholders, a share that is at least 1% of the share capital (as determined by Consob Resolution No. 19499 of 28 January 2016, in accordance with existing provisions of law and regulations) have the right to submit lists of candidates.

The lists of candidates, signed by those shareholders submitting them, must be filed at the Company's registered office (marked to the attention of the Head of Legal and Corporate Affairs) by the twenty-fifth day before the day of the Shareholders' Meeting (namely by 20 March 2016).

Each candidate may appear on only one list or shall be deemed ineligible. Candidates

who do not possess the requisites required by the applicable laws or who do not observe the limits to the number of offices held as established by the applicable laws and the related implementation rules in force may not be elected auditor.

A shareholder may not submit or vote for more than one list, not even through a third party or trust company; shareholders belonging to the same group and shareholders who are party to a shareholder agreement concerning Company shares may not submit or vote for more than one list, not even through a third party or trust company.

Each list is accompanied by the information required by the law and regulations in force and by the Articles of Association, including: (i) a description of the curriculum vitae of the candidates and (ii) the statements in which each candidate accepts candidacy and certifies, at their own responsibility, that there is no known impediment preventing election or incompatibility and that the requisites required by the law and regulations in force and by the Articles of Association for this office have been met. Pursuant to Article 2400, last paragraph, of the Italian Civil Code, at the time of appointment and before accepting the appointment, those positions of administration and control held by the Auditors in other companies must be communicated to the Shareholders' Meeting. This information must be given in the above description the candidates' curriculum vitae and must be updated to the day of the Shareholders' Meeting.

Ownership of the number of shares necessary to submit a list must be proven by a certificate issued by an authorised intermediary, which may be presented after the list has been submitted, provided that this is before the term envisaged for the publication of the lists by the Company (24 March 2016).

If at the deadline for submitting lists (20 March 2016) only one list has been filed, or lists have been submitted only by shareholders who are connected to each other as per the provisions of law and regulations in force, further lists may be submitted until 23 March 2016 (the third day after the original expiry date for submitting lists). In this case, shareholders who, either individually or together with other shareholders, hold - on the day in which the lists are submitted - a share of at least 0.5% of the share capital may submit lists.

In compliance with the above terms, the lists and a copy of the required accompanying documentation can be filed at the Company's registered office (marked to the attention of the Head of Legal and Corporate Affairs) or sent to the following certified email address: societariodelonghispa@legalmail.it or by fax to +39 0422 413394.

On this point, information that identifies the person submitting the lists and a contact number must be sent together with the above documentation. This is in consideration of Articles 144-*sexies*, paragraph 4 and 144-*octies* of the Issuers' Regulation.

Any list which does not observe the rules referred to above shall be deemed as not

submitted.

Lastly, we invite those who wish to submit the above lists to comply with the recommendations contained in Consob Communication No. DEM/9017893 of 2 February 2009, regarding the connecting relationships between the lists referred to in Article 147-*ter*, paragraph 3, of the TUF and Article 144-*quinquies* of the Issuers' Regulation, to which reference is made.

In compliance with the Articles of Association, the members of the Board of Statutory Auditors will be appointed as follows:

- two statutory auditors and one substitute auditor are taken from the list which obtained the greatest number of votes at the Shareholders' Meeting, in the order they appear on the list itself, except as provided below to ensure a balance between the genders in compliance with the rules and regulations in force;
- the remaining statutory auditor and second substitute auditor are taken from the list which obtained the second greatest number of votes at the Shareholders' Meeting, who are not connected in any way, not even indirectly, with the shareholders who submitted or voted for the list with the greatest number of votes, in the order they appear on the list itself;
- in the event that more than one list has obtained the same number of votes, these lists must be put to a second ballot by all the shareholders at the meeting, and the candidates on the list that obtain a simple majority of votes shall be elected.

If, as a result of the list voting, the composition of the Board of Statutory Auditors, with regard to the statutory auditors, does not comply with the laws and regulations on gender equality in force, the statutory auditor candidate of the most represented gender elected last in sequential order in the list which obtained the highest number of votes will be replaced by the next candidate, of the least represented gender, from the same list and following the sequential order.

You are reminded that, in accordance with the Articles of Association, the chairmanship of the Board of Statutory Auditors shall be given to the statutory auditor taken from the list with the second greatest number of votes.

If only one list has been submitted, the Shareholders' Meeting will vote on it. If, as a result of this vote, the only list obtains a simple majority, the first three candidates listed in sequential order are appointed statutory auditors, and the fourth and fifth candidates are appointed substitute auditors, provided that the composition of the Board complies with the laws and regulations in force regarding gender equality. If gender equality is not respected, the candidate of the most represented gender, appointed the third statutory auditor based on the sequential order in which the candidates are listed in the single list, will be replaced by the next candidate of the least represented gender,

who has been elected alternate auditor. The auditor replaced with this procedure will become substitute auditor in place of the auditor appointed statutory auditor under this same procedure.

The Chairman is the first candidate indicated in first place on the list submitted.

If no lists are submitted, the Board of Statutory Auditors and its Chairman are appointed by the Shareholders' Meeting by legal majority in compliance with, inter alia, the laws and regulations in force on gender equality.

Outgoing auditors can be re-elected.

In addition to appointing the Board of Statutory Auditors, it is also necessary to resolve upon the gross annual retribution of its members. On this point you are reminded that, for the three-year period 2013-2015, the Shareholders' Meeting of 23 April 2013 resolved on a gross annual remuneration of € 61,900.00 for the Chairman of the Board of Statutory Auditors and a gross annual remuneration of € 41,300.00 for each of the statutory auditors.

Given the above, the Board of Directors, pursuant to and in accordance with the Articles of Association and the applicable law and regulations on this subject, you are asked to submit lists of candidates for the appointment of the Board of Statutory Auditors, and, to enable Shareholders to vote in a different way with regard to the various aspects covered by this item of the agenda for the ordinary part of the Shareholders' Meeting, recommends that you prepare and submit, together with the lists, resolution proposals relating to each of the following issues:

- (i) appointment of the members of the Board of Statutory Auditors (three statutory auditors and two substitute auditors) for the years 2016, 2017 and 2018, by voting on the lists of candidates submitted;
- (ii) appointment of the Chairman of the Board of Statutory Auditors, unless appointment of the same can be carried out in accordance with the Articles of Association;
- (iii) determination of the remuneration due to the members of the Board of Statutory Auditors.

The lists, and the information submitted together with them, as well as the proposals on the items will be published in accordance with the laws and regulations in force by being made available at the Company's registered office and on its website www.delonghigroup.com ("*Investor Relations*" – "*Governance*" – "*Annual Shareholders' Meeting*" – "2016"), and on the IINFO authorised mechanism accessible on the website www.linfo.it, at least 21 days before the date of the Shareholders' Meeting (therefore, by 24 March 2016).

FIFTH ITEM ON THE AGENDA FOR THE ORDINARY PART

“Proposal of an equity-based incentive Plan concerning the ordinary shares of De’ Longhi S.p.A called the “Stock Option Plan 2016-2022” for the Company’s Chief Executive Officer and for the Top Management of the De’ Longhi Group. Resolutions thereon.”

Dear Shareholders,

With regard to the fifth item on the agenda for the ordinary part of the Shareholders’ Meeting and, in particular, the proposed equity-based incentive plan involving the ordinary shares of De’ Longhi S.p.A, called the “2016-2022 Stock Option Plan”, reserved for the Company’s Chief Executive Officer and the De’ Longhi Group’s top management, reference is made to the “*Directors’ Report on the fifth item on the agenda for the ordinary part of the Meeting of Shareholders of De’ Longhi S.p.A convened in ordinary and extraordinary sessions for 14 April 2016, in a single call*” prepared in accordance with Articles 114-bis of the TUF and 84-bis, paragraph 1, of the Issuers’ Regulation and therefore includes the Information Document on the “2016-2022 Stock Option Plan” required by the regulations in force which has been drafted in accordance with Annex 3A, Scheme 7 of the Issuers’ Regulation and containing the resolution proposal. The above report - which has the “*Rules for the 2016-2022 Stock Option Plan*” attached - will be filed and made available to the public at the Company’s registered office and on its website www.delonghigroup.com (“*Investor Relations*” – “*Governance*” – “*Annual Shareholders’ Meeting*” – “2016”), and on the IINFO authorised storage mechanism accessible on the website www.linfo.it, simultaneously with the publication of this Report, which should be read in conjunction with it.

SIXTH ITEM ON THE AGENDA FOR THE ORDINARY PART

“Proposal to authorise the purchase and disposal of treasury shares, by revoking the resolution taken by the Shareholders’ Meeting of 14 April 2015. Resolutions thereon.”

Dear Shareholders,

We submit the proposal to authorise the Company’s purchase and subsequent disposal of treasury shares for your consideration and approval.

We remind you that the previous authorisation to purchase and dispose of treasury shares was approved by the Shareholders’ Meeting held on 14 April 2015 and, therefore, the 18-month period envisaged by the same resolution is due to expire on 14 October 2016.

We would like to inform you that the Board of Directors has not, to date, ever made use of the abovementioned Shareholders’ Meeting authorisation and that, as of the date this Report is approved, the Company does not hold treasury shares either directly or through its subsidiaries, trust companies or intermediaries.

In consideration of the opportunity to renew the authorisation, for the reasons and under the terms set out below, we propose that you revoke the authorisation granted with the resolution of 14 April 2015 and, at the same time, approve a new authorisation to purchase and dispose of the Company’s ordinary shares under the following terms.

6.1 Reasons for the requested authorisation to purchase and dispose of treasury shares.

The Board of Directors has determined to submit again to the Shareholders’ Meeting the request for authorisation to perform operations to purchase treasury shares - after revocation of the resolution passed by the Shareholders’ Meeting last year - and, under certain conditions, to dispose of said shares, for three reasons:

- a) it will be possible to proceed with investments in the Company's shares when the stock exchange prices or the amount of available cash make this operation economically convenient, also in order to be able to provide, if the need arises and in compliance with the applicable regulations, support activity to share’s liquidity on the stock markets, promoting the regularity of trading;
- b) if necessary, treasury shares may be used for transactions related to business projects involving the opportunity to trade or transfer shareholdings;

c) if necessary, treasury shares may also be purchased and/or sold in relation to remuneration plans based on financial instruments in accordance with Article 114-*bis* of the TUF, either in the form of (traditional) stock options or under plans that do not envisage the “real” allocation of the shares, such as for example, so-called “phantom stock options”.

6.2 Maximum number, class and nominal value of the shares to which the authorisation proposal relates.

The authorisation which the Board requests from the Shareholders’ Meeting concerns the purchase of the Company’s shares to be carried out, also through a series of operations, until reaching a maximum quantity of 14,500,000 (fourteen million five hundred thousand) ordinary shares with a nominal value of 1.50 euros (one euro fifty cents) each, and therefore an amount not exceeding one fifth of the share capital - considering also any shares held by subsidiaries - and, in any case, within the limits of the distributable profits and available reserves according to the last approved financial statements. The authorisation requested includes the faculty to subsequently dispose of the shares in portfolio, without any time limit, also before having reached the maximum quantity of shares that can be purchased, and to buy-back the same shares in compliance with the limits and conditions established by this authorisation.

6.3 Useful information for the evaluation of compliance with the provision as per Article 2347, paragraph 3 of the Civil Code.

For the purposes of the evaluation of compliance with the limits as per Article 2357, paragraph 3 of the Civil Code, it is noted that the share capital is currently Euro 224,250,000.00, comprising 149,500,000 ordinary shares, and that, at the date of this Report, the Company does not hold treasury shares either directly or through subsidiaries.

The nominal value of the shares for which purchase authorisation is requested does not exceed the limit established by the Shareholders’ Meeting authorisation, also taking into account shares which may be bought by subsidiaries.

However, subsidiaries will be provided with specific instructions concerning the timely reporting of any share purchase operations in accordance with Articles 2359-*bis* et seq. of the Civil Code.

6.4 Duration of the requested authorisation.

The authorisation to purchase treasury shares for a period of 18 (eighteen) months from the date the Shareholders’ Meeting adopts the relative resolution.

The authorisation to dispose of treasury shares, also before reaching the purchase limit, is requested without time limit.

6.5 Minimum and maximum payments and market valuations.

Purchase of treasury shares

The purchase price of each treasury share will be established by the Board of Directors, with the right to delegate to one or more Directors, in accordance with the following procedure: the purchase price, including accessory purchase charges, must not be lower than 20% (twenty percent) or higher than 10% (ten percent) of the official trading price recorded by the Mercato Telematico Azionario on the day before the purchase.

Disposal of treasury shares

As regards the subsequent disposal of the shares purchased, only the minimum price for sale to third parties is established, which must not entail negative economic effects on the Company, and in any case not below 95% (ninety-five percent) of the average official price recorded on the Mercato Telematico Azionario over the five days before the sale. This price limit may be waived for the exchange or sale of treasury shares within industrial projects and/or however in the interests of the Issuer, in the case of the allocation and/or sale of shares or related options to directors, employees or consultants of the De' Longhi Group and, in general, in the execution of any plan adopted in accordance with Article 114-*bis* of the TUF or for Shareholder scrip issues.

6.6 Methods through which the purchase and disposal of treasury shares will be carried out.

Share buy-back operations may be carried out, in accordance with Article 132 of the TUF and Article 144-*bis* of the Issuers' Regulation, through public purchase offer or exchange, on the market, according to the operating methods established by the market management company, which does not allow the direct linking of purchase proposals with pre-established sales proposals, or through the purchase and sale, in accordance with applicable regulations, of market traded derivative instruments which provide for the physical delivery of the underlying shares, or through the allocation to Shareholders, proportionally to the number of shares held, of a sales option to be exercised within 18 months from the date the Shareholders' Meeting adopted the corresponding resolution, and in any case ensuring the equal treatment of Shareholders and in compliance with all applicable regulations, including EU regulations.

The purchase of treasury shares may take place through procedures that differ from those indicated above where permitted by Article 132 of the TUF, or by other legal and regulatory provisions applicable at the time of the operation.

Purchases may take place on one or more occasions.

With regards to the disposal of the shares in question, this may take place, on one or more occasions, also before reaching the maximum quantity of shares that can be purchased. Disposal may take place through those methods considered most beneficial for the Company, including disposal on the stock market, outside the market, or through exchange with investments or other assets within industrial projects and/or in any case in the interest of the Company, the allocation and/or sale of shares or related options in favour of directors, employees and consultants of the De' Longhi Group and, in general, in execution of any plan adopted in accordance with Article 114-*bis* of the TUF or also as part of Shareholder scrip issues or through public purchase offers or exchange.

The shares may be disposed of also as part of other financial instruments.

6.7 Information on the utility of the purchase to reduce share capital.

It should be noted that the abovementioned purchase of treasury shares does not constitute a reduction of the share capital.

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The Shareholders' Meeting is therefore invited to adopt the following proposed resolution:

“The Meeting of the Shareholders of De' Longhi S.p.A.:

- *having regard to the resolution passed by the ordinary Shareholders' Meeting of De' Longhi S.p.A held on 14 April 2015, with regard to the authorisation to purchase and dispose of treasury shares;*
- *having noted the Report by the Board of Directors and the applicable laws and regulations;*

RESOLVES

1) to revoke the Shareholders' Meeting resolution of 14 April 2015 authorising the purchase and disposal of treasury shares, since it has not been used;

2) to authorise the purchase and disposal of treasury shares for the purposes indicated in the Directors' Report under the following terms and conditions:

- *without prejudice to the limits as per Article 2357 of the Civil Code, the purchase may be carried out on one or more occasions, until reaching a maximum quantity of 14,500,000 (fourteen million five hundred thousand) ordinary shares, also considering the shares held by the Company and by its subsidiaries, and within the limits of*

distributable profits and available reserves according to the last approved financial statements;

- the authorisation to purchase treasury shares is approved for a period of 18 (eighteen) months from today's date and therefore until 14 October 2017;.

- the authorisation includes the faculty to subsequently dispose of the shares in portfolio, also before having reached the maximum quantity of shares that can be purchased, and to buy-back the same shares in compliance with the limits and conditions established by this authorisation, in the manner deemed most beneficial for the Company;

- the authorisation to dispose of treasury shares, also before reaching the purchase limit, is given without time limit;

- the purchase operations may be carried out, in accordance with Article 132 of the TUF and Article 144-bis of the Issuers' Regulation: (i) through public purchase offer or exchange, (ii) on the market, according to the operating methods established by the market management company, (iii) through the purchase and sale, in accordance with applicable regulations, of market traded derivative instruments which provide for the physical delivery of the underlying shares, (iv) through the allocation to Shareholders, proportionally to the number of shares held, of a sales option to be exercised within 18 (eighteen) months from today's date; and in any case ensuring the equal treatment of Shareholders and in compliance with all applicable regulations, including EU regulations;

- the purchase price of each treasury share, including accessory purchase charges, must not be lower than 20% (twenty percent) or higher than 10% (ten percent) of the official trading price recorded by the Mercato Telematico Azionario on the day before the purchase;

- only the minimum price for sale to third parties is established, which must not entail negative economic effects on the Company, and in any case not below 95% (ninety-five percent) of the average official price recorded on the Mercato Telematico Azionario over the five days before the sale. This price limit may be waived for the exchange or sale of treasury shares within industrial projects and/or however in the interests of the Company, in the case of the allocation and/or sale of shares or related options to directors, employees or consultants of the De' Longhi Group and, in general, in the execution of any plan adopted in accordance with Article 114-bis of the TUF or for Shareholder scrip issues.

- the purchase and disposal operations will be recognised in compliance with applicable laws and accounting standards;

3) to grant the Board of Directors - and therefore the Chairman with the power to delegate to third parties - the broadest possible powers to fully execute the resolutions referred to above.”

FIRST ITEM ON THE AGENDA FOR THE EXTRAORDINARY PART

“Share capital increase by payment, in one or more tranches, with the exclusion of pre-emption rights pursuant to Article 2441, paragraphs 4, second subparagraph, 6 and 8 of the Italian Civil Code, Article 158 of Legislative Decree No. 58 of 24 February 1998 and subsequent amendments and additions, and Article 5-bis, paragraph 3 of the Articles of Association, by issuing, in one or more issues, a maximum of 2,000,000 ordinary shares with a nominal value of 1.50 euros each and for a maximum nominal amount of 3,000,000 euros, reserved for the beneficiaries of the “Stock Option Plan 2016-2022”. Subsequent introduction of the new Article 5-quater in the Articles of Association. Resolutions thereon.”

Dear Shareholders,

With regard to the first item on the agenda for the extraordinary part of the Shareholders’ Meeting, concerning the capital increase for the “2016-2022 Stock Option Plan” and the consequent introduction of a new article (“Article 5-quater”) in the Articles of Association, reference is made to the “Directors’ Report on the fifth item on the agenda for the ordinary part of the Meeting of Shareholders of De’ Longhi S.p.A convened in ordinary and extraordinary sessions for 14 April 2016, in a single call” prepared in accordance with Articles 125-ter of the TUF and 72 of the Issuers’ Regulation and therefore in accordance with Scheme 2, Annex 3A of the same regulation, also containing the resolution proposal prepared by the Board.

This Report will be filed and made available to the public at the Company's registered office and on its website www.delonghigroup.com (section “Investor Relations” – “Governance” – “Annual Shareholders’ Meeting” – “2016”), and on the authorised storage mechanism called IINFO accessible on the website www.info.it at least 21 days before the date of the Shareholders’ Meeting (therefore, by 24 March 2016).

The report by the independent auditors containing the opinion required by Article 158, paragraph 1 of the TUF will be filed and made available to the public in the same manner and by the same deadline.

Treviso, 3 March 2016

For the Board of Directors

The Chairman

Giuseppe de' Longhi