

**BOLZONI S.P.A.**

Registered offices in CASONI DI GARIGA - 29027 PODENZANO (PC)

Share capital Euro 6,498,478.75 fully paid

**Board of Statutory Auditors Report to Annual General Meeting  
in conformity with art. 2429 of the Civil Code**

Ladies and Gentlemen,

the Financial Statements for the year 2015 consisting of Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of the Variations to Equity, Cash Flow Statement and Notes to the Financial Statement are being submitted to your approval; these documents, together with the Management Report, was made available to us within the terms established by art. 154-*ter* of the Leg. Decree 58/98.

The Board of Statutory Auditors has examined the Financial Statements at 31.12.2015 which, involving a listed company, was drawn up in compliance with the IAS/IFRS accounting principles.

In examining the documentation, the Board of Statutory Auditors also acknowledges that the financial statements' figures at 31.12.2015 are compared to those of the previous year, already stated in accordance with the IAS/IFRS principles.

Your Company is also required to prepare the Consolidated Financial Statements in accordance with and following Leg.D. 127/1991 in compliance with the international accounting standards.

After this necessary foreword, the Board of Statutory Auditors declares that:

1. As the issuer is a listed company, pursuant to article 2409-*bis* and subsequent of the Italian Civil Code, the legal auditing of its accounts has been performed by the legal audit firm Deloitte & Touche S.p.A., enrolled in the register held by the Ministry of Justice. The appointment was made by the Shareholders Assembly on April 27<sup>th</sup>, 2012, following the reasoned proposal made by this Board, and terminates with the shareholders' meeting called upon to approve the financial report at 31 December 2020, as the company bylaws do not foresee the legal auditing of the accounts by the Board of Statutory Auditors.
2. During the financial year ended on 31/12/2015 we the Board of Auditors carried out the supervisory activity as established by the law. Within the limits of our responsibility, we acquired information on and we monitored the adequacy of the company's organisational structure, the observance of the principles regarding correct administration and the adequacy and timing of disclosures required by the Board during our control activity, in fulfilment of the obligations established by art. 114, paragraph 1 of the Leg. D. n° 58/98, through information collected from persons in charge of various functions and meetings with the legal audit firm, aimed at a mutual exchange of relevant data and information and to this end, we have no particular observations to make.  
Through information acquired from the persons responsible for the respective functions, from the examination of the company documents, the analysis of the results of the work performed by the legal audit firm and by the bodies and the functions responsible for internal control, we supervised over the adequacy of the internal control system and the administration-accounting system, as well as the reliability of the latter to correctly represent the management facts.  
Through the attendance – with *at least one of the members of the Board of Statutory Auditors present* – of the meetings (7 during the financial year 2015) of the Audit and Risk Committee, the activities performed by the Group's Internal auditing function were examined, as well as those of the Compliance and Risk Management functions, with the aim of checking their adequacy and of making an evaluation of the actual functioning of the internal control system. From the Report made by the Internal Audit and Risk Committee on its activity during the second semester of 2015 – with regards to the

adequacy of the internal control system and its actual functioning – it emerges that there are no observations for proposal.

3. Within the Group the Company's role is to coordinate and manage.
4. The Parent is not subject to management and coordination activities on behalf of companies or bodies and establishes its general and operational strategic orientations in full autonomy.
5. We the Board of Statutory Auditors have verified that the Company, in compliance with art 114, paragraph 2, and articles from 184 to 187 *quinquies* of Leg.Decree 58/98, has to all intents and purposes given adequate instructions to the subsidiary companies in order to promptly obtain the information required to meet the disclosure obligations established by the law and in particular those regarding rules covering market abuse.
6. During the year, we the Board of Auditors have attended the meetings (11) of the Company's Board of directors and, in observance of the statutory provisions, we were periodically informed by the Board regarding the state of the company management. In particular, the most important operations from the economic, financial and capital point of view, performed by the Company during the year, and in observance of the law and the articles of association, have been the following:
  - i. In the board meeting held on February 27, 2015 the directors passed a resolution for a 200,000 euro increase in the share capital of Bolzoni Auramo Pty (Australia), subscribed entirely by Bolzoni S.p.A. The increase was executed through the partial waiver of the loan between the Australian company and Bolzoni S.p.A.
  - ii. During the same board meeting held on February 27, 2015 the directors passed a resolution for a 150,000 euro increase in the share capital of Bolzoni Auramo S.I. (Spain), subscribed entirely by Bolzoni S.p.A. The increase was executed by bank transfer.
  - iii. In the meeting held on August 5, 2015 the board of directors approved the business plan for the years 2015-2017.
  - iv. On September 25, 2015 two contracts were signed between the subsidiary Bolzoni Holding Hong Kong and Hebei Jing County Huaxin Fork:
    - a. One contract was for the sale of Bolzoni Holding Hong Kong of its 20% share (the remaining part) of XinHuaxin's capital for the amount of 9.5 million RMB (1.334 million euros);
    - b. The second contract was for the purchase by Bolzoni Holding Hong Kong of the 20% share in Bolzon for the amount of 6 million RMB (0.843 million euros).As a result of the above contracts Bolzoni Holding Hong Kong owns 100% of the share capital of Bolzoni Huaxin
  - v. In the board meeting held on November 13, 2015 the directors passed a resolution for a 500,000 euro increase in the share capital of Bolzoni Auramo Pty (Australia), subscribed entirely by Bolzoni S.p.A. The increase was executed through the partial waiver of the loan between the Australian company and Bolzoni S.p.A.
  - vi. During the financial year 2015, following the resolution passed by the Board of Directors on May 14, 2015, medium term loans were taken out for the amount of 23 million euros to replace the existing ones
7. The Board of Statutory Auditors did not discover any uncharacteristic and/or unusual operations, including those performed with related parties or within the group
8. In the Notes to the Financial Statements at point 32, the Directors adequately indicate and illustrate the main operations performed with related parties or between group companies, to which reference should be made, also for a description of the characteristics of the operations and their economic effects.
9. On March 23, 2016, in compliance with art. 14 of the Leg. Decree n. 39/2010, the legal Audit Firm Deloitte & Touche S.p.A. issued its report certifying that the financial statements at 31/12/2015 truly and correctly represent your company's financial and economic situation.
10. The Board of Statutory Auditors has not received any complaints with reference to article 2408 of the Italian Civil Code.
11. The Board of Statutory auditors has not received any instances.

12. During the financial period ended 31/12/2015 your Company has not given the legal Audit Firm Deloitte & Touche S.p.A. any other assignments other than those related to the legal audit of accounts established by the law.
13. In the course of the financial year, we the Board of Statutory Auditors have provided opinions in accordance with the law with regards to the variable remuneration of the C.E.O. and the remuneration of the directors holding office in Internal Committees.
14. Through direct verification and information collected from the Audit firm, the Board of Statutory Auditors ascertained the observance of laws and rules with regards to the preparation of the Company's financial statements and the related management report. Moreover, the Board of Statutory Auditors examined the evaluation principles adopted in the preparation of the presented financial statements in order to verify the conformity to legal requirements and to the corporate-economic conditions.  
The Board of Statutory Auditors confirms that the directors, in preparing the financial report, have not infringed the rules of the law pursuant to art.2423, paragraph four, of the Italian Civil Code.
15. The balance sheet shows a positive operating result for the period of € 3,226,272 which can be broken down as follows:

Assets	Euro	98,460,810
Liabilities	Euro	54,819,398
Net equity (excluding operating profit)	Euro	40,415,140
<b>Operating profit (loss)</b>	<b>Euro</b>	<b>3,226,272</b>

In brief, the income statement presents the following values:

Production value (non financial income)	Euro	70,989,369
Production costs (non financial costs)	Euro	66,409,896
<b>Difference</b>	<b>Euro</b>	<b>4,579,473</b>
Financial revenue and costs	Euro	315,478
Value adjustments on financial assets	Euro	
Extraordinary revenue and costs	Euro	
Result before tax	Euro	4,894,951
Tax on earnings	Euro	1,668,679
<b>Profit (loss) for the year</b>	<b>Euro</b>	<b>3,226.272</b>

16. The Board of Statutory Auditors has noted that the Company has capitalized costs for internal production incurred in the course of the financial year for the amount of € 41,876, broken down into € 29,092 for material and € 12,784 for internal labour. The cost of staff employed amounting to € 275,236 has also been capitalized under the item Development costs. These costs have been deducted from the specific items in the income statement.
17. The Board of Statutory Auditors has maintained constant contact with the legal Audit Firm through meetings held in the Company's registered offices during which no significant aspects emerged requiring further specific examination; during these meetings and the subsequent mutual exchange of information on the verifications performed we were not informed of the existence of any reprehensible facts.
18. The Board of Statutory Auditors has ascertained the adequacy, with regards to the method, of the impairment test process used to verify the existence of possible permanent loss of value (impairments) in relation to the investments recorded under the assets of the balance sheet.  
Impairment tests were performed on the following companies: Bolzoni Auramo Inc., Bolzoni Auramo S.I., Bolzoni Auramo Pty, Bolzoni Italia S.r.l. and Bolzoni Holding Hong Kong. As a consequence of these tests it is necessary to write-off investment in Bolzoni Auramo Pty (650 thousand euros).
19. Further to our activity of supervision and control no significant facts emerged worthy of being highlighted or mentioned in this report.

20. Group's Consolidated Financial Statements. As is known, the supervision of the consolidated financial statements is transferred to the bodies or subjects nominated by law for the legal audit of the accounts of the controlling company (art. 41, paragraph 3, of Leg. D. n. 127 of 9 April 1991) which, in the case of companies required to prepare the consolidated financial statements (art. 25 of Leg. D. 127 of 9 April 1991) is not the responsibility of the Board of Statutory Auditors but of the audit firm appointed for the legal audit of the accounts who prepares the specific report. Nevertheless, the Board of Statutory Auditors feels it is appropriate to provide a brief comment in this report regarding proposals on the Company Financial Statement, both for the obligation to supervise compliance to the law, the by-laws and the standards of correct administration to which the Statutory Auditors are generically bound (art. 149, paragraph 1, letter Leg. D. 58/1998) and also in accordance with the principle by which the matters and documents submitted to the Shareholders Assembly by the Directors is subjected to examination by the Board of Statutory Auditors which consequently deems it appropriate to report to the Shareholders Assembly on the most important points such as, indeed, the consolidated financial statements.
- The consolidated financial statement closes the year 2015 with a Group profit of 4.782 thousand euros (previous year 1.044 thousand euros). The audit firm Deloitte & Touche S.p.A., appointed also for the review of the consolidated financial statement, and with which the Board of Statutory auditors has been in contract, has confirmed the correctness and the conformity of the balance sheet and income statement deriving from consolidation with the accounting records of the parent company and to the information transmitted by the subsidiary companies included in consolidation, taking into account the variations resulting from the adoption of the international accounting principles. The information and the details provided by the directors on the consolidated financial statement appear extensive and clear. In view of the above, the Statutory Auditors do not have any reservations regarding the publication of the consolidated financial statements as established by the law.
- With regards to the consolidated financial statement and its contents the Assembly of Shareholders should consider that disclosure is provided for information purposes only as this is not submitted to approval.
21. In reference to the above, the Board of Statutory Auditors does not see any reasons for the rejecting the approval of the company financial statement at 31 December 2015 and has no objections with regards to the proposed resolution presented by the Board of Directors regarding the allocation of the result.

Casoni di Gariga, March 23, 2016

### **The Board of Statutory Auditors**

The Chairman of the Board:	Giorgio Picone
Standing statutory auditor	Carlo Baldi
Standing statutory auditor	Maria Gabriella Anelli