

GAMENET GROUP S.p.A.

Registered Office: Via Degli Aldobrandeschi, 300 – 00163 Rome

Corporate Capital: Euro 30,000,000.00 entirely paid in

Registration Number with the Company Register of Rome and Tax Identification Number:

13917321005; N. REA: RM-1482648

ORDINARY SHAREHOLDERS' MEETING

26 April 2019

Explanatory report of the Board of Directors

drafted pursuant to article 125-ter of Legislative Decree no. 58 of 24 February 1998 on the

SIXTH ITEM ON THE AGENDA

APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS

Dear Messers,

We would like to recall that, at the forthcoming Shareholders' Meeting, called to approve the financial statements as at 31 December 2018, the Company's Board of Statutory Auditors of Gamenet Group S.p.A. (hereinafter the "**Company**"), appointed by the Shareholders' Meeting on 21 June 2016, will expire.

In light of the foregoing, the Board of Directors convened the Shareholders' Meeting in order to appoint the new Board of Statutory Auditors.

The appointment of the Board of Statutory Auditors of the Company shall be made in accordance with the provisions of art. 20 and 21 of the Bylaws, to which reference is expressly made for any matters not dealt with below.

Pursuant to the Bylaws and to Consob communication no.13 dated 24 January 2019, the Permanent Auditors and Alternate Auditors are appointed based on slates presented by Shareholders who, alone or together with other Shareholders, represent at least 4.5% of the share capital of the Company.

Each Shareholder may submit - alone or together with other Shareholders - one slate only, and each candidate may only appear in one slate, under penalty of ineligibility.

With specific regard to the preparation of the slates and the composition of the Board of Statutory Auditors, reference is made to the following provisions.

The slates must be divided into two sections, one including the candidates for the position of permanent auditor and one including the candidates for the position of alternate auditor, within which the candidates should be numbered in progressive order. Each slate shall include at least one candidate to the position of permanent auditor and one candidate to the position of alternate auditor and, in any case, the number of candidates shall not exceed the total number of auditors to be elected.

The first candidate in each section must be enrolled in the register of certified auditors and have performed statutory auditing activities for a minimum period of three years.

In compliance with applicable regulations relating to gender balance, slates which - taking into account both sections - have a number of candidates equal to or higher than three must include candidates of different genders to make sure that at least one third (rounded up) of the overall number of candidates belongs to the less-represented gender.

Candidates for the office of auditor must satisfy the independence requirements set forth by the laws currently in force. With respect to the causes of ineligibility and the maximum number of offices as director or auditor that the members of the Board of Statutory Auditors may hold, laws and regulations currently in force shall apply.

Furthermore, the Board of Directors upon proposal of the Board of Statutory Auditors has approved the *"Guidelines concerning diversity policy of the Board of Statutory Auditors"*, available on the Company's website www.gamenetgroup.it, section *"Governance"*.

The Shareholders must file the slates of candidates at least 25 days before the date of the Shareholders' Meeting, being 1 April 2019, as follows: (i) by hand delivery to the registered office of the Company at Via Degli Aldobrandeschi 300, Rome, to the attention of the *"Legal and Corporate Affairs department"* (Tel. + 39 06 89865815) from Monday to Friday starting from 9:00 AM to 1:00 PM and 3:00 to 5:00 PM; (ii) by fax to +39 06 89865012; or (iii) by certified email to assembela@cert.gamenet.it. In all cases, the filing will require the provision of sufficient information to identify the person transmitting the slates. The ownership of the minimum shareholding required to be entitled to submit slates, as indicated above, is determined on the basis of the Shareholder's registered shares on the day on which the slates are filed with the Company. However, the relevant certification may also be produced after the slate is filed, at least 21 days prior to the date of the Meeting (*i.e.* within 5 April 2019), by notice issued by an authorized intermediary pursuant to the applicable laws and regulations.

The slates of candidates must be filed by the Shareholders together with the documents and the information set forth in the Bylaws and in the laws and regulations currently in force. To this end it is reminded that the slates must be filed along with: (i) information on the identity of the Shareholders who submit the slate and the total percentage of shares they hold; (ii) candidates' curriculum vitae which shall contain detailed an exhaustive information about the candidates' personal and professional features as well as declarations by means of which the candidates accept their candidature and the appointment (if actually appointed) and certify, under their own responsibility, that they have the requirements, including honorability, professionalism, independence and related to the number of offices held, provided for by applicable laws and regulation.

Furthermore, pursuant to Consob Communication no. DEM/9017893 of 26 February 2009, those Shareholders who submit a “minority slate” shall file a declaration certifying that they have no associative relationship (“*rapporti di collegamento*”, as per art. 144-*quinques* of the Issuers Regulation) with the Shareholders who, also jointly, have a controlling or a relative majority shareholding in the corporate capital of the Company.

The slate, in respect of which the above provisions have not been complied with, will be deemed as not submitted.

It is hereby reminded that, in case the period mentioned above for the filing of the slates (1 April 2019) expires and only one slate has been filed or only slates prepared by Shareholders having associative relationship (“*rapporti di collegamento*”, as set forth in art. 144-*quinques* of the Issuers Regulation) have been presented, other slates may be filed within the following three days (*i.e.* 4 April 2019). In such a case the percentage of corporate capital required to file a slate is cut in half and therefore will be equal to 2,25%.

The Board of Statutory Auditors is elected as follows:

1. two permanent auditors and 1 alternate auditor shall be drawn from the slate obtaining the most votes in the Shareholders’ Meeting, based on the sequential order of their listing in the sections of the slate;
2. the remaining permanent auditor - who shall take the role of Chairman - and the other alternate auditor shall be drawn from the second slate obtaining the most votes in the Shareholders’ Meeting, which is in no way connected, even indirectly, with the parties who submitted or voted for the slate that obtained the highest number of votes, based on the sequential order of their listing in the sections of the slate. In the event that several minority slates obtained the same number of votes, the most senior candidates on the slates in terms of age shall be elected as permanent auditor and alternate auditor;
3. if only one slate is submitted, the Board of Statutory Auditors shall be fully drawn from that slate, provided that it was approved by a simple majority of votes. However, if no slate is submitted, the Shareholders' Meeting shall resolve with the majorities provided by the applicable law.

In the event the slates receive an equal number of votes, a new vote shall be held by the entire Shareholders' Meeting, and the slate that obtained the highest number of votes shall be elected as the majority slate.

If, by applying the above procedures, the composition of the permanent auditors of the Board of Statutory Auditors does not meet the requirements on gender balance established by the law in force from time to time , replacements shall be made, choosing candidates for the office of permanent auditor from the slate which obtained the highest number of votes, according to the sequential order in which the candidates are listed.

When the number of candidates elected based on the slates submitted is lower than the number of statutory auditors to be elected, the remainder shall be elected by the Shareholders' Meeting, which resolves by a relative majority in order to ensure the gender balance required by the laws and regulations in force.

In light of the foregoing, we invite you to appoint three permanent auditors and three alternate auditors, voting in favour of one of the slates presented in accordance with the aforementioned provisions and published on the Company's website under the terms of law.

(II) Appointment of the Chairman of the Board of Statutory Auditors

It is worth noticing that, pursuant to art. 148, paragraph 2-*bis*, of the TUF and art. 21 of the Bylaws, the Chairman of the Board of Statutory Auditors is appointed by the ordinary Shareholders' Meeting in the person of the permanent auditor appointed by the minority (*i.e.* by the minority Shareholders who have no relationship or connection - even indirectly - with the Shareholders who submitted or voted on the slate that received the highest number of votes).

It remains understood that, if only one slate or no slates are submitted, the Chairman is appointed with the majorities provided for by the law.

(III) Determination of the remuneration of the members of the Board of Statutory Auditors

As a final remark, we point out that, pursuant to Article 2402 Civil Code and Article 19 of the Bylaws, you shall determine the remuneration of the members of the Board of Statutory Auditors.

By way of information, please note that the Shareholders' Meeting of 21 June 2016 granted each permanent member of the Board of Statutory Auditors with an annual gross remuneration of Euro 23,000.00 and the Chairman of the Board of Statutory Auditors with an annual gross remuneration of Euro 38,000.00

The Board of Directors refrains from making specific proposals in this regard and thus invites you to determine the remuneration of the members of the Board of Statutory Auditors based on proposals which may be drawn up by the Shareholders during the forthcoming Meeting.

Rome, 15 March 2019

For the Board of Directors

the Chairman

(Vittorio Pignatti Morano Campori)