

MAIRE TECNIMONT S.P.A.
Registered office: Rome, Viale Castello della Magliana, 75
Operative office: Milan, Via Gaetano De Castilia, 6A
Share Capital Euro 19,689,550.00, fully subscribed and paid-in
TAX ID VAT and Rome Companies Registration n. 07673571001
R.E.A. (Economic Administrative Index) 1048169

**EXPLANATORY REPORT BY THE BOARD OF DIRECTORS OF MAIRE
TECNIMONT S.P.A. ON THE PROPOSALS CONCERNING ITEM 3 ON THE
AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING OF MAIRE
TECNIMONT S.P.A. CONVENED FOR 27 APRIL 2016, FIRST CALL, AND 28
APRIL 2016, SECOND CALL.**

Agenda Item 3 – Appointment of Statutory Auditors and of the Chairman of the Board of Statutory Auditors and determination of the remuneration due to Standing Statutory Auditors and the Chairman of the Board of Statutory Auditors.

Dear Shareholders,

with the Shareholders' Meeting for approval of the Financial Statements for the year ended 31 December 2015, the mandate shall end as conferred to the Statutory Auditors in office appointed by the Shareholders' Meeting of 30 April 2013, and it is therefore necessary to appoint a new Board of Statutory Auditors. The remuneration of the Statutory Auditors was determined as equal to Euro 80,000 gross per year for the Chairman of the Board of Statutory Auditors and Euro 60,000 gross per year for each Statutory Auditor.

In this regard, pursuant to art. 20 of the company By-laws the Board of Statutory Auditors is composed of three Standing Statutory Auditors and three Alternate Statutory Auditors.

The procedure for the appointment of the Board of Statutory Auditors is provided in art. 21 of the By-laws; in particular, this clause requires the appointment of Statutory Auditors to be in compliance with the current legislation regarding gender balance; accordingly, lists composed of two sections are submitted, one for the appointment of the Standing Statutory Auditors and the other for the appointment of the Alternate Statutory Auditors. The first candidate of each section must be selected from Statutory Auditors registered in the specific register and in possession of the requirements of applicable legislation.

Shareholders are reminded that during the Meeting held 18 February 2015 certain amendments to articles 20 and 21 of the By-laws were approved, *inter alia*, in order to better clarify some aspects of the appointment and replacement mechanism of Statutory Auditors. In particular, the By-laws, in the new text as approved, provides for the appointment of 3 (three) rather than 2 (two), Alternate Statutory Auditors, without prejudice to the 3 (three) Standing Statutory Auditors, also in order to comply with best practice emerged in the application of the discipline related to gender balance.

Shareholders are also reminded that the Meeting held 18 February 2015 has also approved to include in the By-laws a transitional clause for which the new composition of the Board of Statutory Auditors shall take effect from the expiry of the mandate of the Board of Statutory Auditors and thus with the Shareholders' Meeting for approval of the Financial Statements as at 31 December 2015.

Lists may be submitted by shareholders who possess, individually or jointly, at least 2% of the capital represented by shares with voting rights in the Ordinary Shareholders' Meeting or the different participation threshold required by the regulations issued by Consob which, with resolution of 28 January 2016, set the threshold at 2.5% (two point five percent) of the share capital. A list may therefore be submitted by shareholders who, individually or jointly with other shareholders, hold shares representing at least 2.5% (two point five percent) of the share capital with voting rights.

Each shareholder may submit, or participate in the submission of, including through third parties or a nominee company, and vote only one list. Moreover, the following may submit, or participate in the submission, including through third parties or a nominee company, and vote only one list: (i) shareholders belonging to the same group (meaning subsidiaries, parents and companies subject to the same control, in compliance with art. 2359, paragraph 1 and 2 of the Civil Code), (ii) shareholders who are party to the same shareholders' agreement relating to the shares of the Company, in compliance with art. 122 of Legislative Decree 58/1998. Each candidate may run only in one list, on penalty of ineligibility.

Shareholders shall file the lists (signed by those who submit them) at the registered office of the Company at least 25 days before the date set for the Shareholders' Meeting in first call, together with:

- a) information on the identity of the shareholders who submitted them, indicating the total shareholding percentage held and a certification specifying the ownership of said shareholdings; the latter certification can be provided within a different period provided for by legislative and

regulatory provisions applicable (i.e. within the term of 21 days before the shareholders' meeting for publication of the lists by the Company);

- b) a declaration in which individual candidates accept their candidacy and attest, under their own responsibility, the absence of reasons of incompatibility and the existence of requirements prescribed by law for such offices;
- c) a curriculum vitae with the personal and professional qualifications of designated persons, with an indication of the offices as Board's Director or Statutory Auditor held in other companies;
- d) the statement of shareholders which do not own, even jointly, a controlling or majority shareholding, attesting the absence of any connection provided for in article 144-*quinquies* of Consob Regulation 11971/1999 with the latter.

A list that fails to fulfil the foregoing requirements is considered as though it had never been submitted.

Article 21 of the By-laws states that lists with an overall number of candidates equal to or over three must be composed of candidates belonging to both genders, so that at least one-third (rounded up) of the candidates for the office of Standing Statutory Auditor and at least one-third (rounded up) of the candidates for the office of Alternate Statutory Auditor belong to the least represented gender.

For this reason, shareholders who intend to submit a list are required to include on the list a number of candidates belonging to the less represented gender so as to ensure the respect of balance between genders in the minimum amount indicated above.

In the event that - at the end of the term of 25 days for filing the lists and documents at the registered office - only one list has been submitted or lists are only submitted by shareholders who are linked with each other, in accordance with article 144-*quinquies* of Consob Regulation 11971/1999, pursuant to article 144-*sexies* 5th paragraph of Consob Issuer Regulation, lists may be submitted until the third day following said date. In that case, lists may be submitted by shareholders who possess, individually or jointly, at least 1.25% of the capital represented by shares with voting rights in the ordinary Shareholders' Meeting.

The first two candidates on the list that obtains the highest number of votes ("Majority List") and the first candidate of the list with the second highest number of votes ("Minority List") and which has been presented by shareholders who are not even indirectly connected with the shareholders who presented or voted the Majority List shall be elected Standing Statutory Auditors, the latter candidate being appointed Chairman of the Board of Statutory Auditors.

The first two alternate candidates of the Majority List and the first alternate candidate of the Minority List shall be elected Alternate Statutory Auditors.

If by the criteria indicated above the composition of the Board of Statutory Auditors – as for its Standing Statutory Auditors – in compliance with the currently applicable regulation on the balanced proportion of genders is not ensured, the necessary replacements will be made based on the candidates to the office of Standing Statutory Auditors from the Majority List, according to the sequential order in which candidates are listed.

If only one list is submitted, the Shareholders' Meeting shall vote on this; if the list obtains the relative majority, the candidates listed in the corresponding section of the list are elected as Standing and Alternate Statutory Auditors; the chair of the Board of Statutory Auditors is assigned to the person listed in first place in the aforementioned list.

If no list is submitted, the Shareholders' Meeting shall resolve with the legal majorities. In any case, this is without prejudice to compliance with current legislation relating to gender balance.

Article 21 of the By-laws, to which reference is made, also regulates the cases of a tie between lists and of replacement of a Statutory Auditor or the Chairman and integration of the Board of Statutory Auditors.

Pursuant to article 2364, paragraph 1 of the Civil Code, the Shareholders' Meeting shall also determine the remuneration of the Statutory Auditors.

Proposed resolution:

Dear Shareholders,

In view of the above, you are invited to:

- appoint the Statutory Auditors who will remain in office for the years 2016, 2017, 2018 and therefore until the Shareholders' Meeting called to approve the Financial Statements at 31 December 2018, by choosing one of the lists filed at the registered office and published in accordance with regulations and the By-laws;
- appoint as Chairman of the Board of Statutory Auditors the Statutory Auditor elected from the list that is second in terms of number of votes and that has been submitted by shareholders who are not associated, not even indirectly, with the shareholders who submitted or voted the list that received the highest number of votes or, in the event that only one list has been submitted, the person appearing first on the list that obtained the relative majority;
- determine the annual remuneration of each Standing Statutory Auditor and the Chairman for the term of office.

Rome, 16 March 2016

For the Board of Directors
The Chairman
(Fabrizio Di Amato)