

MAIRE TECNIMONT S.P.A.
Registered offices: Rome, Viale Castello della Magliana, 27
Operative office: Milan, Via Gaetano De Castillia, 6A
Share Capital Euro 19,920,679.32, fully subscribed and paid-in
TAX ID VAT and registration Rome Companies Register 07673571001
Econ. & Admin. Index (REA) no. 1048169

**EXPLANATORY REPORT BY THE BOARD OF DIRECTORS OF MAIRE
TECNIMONT S.P.A. ON THE PROPOSALS CONCERNING ITEM 2 ON THE
AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING OF MAIRE
TECNIMONT S.P.A. CONVENED FOR 29 APRIL 2019, ON FIRST CALL, AND 30
APRIL 2019, ON SECOND CALL.**

Agenda Item 2 – Appointment of Directors, after determining their number, office term and remuneration; appointment of the Chairman of the Board of Directors.

Dear Shareholders,

with the Shareholders' Meeting for approval of the Financial Statements for the year ended 31 December 2018, the mandate shall end as conferred to the Directors in office appointed by the Shareholders' Meeting of 27 April 2016, and it is therefore necessary to appoint a new Board of Directors, following determination of the duration and number of members thereof.

We remind you that the Shareholders' Meeting of 27 April 2016 had resolved to set at nine the number of Directors, three financial years the term of office of the Board of Directors and Euro 35,000.00 gross per year, in addition to reimbursement of expenses incurred for fulfilment of the office, the remuneration for each member of the Board of Directors; at the outcome of the Shareholders' Meeting, five Independent Directors had been appointed.

In this regard, please recall, in particular, the following:

Composition of the Board of Directors

Under art. 13 of the By-laws, the Board of Directors of the Company may be composed of five to eleven members, provided an odd number of members is elected by the Ordinary Shareholders' Meeting, after determining the number of the Directors.

The members of the Board of Directors may also be non-shareholders and hold office for one to three fiscal years, until the date of approval of the Financial Statements for the last year of the mandate, as resolved by the Shareholders' Meetings at the time of the appointment, and may be re-elected.

With reference to the resolutions to be adopted in the Shareholders' Meeting convened, we also remind you that:

- pursuant to article 147-ter, paragraph 4 of Legislative Decree 58/1998 (the “**Consolidated Finance Act**” or “**CFA**”), at least one member of the Board of Directors, or two if the Board of Directors is made up of more than seven members, must meet the independence requirements established for Statutory Auditors by article 148 of the CFA. Any independent director who, after appointment, should forfeit the requirements of independence, must immediately notify the Board of Directors to this end. Loss of the requirements of independence shall entail forfeiture of office, unless such requirements are still met by the minimum number of directors who are required to meet such requirements under applicable *pro tempore* legislation;
- the Corporate Governance Code of Listed Companies issued by the Committee for Corporate Governance, in the version approved 16 July 2018, (the “**Corporate Governance Code**”) in art. 3, Criterion 3.C.3, recommends that the number of Independent Directors shall not, in any case, be less than two;
- the composition of the Board of Directors must also respect gender balance rules in accordance with art. 147-ter, paragraph 1-ter of the CFA, as introduced by Italian Law no. 120 of 12 July 2011. With reference to the mandate of the new administrative body, at least one third of the Directors must belong to the least represented gender;
- pursuant to art. 6, Principle 6.P.3. of the Corporate Governance Code, at least one Board Director (member of the “Remuneration Committee”) must have adequate knowledge and expertise in financial or remuneration policies, to be assessed by the Board of Directors at the time of appointment;
- pursuant to art. 7, Principle 7.P.4. of the Corporate Governance Code, at least one Board Director (member of the “Control and Risk Committee”) must have adequate expertise in accounting and financial matters and risk management, to be assessed by the Board of Directors at the time of appointment.

List-based voting mechanism for appointing the Board of Directors

In accordance with art. 14 of the By-laws, the members of the Board of Directors shall be appointed on the basis of lists submitted by the Shareholders pursuant to the following provisions, and by listing candidates with a sequential number.

Each shareholder may submit, or participate in the submission, including through third parties or a nominee company, only one list. Moreover, the following may submit, or participate in the submission of, 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 Italian 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 the CFA. Each candidate shall only be included in one list, on penalty of ineligibility.

We would also remind you that Shareholders submitting a “minority list” are subject to the recommendations given by Consob in Communication no. DEM/9017893 dated 26 February 2009.

Lists may be submitted only by shareholders who, alone or together with other shareholders, hold shares representing at least 2% (two percent) of the share capital entitled to vote at the ordinary Shareholders' Meeting or other shareholding threshold required by the regulations issued by Consob, which, with Managerial Resolution of the Corporate Governance Department Manager no. 13 of 24 January 2019, set for the Company the threshold at 1% (one 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 1% (one percent) of the share capital with voting rights.**

It is recalled that, in accordance with art. 6-ter, paragraph 4 of the By-Laws, the voting rights' increase has no effect on rights, other than voting rights, entitled and exercisable under certain capital rates and thus also, among other things, for the determination of the capital rates required for the presentation of lists for the election of the bodies of the Company.

Lists (signed by those who submit them) shall be filed at the registered office of the Company at least 25 (twenty-five) days before that set for the Shareholders' Meeting in first calling, i.e. **by 04 April 2019**.

Lists for the appointment of the Board of Directors can also be deposited by electronic communication to the certified e-mail address corporatesecretary@pec.mairetecnimont.it. If submitting lists by certified e-mail, a copy of a valid form of identity document of the submitters, must also be sent.

Lists must be presented together with:

- (i) the indication of the identity of the shareholders who submitted the lists and the shareholding percentage held in total;
- (ii) acceptance of candidacy by the individual candidates;
- (iii) statements in which the candidates confirm, under their own responsibility, the absence of any causes for ineligibility and incompatibility, as well as the existence of the requirements as specified in the applicable legislation and regulations, including those regarding integrity and, if appropriate, independence;
- (iv) curriculum vitae of each designated person regarding personal and professional qualifications, with an indication of offices as Directors or Statutory Auditors held at other companies and eventual suitability to qualify as independent, according to criteria of law and those adopted by the Company.
- (v) the statement of shareholders other than those who hold, also jointly, a controlling shareholding or relative majority shareholding, attesting the absence of relationship provided for in article 144-quinquies of Consob Regulation 11971/1999 with the latter.

Certification attesting ownership, at the time of filing the list with the Company, of the minimum shareholding required for the submission of the lists, shall be provided concurrently with the filing of the lists or within the other term set forth by applicable legislative and regulatory provisions (i.e. within 21 days before the date set for the Shareholders' Meeting prescribed for publication of the lists by the Company). Note that ownership of the investment share is defined by taking account of shares that are registered to the shareholder on the day on which the lists are deposited with the Company.

Each list shall include the candidacy of the minimum number of persons that fulfil the legal and regulatory independence requirements applicable to Independent Directors.

Article 14 of the By-laws also requires that the lists presenting three or more candidates must contain candidates of both genders, so that at least one-third (rounded up) of the candidates belongs to the less 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.

A list that fails to fulfil the foregoing requirements is considered as though it had never been submitted. Every person entitled to vote may vote only one list.

Lists will be subject to the forms of publication prescribed by legislation and *pro tempore* regulation in force. More specifically, at least twenty-one days prior to the date of Shareholders' Meeting (i.e. **Monday, 08 April 2019**), the lists are made available to the public at the registered office of Rome, the operative offices of Milan, on the Company's website and in all other ways envisaged by Consob Regulation.

Procedure for appointing the Board of Directors

The Board of Directors will be elected as follows, in compliance with the current regulation regarding gender balance: from the list that has obtained the majority of the votes expressed by those entitled, all the Directors to be elected, minus one, shall be taken according to the progressive order with which they are indicated in the list; the remaining Director shall be selected from the second most voted list and that is not related in any way, not even indirectly, with such shareholders that submitted or voted the majority list.

The Company By-laws do not envisage a minimum percentage of votes for a list to participate in the allotment of candidates to be appointed as Directors.

Article 14 of the By-laws, to which reference is made, also regulates the case of a tie between two or more lists.

If only one list is submitted, all directors shall be taken, in progressive order, solely from the submitted list, as long as it obtains the majority of votes. If no list has been presented, the Shareholders' Meeting shall resolve with the majority of votes provided for by law, in any case without prejudice to the currently applicable regulation on balanced proportion of genders.

Regarding the appointment of the minimum number of Independent Directors required by art. 147-ter, paragraph 4, of Legislative Decree 58/1998, the above-mentioned article 14 of the By-laws provides that if among the elected candidates there are not as many Independent Directors as required by the regulations in force, it shall be required to proceed as follows:

- in the presence of a majority list, the non-independent candidates (equal to the number of missing Independent Directors) coming last in progressive order in the majority list, shall be replaced by non-elected Independent Directors from the same list according to the progressive order;

- in the absence of a majority list, non-independent candidates (in a number equal to the number of missing Independent Directors) which are elected with the lowest number of votes in the lists – and from which no Independent Director has been drawn - shall be replaced by non-elected Independent Directors from the same lists, according to the sequential order.

If, moreover, with the candidates elected by the above described procedures, the composition of the Board of Directors does not conform to the discipline in force *pro tempore* regarding gender balance, the candidate of the more represented gender elected last in progressive order in the majority list shall be replaced by the first candidate of the less represented gender not elected of the majority list according to the progressive order. This substitution procedure shall take place until the composition of the Board of Directors is aligned with the discipline in force *pro tempore* regarding the balance of the two genders.

Should the said procedure fail to fulfill the last indicated result, the substitution will be approved by the relative-majority resolution of the Shareholders' Meeting, upon the presentation of the candidates belonging to the less represented gender.

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Finally, it should be recalled that the Board of Directors, in the meeting held on 14 March 2019, defined, in compliance with the provisions of the Corporate Governance Code and considering the results of the self-assessment (see articles 1.C.1. g) and h)), the guidance as to the managerial and professional figures whose presence is considered appropriate within the Board, as well as regarding the criteria of diversity in the composition of the Board itself.

In this respect, the Board provides the following indications:

- considering the dimensions and business of the Company, the current number of Directors, of 9, is adequate;
- in compliance with applicable regulations on gender balance, at least one third of Directors must belong to the least represented gender;
- as regards policies on diversity (art. 123-*bis*, lett. d-*bis*) of the CFA), it is appropriate, also with a view to fostering the understanding of the way the Company and its business is organised and to develop efficient governance of such, and without prejudice to the legal requirements on gender balance, to ensure that: (a) the Board is made up of different aged members; and (b) the training and professional experience of the Directors can guarantee a balanced combination of profiles and experience, both nationally and internationally, able to ensure the correct fulfilment of all the relevant duties;
- each candidate is asked to assess the compatibility of the office of Director in the Company with any other director or statutory auditor offices held in other companies listed on regulated markets, in financial companies, banks, insurance firms or large companies;
- as regards the balance between executive and non-executive members, the presence of 7 non-executive directors and 2 executive directors would appear to be appropriate, of whom one appointed as Managing Director and assigned extensive management powers, having expertise and specific competence in the Company.

Appointment of the Chairman of the Board of Directors

Simultaneously with the election of the new Directors, the Shareholders' Meeting may also appoint the Chairman of the new Board of Directors or allow the Board of Directors to provide for that, in accordance with the provisions of art. 2380-*bis*, paragraph 5, Civil Code and art. 17 of the By-laws.

Term of office and determination of the remuneration of the Board of Directors

We would also remind you that the Ordinary Shareholders' Meeting will be called to determine the term of office of the new Board of Directors, which shall in any case not exceed three financial years, in accordance with art. 13 of the By-Laws.

The Ordinary Shareholders' Meeting is also called to determine the remuneration of the members of the Board of Directors. In this regard, it is recalled that, in accordance with art. 19 of the By-laws, the remuneration due to directors are established by the Shareholders' Meeting. The Shareholders' Meeting may also determine the total amount of the remuneration of all the directors, including those performing special duties. In this case, the Board of Directors shall determine the remuneration attributable to the directors performing special duties, upon proposal of the Remuneration Committee and after having heard the opinion of the Board of Statutory Auditors.

Proposal for resolution:

Dear Shareholders,

In view of the above, you are invited to:

- determine the number of members of the new Board of Directors of Maire Tecnimont S.p.A., to be defined in compliance with the By-laws as between five and eleven, in an odd number;
- determine the term of office of the new Board of Directors of Maire Tecnimont S.p.A. in compliance with the legal limits and limits set by the By-laws;
- appoint the new Board of Directors of Maire Tecnimont S.p.A., by choosing one of the lists filed at the registered office, in accordance with the By-laws and published as provided by regulations in force;
- appoint the Chairman of the Board of Directors, by selecting among the candidates on the list that obtained the highest number of votes, or, if the Shareholders' Meeting has not provided, allow the Board of Directors to provide for that;
- determine the annual remuneration of the members of the Board of Directors for the term of office.

Milan, 14 March 2019

On behalf of the Board of Directors
The Chairman
(Fabrizio Di Amato)