

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 2 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 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 2015, the mandate shall end as conferred to the Directors in office appointed by the Shareholders' Meeting of 30 April 2013, 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 30 April 2013 had resolved to set at nine the number of Directors, three financial years the term of office of the Board of Directors and Euro 30,000.00 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, 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. It is also stated that the members of the Board of Directors may also be non-members and serve for one to three financial years, until approval of the Financial Statements for the last year of the mandate, as established by the Shareholders' Meeting upon appointment and may be re-elected.

The procedure for the appointment of the Board of Directors of the Company is provided in art. 14 of the By-laws. In particular, this clause requires the appointment of Directors to be based on lists (in which the candidates are listed with a sequential number) submitted 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, by resolution of 28 January 2016, set for the Company 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, 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.

Each list must contain the candidacy of the minimum number of individuals that meet the independence requirements established in accordance with the laws and regulations applicable to Independent Directors.

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, together with:

- (i) acceptances of candidacy by the individual candidates;
- (ii) statements by 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;

- (iii) *curriculum vitae* of each designated person regarding personal and professional qualifications, with an indication of management and control positions held at other companies and eventual suitability to qualify as independent, according to criteria of law and of the Company.

Certification attesting ownership, at the time of filing the list with the Company, of the minimum shareholding envisaged 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 required for publication of the lists by the Company).

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.

According to the resolutions to be adopted in the Meeting convened, we also remind you that:

- pursuant to art. 147-ter, paragraph 4 of Legislative Decree 58/1998, at least one member of the Board of Directors, or two if the Board of Directors is composed of more than seven members, must meet the independence requirements established for Statutory Auditors by article 148 of Legislative Decree 58/1998;
- the Corporate Governance Code of Listed Companies issued by Borsa Italiana S.p.A. (Italian Stock Exchange), in the version approved 9 July 2015, (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;
- as specified by art. 2 of the Corporate Governance Code, the Board of Directors must be composed of executive and non-executive Directors, with appropriate expertise and professionalism; the number, competence, authority and time availability of non-executive Directors shall be such as to ensure that their judgement may have significant weight in Board decisions;
- 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 appropriate knowledge and experience in finance 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 experience in accounting and finance and risk management, to be assessed by the Board of Directors at the time of appointment.

Every person entitled to vote may vote only one list.

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 so that a list can participate in the distribution of Directors to be elected.

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

Regarding the appointment of the minimum number of Independent Directors required by art. 147-ter, paragraph 4, of Legislative Decree 58/1998, article 14 above 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 progressive 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 conforms to the discipline in force *pro tempore* regarding the balance of the two genders.

If, on conclusion of said procedure, the last indicated result is not fulfilled, substitution shall take place by Shareholders' Meeting resolution decided by the relative majority, upon the presentation of the candidates that belong to the less represented gender.

Article 14 of the By-laws also provides that if one or more Directors shall no longer be in office during the year, for whatever reason, the Board of Directors shall replace them by co-opting – pursuant to art. 2386 of the Civil Code - the first non-elected candidate from the list from which the terminated Director was taken and so on, if such non-elected candidate is not available or ineligible, provided that such candidates are still eligible and are willing to accept the office. Should no non-elected candidates from the list remain or, in any case, for whatever reason, should it not be possible to meet the afore mentioned criterion, the Board of Directors shall proceed with the replacement, as the subsequent Shareholders' Meeting shall also do, with the legal majority and without voting lists. In any case, the Board of Directors and, subsequently, the Shareholders' Meeting shall proceed with the appointment so as to ensure (i) the presence of Independent Directors in the minimum total number required by the currently applicable regulation and (ii) compliance with the currently applicable regulation in the matter of balanced proportion between genders.

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

Pursuant to article 2364, paragraph 1 of the Civil Code and article 19 of the By-laws, the Shareholders' Meeting shall also determine the remuneration of the directors.

Proposed 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. for the years 2016, 2017, 2018 and in any case until the Meeting to be convened to approve the Financial Statements at 31 December 2018;
- 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 choosing from among the candidates on the list that obtained the highest number of votes, or leave the Board of Directors to do so;
- determine the annual remuneration of each Director for the term of office.

Rome, 16 March 2016

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