

MAIRE TECNIMONT S.P.A.

Registered office: Rome, Viale Castello della Magliana, 75

Operative office: Milan, Via Gaetano De Castillia, 6A

Share capital Euro 19,689,550.00 fully subscribed and paid-in

TAX ID VAT and registration Rome Companies Register 07673571001

R.E.A. (Economic Administrative Index) 1048169

**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 15 DECEMBER 2015, ON FIRST CALL, AND 16 DECEMBER
2015, ON SECOND CALL.**

Item 2 on the agenda – Appointment of the Independent Auditors of accounts for the period 2016-2024 and determination of fees pursuant to Legislative Decree 39/2010. Related and consequent resolutions.

Shareholders,

This Report has been prepared pursuant to article 125-*ter* of Legislative Decree no. 58 of 24 February 1998, as amended (“Consolidated Finance Act” or “CFA”). This report is made available to the public, in accordance with law and regulations, at the registered office and at the operations office of the Company, on the Company's website (www.mairetecnimont.com), and on the central storage device linfo (www.linfo.it).

We would like to inform you that, on the occasion of the Shareholders' Meeting for approval of the financial statements as at 31 December 2015, the mandate of the independent auditors Deloitte & Touche S.p.A., appointed by the Shareholders' Meeting on 10 July 2007, for the years 2007-2015, has reached the nineth-year office term, i.e. the maximum period permitted by law.

The Board of Directors has convened you in ordinary session on 15 December 2015 and, if necessary, on second call on 16 December 2015, to submit to your approval the reasoned proposal formulated by the Board of Statutory Auditors in accordance with article 13, paragraph 1 of Legislative Decree 27 January 2010, no. 39 regarding the appointment of the Independent Auditors PricewaterhouseCoopers S.p.A. for the legal audit of the accounts for the years from 2016 to 2024, annexed herewith.

Rome, 12 November 2015

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

Reasoned proposal by the Board of Statutory Auditors of Maire Tecnimont S.p.A. pursuant to art. 13 of Legislative Decree 27 January 2010 no. 39 for the conferment of the legal audit appointment for the financial years 2016-2024

1) Introduction

Shareholders,

With the approval of the annual and consolidated financial statements as at 31 December 2015, the appointment of the legal audit conferred to the auditing firm Deloitte & Touche S.p.A. ("D&T") by the Shareholders' Meeting of Maire Tecnimont S.p.A. ("Maire Tecnimont" or the "Company") on 10 July 2007 for the period 2007-2015 will expire.

Said appointment may not be renewed as in the year 2015, since the nine-year period provided for in art. 17 of Legislative Decree 39/2010 will be completed.

Under the provisions of art. 13 of Legislative Decree 39/2010, the Shareholders' Meeting, on reasoned proposal of the Board of Statutory Auditors, confers the legal audit appointment and determines the fee due to the auditing firm for the entire duration of the appointment, as well as any criteria for the adjustment of said fee during the appointment.

Considering the size and complexity of Maire Tecnimont and its subsidiaries, following the practice now consolidated by the major Italian listed companies, the Board of Statutory Auditors of Maire Tecnimont (hereinafter also "Board of Statutory Auditors"), in agreement with the *management* of Maire Tecnimont and the Control and Risk Committee, deemed it appropriate to initiate in advance the selection process for the new auditing firm for the financial years 2016-2024, in order to submit the proposed conferment of the new appointment to the Shareholders' Meeting by the end of this year.

This anticipation allows, among other things, the new auditor to arrange in due time, the management of the transition of the audit activities and to facilitate, prior to the beginning the appointment, the acquisition of more knowledge of Maire Tecnimont S.p.A. and the Maire Tecnimont Group, as well as more effectively and efficiently establish the audit activities.

The Board of Statutory Auditors, at the end of the selection process carried out also with the support of the competent Company functions, and following a thorough technical and economic evaluation carried out independently, identified as the best offer the one presented by the auditing firm PricewaterhouseCoopers S.p.A. ("PwC").

In summary, the following are outlined:

- the phases of the selection process of the new auditor and the related criteria;

- the choice of the auditing firm with evidence of the related distinctive elements;
- the main content of the appointment proposal formulated by PricewaterhouseCoopers S.p.A.;
- the elements that emerged following the application of the qualitative and quantitative selection criteria supporting the reasoned proposal by the Board of Statutory Auditors to the Shareholders' Meeting.

2) The phases of the selection process of the new auditor and the related criteria

2.1) The conduct and management of the selection process

The selection process of the new auditor was initiated by the Board of Statutory Auditors of Maire Tecnimont in June 2015, with the support of the Chief Financial Officer, the Group Administration and Financial Reporting Manager and the Group Corporate Secretary of Maire Tecnimont S.p.A.

The Board of Statutory Auditors considered it appropriate to invite to participate in the selection process of the auditing firm KPMG S.p.A., Reconta Ernst & Young S.p.A. and PricewaterhouseCoopers S.p.A. In fact, at the outset, said entities had the organizational and technical suitability adequate to the breadth and complexity of the appointment, considering the structure of the Group.

Following subsequent meetings, also with the competent company functions, the Board of Statutory Auditors definitively approved the text of the letters to be sent to the three leading auditing firms and related annexes. The aforementioned companies were provided with a set of information to allow the best knowledge of the company profile of the Maire Tecnimont Group, in view of the preparation of the appointment proposals to be formulated on the basis of audit hours accounted in 2014 by the current auditing firm D&T.

By letter dated 25 September 2015 ("Letter of Invitation"), KPMG S.p.A., Reconta Ernst & Young S.p.A. and PricewaterhouseCoopers S.p.A. were therefore formally invited to formulate an appointment proposal. With the Letter of Invitation, the auditing firms were requested to provide, in particular, the following elements:

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- (i) a statement regarding the absence of situations that may affect the independence of the auditing firm or causes of incompatibility with respect to the conferment of the appointment, in accordance, in particular, with art. 10 and 17 of Legislative Decree 39/2010, as well as the related implementing provisions therein (Chapter I-*bis* of Title VI Audit, -Incompatibility- of the Issuers' Regulation adopted with Consob Resolution no. 11971 of 14 May 1999 and subsequent amendments and integrations, as well as Audit principle, Document no. 100 "Principles on the independence of the auditor");
 - (ii) a statement regarding the corporate structure of the participating auditing firm;
 - (iii) the list of the offices belonging to the network of the auditing firm present in the Countries where Maire Tecnimont Group companies are based, as well as an illustration of the internal organization of the Italian and international network with particular focus on coordination activities;
 - (iv) a description of the operating approach to the appointment (audit methodology, method of coordination and transition with the previous auditor, supervision and direction of the activity performed by the network companies; information flows with the Company);
 - (v) an indication of the main areas deemed critical for the audit at the Maire Tecnimont Group and documentation proving knowledge of the Group;
 - (vi) the references of those involved in the audit team, with particular reference to the experience acquired with other customers in sectors comparable with those of the Maire Tecnimont Group;
 - (vii) the estimated hours and fees for the performance of the appointment, with specific indication of the professional mix envisaged.

The selection process was conducted by the Board of Statutory Auditors with attention to privacy and confidentiality of information provided by the auditing firms concerned.

The Board of Statutory Auditors has operated in constant coordination with the Company functions and has addressed the issue in the course of ten meetings in total (including meetings with the Control and Risk Committee), during the period between June 2015 and November 2015.

In the period from the sending of the Letter of Invitation to the term for submission of the offer, the relevant Company functions also held meetings and exchanged information with the representatives of each of the auditing firms involved in the selection, in order to obtain specific information and clarifications in support of the Board of Statutory Auditors.

2.2) Definition of selection criteria

In defining the selection criteria to be adopted as part of the selection process, the Board of Statutory Auditors intended to combine the evaluation of the professional requisites and

technical-organizational suitability of the candidate auditing firms with aspects related to cost-effectiveness.

The Board of Statutory Auditors therefore deemed a priority to verify the existence of the independence requirements and the absence of any causes of incompatibility of the auditing firms concerned impeding to the conferment of the appointment, in accordance with the provisions of articles 10 and 17 Legislative Decree 39/2010, as well as the related implementing provisions therein (Chapter I-bis "Incompatibility" of Title VI "Audit" of the Issuers' Regulation adopted with Consob Resolution no. 11971 of 14 May 1999 and subsequent amendments and integrations, as well as Audit principle, Document no. 100 "Principles on the independence of the auditor").

The Board of Statutory Auditors therefore identified qualitative and quantitative selection criteria, in turn divided into sub-categories, to which appropriate weightings have been attributed in the evaluation phase, with respect to each participant in the selection.

The selection criteria identified by the Board of Statutory Auditors were as follows:

- Ability to serve global customers, with particular attention to: (i) annual revenues of auditing services; (ii) the number of employees for auditing services; (iii) the number of Countries served by the network of auditing services and (iv) the possible use by the auditing firm of entities not belonging to the network for Countries not covered directly and/or for technical operations;
- Operating approach to the appointment, evaluated on the basis of information provided by the auditing firms regarding: (i) the methodology for the understanding of the Company and the Group; (ii) the technical tools to support the legal audit; (iii) the method of supervision and direction of the results arising from the activities carried out by the network companies; (iv) the flow of information and documentation to be provided to the Corporate, Audit and Supervisory Bodies of the Maire Tecnimont Group;
- Business knowledge and experience acquired with the Maire Tecnimont Group, to be weighted in relation to: (i) previous projects realized with the Company or with the Maire Tecnimont Group; (ii) the experience acquired with other customers of the sector in Italy and in the other main Countries in which the Maire Tecnimont Group operates; (iii) the possible belonging to national and/or international organizations or centres of excellence that operate in the sector of reference of the Maire Tecnimont Group;
- Number of total hours and professional mix proposed, subject to evaluation with reference to: (i) the reasonableness of the hours estimated for the performance of the appointment (also having regard to the number of total hours of D&T); (ii) the possible deviation of the proposed mix with respect to what the Board of Statutory Auditors has assessed to be right and proper; (iii) the experience acquired by the audit team proposed;

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- Quantitative elements, which include; (i) the difference between the fees indicated in the proposal with respect to those currently applied to the auditor in office; (ii) a comparison of the various proposals based on the total number of hours and the professional mix assumed and average hourly fees.

2.3) The choice of the auditing firm with evidence of the related distinctive elements

The appointment proposals formulated by KPMG S.p.A., Reconta Ernst & Young S.p.A. and PricewaterhouseCoopers S.p.A., received as required in the Letter of Invitation by 16 October 2015, were preliminarily examined by the Board of Statutory Auditors during the meeting held on 22 October 2015, on the basis of the selection criteria mentioned above.

Subsequently, on 29 October 2015, the Board of Statutory Auditors evaluated and expressed a unanimous opinion in favour of the proposal formulated by PricewaterhouseCoopers S.p.A., considering this proposal, in light of the selection criteria identified and recalled in paragraph 2.2, as the most competitive among those submitted to the attention of the Board of Statutory Auditors and also more in line with the needs of the Maire Tecnimont Group.

3) The main contents of the Proposal of PricewaterhouseCoopers S.p.A.

3.1) Audit Services included in the Appointment

As indicated in the proposal formulated by PricewaterhouseCoopers S.p.A., the appointment includes the performance of the following activities ("Audit Services"):

- (i) the audit of the annual and consolidated financial statements of Maire Tecnimont S.p.A., pursuant to art. 14, paragraph 1, Legislative Decree 39/2010, for the years 2016-2024;
- (ii) the verification, during the year, of the regular keeping of the Company accounts and the correct reporting of operating events in the accounts of Maire Tecnimont S.p.A. pursuant to art. 14, paragraph 1, letter b). Legislative Decree 39/2010;
- (iii) the verification, pursuant to art. 14, paragraph 2, letter e), Legislative Decree 39/2010, of the consistency of the report on operations with the annual and consolidated financial statements, including the verification of consistency with respect to the information on corporate governance and ownership structure pursuant to art. 123-bis, paragraph 4, Legislative Decree 24 February 1998, no. 58;
- (iv) the performance by the foreign correspondents of PricewaterhouseCoopers S.p.A. of the audit of the financial statements prepared for consolidation purposes (reporting package) of foreign subsidiaries, for the purpose of the legal audit of the annual and consolidated financial statements of Maire Tecnimont;
- (v) the audit of the financial statements prepared in accordance with local regulations of foreign subsidiaries, where agreed;

(vi) the legal audit of the annual financial statements and, where agreed, of the consolidated financial statements in accordance with local regulations of Italian subsidiaries;

(vii) the limited audit of the consolidated and abbreviated half-year financial statements for the half-years from 30 June 2016 to 30 June 2024 of Maire Tecnimont. This activity will also involve the performance of the limited audit of the half-year financial statements of investee companies prepared for consolidation purposes.

3.2) Scope of Audit Services within the Maire Tecnimont Group

As expressly required in the Letter of Invitation, the Audit Services have the following scope of extension:

COMPANY	Country	Half-Year Package	Annual Package	Statutory
Maire Tecnimont S.p.A.	Italy	✓	✓	✓
Stamicarbon B.V.	The Netherlands	✓	✓	✓
KT S.p.A.	Italy	✓	✓	✓
KT Cameroun S.A.	Cameroun			✓
KT Arabia L.L.C.	Saudi Arabia			✓
Tecnimont S.p.A.	Italy	✓	✓	✓
Protecma S.r.l.	Italy		✓	✓
Tecnimont Arabia L.T.D.	Saudi Arabia	✓	✓	✓
Tecnimont ICB Pvt. Ltd.	India	✓	✓	✓
Tecnimont Planung und Industrieanlagenbau GmbH	Germany	✓	✓	✓
Ingeniería y Construcción Tecnimont Chile y Compañía Ltda.	Chile	✓	✓	✓
Tecnimont do Brasil Construção e Administração de Projetos Ltda.	Brazil	✓	✓	
JV JGC-TCM Gasco	United Arab Emirates	✓	✓	✓
TSJ Limited	Malta	✓	✓	✓
TCM FR S.A.	France	✓	✓	✓
Tecnimont Civil Construction S.p.A.	Italy	✓	✓	✓
Cefalù 20 S.c.a.r.l.	Italy	✓	✓	✓
Corace S.c.a.r.l. in liquidation	Italy		✓	✓
Transfima G.e.i.e.	Italy		✓	✓
MGR Verduno 2005 S.p.A.	Italy	✓	✓	✓
ML3000 S.p.A. in liquidation	Italy	✓	✓	✓
JO Ethiad	United Arab Emirates	✓	✓	✓

3.3) Annual fees for Audit Services

The following table summarizes the working hours, the fees established, the percentage breakdown among the various professional categories, provided in the "PwC" Proposal for Audit Services on an annual basis:

Summary of hours and fees - Maire Tecnimont Group		
	<i>Hours</i>	<i>Total Fees</i>
Services related to the legal audit of Maire Tecnimont S.p.A.	2,250	€195,000
Services related to the audit of the Italian subsidiaries of Maire Tecnimont S.p.A.	9,810	€855,000
Services related to the audit of the foreign subsidiaries of Maire Tecnimont S.p.A.	4,940	€270,000
Total Hours and Assignment Fees	17,000	€1,320,000

Detail of activities of the parent company Maire Tecnimont S.p.A.		
	<i>Hours</i>	<i>Total Fees</i>
Services related to the legal audit:		
a) Audit of the separate financial statements of Maire Tecnimont S.p.A. pursuant to art. 14, 16 and 17, paragraph 1 of Legislative Decree 39/2010;	580	€49,000
b) Audit of the Group consolidated financial statements pursuant to art. 14, 16 and 17, paragraph 1 of Legislative Decree 39/2010;	900	€80,000
c) Expression of the opinion on the consistency of the report on operations and the information referred to in paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b), of art. 123-bis of Legislative Decree 58/98, presented in the corporate governance report;	150	€13,000
d) Limited audit of the consolidated half-year Report in accordance with Consob communication no. 97001574 of 20/2/1997 and carried out according to the criteria for the limited audit recommended by Consob;	450	€39,000
e) Verifications during the financial year on the regular keeping of the company accounts and correct reporting of operating events in the accounts in accordance with art. 14, paragraph 1, letter b) of Legislative Decree 39/2010;	120	€10,000
f) Verifications and signing of tax statements submitted under current tax regulations.	50	€4,000
Total Hours and Assignment Fees	2,250	€195,000

Composition of the professional mix of the Audit Team members of the Maire Tecnimont Group		
	<i>Hours</i>	<i>Mix %</i>
Partners	2,050	12%
Manager	5,600	33%
Senior	5,100	30%
Assistants	4,250	25%
Total Hours and Assignment Fees	17,000	

3.3) Additional economic conditions envisaged in the Proposal

The "PwC" proposal also envisages the following:

i) ISTAT Index: the fees provided in the "PwC" proposal will be subject to adjustment on 1 July of each year, starting from 1 July 2017, within the limits of the increase in the ISTAT index related to the cost of living over the previous year;

(ii) Changes in fees: in the event of exceptional or unforeseeable circumstances, including, merely by way of example, significant changes in the structure and activities of the Company and of the Maire Tecnimont Group, significant changes in accounting standards, new professional guidelines, etc. that may require substantially more time than as agreed in the "PwC" proposal, these circumstances will be immediately discussed and agreed upon for the purpose of a consequent and possible adjustment of the fees estimated. Similarly, if the time spent is significantly less than as indicated in the "PwC" proposal, the fees estimated will be adjusted and reduced proportionally.

(iii) Reimbursement of expenses and Consob contribution: pocket and secretarial expenses incurred for the performance of the appointment will be charged as final balance based on the cost incurred. The supervisory contribution in favour of CONSOB will be charged separately in the amount equal to the percentage established by the Authority.

(iv) External consultancy: expenses that may be incurred for external consultancy will be discussed in advance with the Company as soon as such a need for the performance of the appointment should arise.

4) Elements that emerged following the application of the qualitative and quantitative selection criteria supporting the reasoned proposal by the Board of Statutory Auditors to the Shareholders' Meeting

As anticipated, the outcome of the assessment made by the Board of Statutory Auditors on the basis of the aforementioned qualitative and quantitative selection criteria led the Board of Statutory Auditors to the attribution of weighting to each of the auditing companies participating in the procedure and to express its own assessment, as a whole, in favour of the "PwC" proposal.

The overall assessment of the Board of Statutory Auditors is supported, in particular, by the following elements with reference to the independence requirement and individual criteria identified in the selection procedure:

- Independence, as stated in the "PwC" proposal, the auditing firm PwC is independent and not affected by situations of incompatibility with respect to the appointment, in accordance with the provisions of art. 10 and 17 Legislative Decree 39/2010, as well as the related

implementing provisions therein (Chapter I-bis "Incompatibility" of Title VI "Audit" of the Issuers' Regulation adopted with Consob Resolution no. 11971 of 14 May 1999 and subsequent amendments and integrations, as well as Audit principle, Document no. 100 "Principles on the independence of the auditor").

- Ability to serve global customers, PricewaterhouseCoopers S.p.A. adheres to one of the largest international networks and undoubtedly has renowned professionalism, adequate organizational structure and technical expertise of the highest standing, required in the circumstances in relation to the breadth and complexity of the appointment. The "PwC" network is directly present in all Countries of operation of the Maire Tecnimont Group. The appointment will be carried out entirely by companies belonging to the "PwC" network, without the involvement of entities not belonging to the same network.
- Operating approach to the appointment, the working methodology used by PricewaterhouseCoopers S.p.A. pays particular attention to the Risk Assessment phase, as well as to the analysis and verification of the effectiveness of the internal control system. It also includes a detailed plan of activities necessary for the transition period and support to the outgoing auditor. The auditing firm also uses programs that allow the constant monitoring of existing appointments and situations of incompatibility. As regards the supervision of the activities of the entities of the network, the "PwC" proposal includes work planning meetings and visits to the most significant foreign audit teams. In relations with the corporate bodies, PwC proposes the conduct of meetings at least quarterly with the main corporate and governance bodies.
- Business knowledge and experience acquired with the Maire Tecnimont Group, PricewaterhouseCoopers S.p.A. has acquired significant experience in performing the audit activities of companies or groups, also listed, Italian or foreign, operating in comparable sectors that have an organizational structure with size and geographical characteristics of complexity comparable to that of the Maire Tecnimont Group. In the past, PricewaterhouseCoopers S.p.A. has also developed in-depth knowledge of the organizational structure, specificity of the business process and strategy of the Maire Tecnimont Group as a result of Independent Business Review (IBR) conducted on behalf of financial institutions in 2013 and also by virtue of administrative and tax assistance appointments for some foreign companies. In this regard, PricewaterhouseCoopers S.p.A. is obligatorily committed, should services still in progress be identified for which there are cases of incompatibility, to remove said causes of incompatibility.
- Number of total hours and professional mix proposed, the estimate of working hours contained in the "PwC" proposal is adequate in relation to: (i) the size, composition and risk

of the most significant equity, economic and financial figures of the Maire Tecnimont Group; (ii) the technical preparation and experience that the appointment requires, and (iii) the need to ensure, in addition to the material execution of verifications, adequate supervision and direction of the work.

The professional mix indicated by PricewaterhouseCoopers S.p.A. is better than as requested, providing an increase in the percentage of participation in the work by the partner and manager; also the total number of hours proposed is higher than the other candidate auditing firms, as well as the outgoing auditor.

- Quantitative elements, in the opinion of the Board of Statutory Auditors the fees provided in the "PwC" proposal, as set forth above, are determined to an extent such to protect the quality and reliability of the work. Lastly, from the quantitative point of view, the "PwC" proposal was overall the most competitive among those received.

Shareholders,

In light of the above, you are therefore invited to approve the proposal related to the conferment to PricewaterhouseCoopers S.p.A. of the legal audit appointment related to Maire Tecnimont S.p.A. for the years 2016-2024, according to the contents, terms and conditions illustrated by the Board of Statutory Auditors.

Milan, 11 November 2015

THE BOARD OF STATUTORY AUDITORS

Pier Paolo Piccinelli – Chairman

Giorgio Loli –Statutory Auditor

Roberta Provasi – Statutory Auditor