

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 3 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 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 2018, the mandate shall end as conferred to the Statutory Auditors in office appointed by the Shareholders' Meeting of 27 April 2016, 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, please recall, in particular, the following:

Composition of the Board of Statutory Auditors

In accordance with art. 20 of the By-laws, the Shareholders' Meeting shall appoint a Board of Statutory Auditors composed of three Standing Statutory Auditors and three Alternate Statutory Auditors, establishing, upon appointment, their remuneration.

Statutory Auditors remain in office for three financial years, until the Shareholders' Meeting called to approve the financial statements relating to the third year of their office term.

Statutory Auditors must also be in possession of the requirements relating to the limits to the maximum number of offices prescribed by current applicable legislation.

No one in any of the situations of impediment or ineligibility or who does not meet the requirements of professionalism, honour and independence prescribed by current legislation can be elected as Statutory Auditor and if elected, shall forfeit the office.

The composition of the Board of Statutory Auditors shall also respect the gender balance pursuant to article 148, paragraph 1-*bis* of Italian Legislative Decree no. 58/1998 (the “**Consolidated Finance Act**” or “**CFA**”), as introduced by Italian Law no. 120 of 12 July 2011. With reference to the mandate of the new Board of Statutory Auditors, at least one third of the standing members of the Board of Statutory Auditors, must be of the least represented gender.

It is also recalled that as the Board of Statutory Auditors is also the “*Internal Control and Accounts Auditing Committee*” in accordance with art. 19 of Italian Legislative Decree no. 39/2010 (as amended by Italian Legislative Decree no. 135/2016), the members of the Board of Statutory Auditors must, as a whole, be competent in the sector in which the Company operates.

List-based voting mechanism for appointing the Board of Statutory Auditors

In accordance with art. 21 of the By-laws, the Board of Statutory Auditors is appointed on the basis of lists submitted by shareholders. Accordingly, lists composed of two sections are submitted: one for the appointment of the Standing Statutory Auditors, the other for the appointment of 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.

Lists may be submitted only 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 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 threshold of the

share capital and thus also, among other things, for the determination of the threshold of the share capital required for the presentation of lists for the election of the bodies of the Company.

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, first paragraph, no. 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.

Shareholders are request to file the lists (signed by those who submit them) at the registered office in Rome or operative offices in Milan at least 25 days before the date set for the Shareholders' Meeting in first call, i.e. **by 04 April 2019**. Lists for the appointment of the Board of Statutory Auditors 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:

- a) the indication of the identity of the shareholders presenting the lists and the total percentage of shareholding held;
- b) acceptance of candidacy by the individual candidates;
- c) a declaration in which they attest, under their own responsibility, the absence of reasons of incompatibility and the existence of requirements prescribed by law for such offices;
- d) a curriculum vitae regarding 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;
- e) the statement of shareholders other than those who hold, also jointly, a controlling shareholding or relative-majority shareholding, certifying the absence of any relationship pursuant to article 144-*quinquies* of Consob Regulation 11971/1999 with the latter.

Certification attesting ownership, upon filing the list at 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 any 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). Note that ownership of the shareholding 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.

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, lists may be submitted, pursuant to article 144-*sexies* 5th paragraph of Consob Issuers Regulation, until the third day following said date, i.e. **by 12:00 on 08 April 2019**. In that case, the minimum threshold for the presentation of lists is halved and lists may therefore be submitted by shareholders who possess,

individually or jointly, at least 0.5% of the capital represented by shares with voting rights in the ordinary Shareholders' Meeting.

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 Meeting date (i.e. **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 Statutory Auditors

In accordance with art. 21 of the By-laws, the Standing Statutory Auditors will be the first two candidates from the list obtaining the highest number of votes ("Majority List") and the first candidate from the list obtaining the second highest number of votes ("Minority List"), submitted by shareholders who are not related, even indirectly, to the shareholders who submitted or voted the Majority List and this candidate will also be 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 presented, the Shareholders' Meeting votes on this; if the list obtains the relative majority, the candidates listed in the corresponding section of the list are elected as Standing Statutory Auditors and Alternate Statutory Auditors; the chair of the Board of Statutory Auditors is assigned to the person listed in first place in the above-mentioned 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.

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Finally, it is recalled that the Company's Board of Directors, in the meeting held on 14 March 2019, in view of the Shareholders' Meeting called to approve the financial statements for FY 2018, defined, having consulted with the Board of Statutory Auditors and in compliance with the provisions of the Corporate Governance Code and due consideration of the results of the self-assessment of the Board of Auditors for FY 2018, guidance as to the members of the Board of Statutory Auditors, also in respect of diversity criteria such as age, gender balance and training and professional expertise.

In this respect, the Board of Directors provides the following indications:

- in compliance with applicable regulations on gender balance, at least one third of Statutory Auditors 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 the same, and without prejudice to the legal requirements on professionalism and gender balance, to ensure that: (a) the Board of Statutory Auditors is made up of different aged members; and (b) the training and professional expertise of the Statutory Auditors can guarantee a balanced combination of profiles and expertise, both nationally and internationally, able to ensure the correct fulfilment of the controls activities assigned to the competence of the Board of Statutory Auditors.

Determination of the remuneration of the Board of Statutory Auditors

Finally, it is recalled that, in accordance with art. 20 of the By-laws, the ordinary Shareholders' Meeting shall also be called to determine the remuneration to be paid to the members of the Board of Statutory Auditors for the entire term of office.

Proposal for resolution:

Dear Shareholders,

In view of the above, you are invited to:

- appoint the Statutory Auditors who will remain in office for the years 2019, 2020, 2021 and therefore until the Shareholders' Meeting called to approve the Financial Statements at 31 December 2021, by selecting 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.

Milan, 14 March 2019

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