

Ordinary and Extraordinary Shareholders' Meeting 19 April 2017

Directors' explanatory report on the agenda

pursuant to Article 125-ter Legislative Decree n. 58 of 24 February 1998 as amended

The Italian text prevails over the translation into English

Dear Shareholders,

According to Article 125-ter of Legislative Decree no. 58/98, as amended, and Article 84-ter of Consob Resolution no. 11971/99, as amended, the Board of Directors of Cementir Holding S.p.A. submits to you a report illustrating the matters on the agenda of the Ordinary and Extraordinary Shareholders' Meeting convened at the head office of the company in Corso di Francia n. 200, on single call, for **19 April 2017** at **11.30** a.m.

AGENDA

Ordinary Session

1. Financial statements as of 31 December 2016. Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Allocation of net result for the year. Related resolutions. Presentation of the Group's consolidated financial statements at 31 December 2016.

Extraordinary Session

1. Non-reconstitution proposed, pursuant to Art. 13, Section 2 of Law 342/2000, of the revaluation reserve as per Law No. 266/2005, partially used to cover the loss incurred in 2016. Related and consequent resolutions.

Ordinary Session

2. Motion for the distribution of a dividend. Related and consequent resolutions.
3. Appointment of the board of statutory auditors for 2017-2019 and its Chairman; determination of relative fees. Related and consequent resolutions.
4. Appointment of a Board member. Related and consequent resolutions.
5. Remuneration Report: resolution in relation to the first section pursuant to Article 123-ter, paragraph 6 of Legislative Decree no. 58/98.

ORDINARY SESSION

1. FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016. REPORTS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS AND THE INDEPENDENT AUDITORS. ALLOCATION OF THE NET RESULT FOR THE YEAR. RELATED RESOLUTIONS. PRESENTATION OF THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015.

Dear Shareholders,

The document "Annual Report at 31 December 2016" of Cementir Holding S.p.A., made available at the Company's registered offices, on the Company's website www.cementirholding.it, and on the authorized storage device eMarket STORAGE at www.emarketstorage.com., not later than twenty-one days before the scheduled date of the Shareholders' Meeting (within 29 March 2017), includes the draft of the financial statements of Cementir Holding S.p.A. and the consolidated financial statements, jointly with the Directors' report and the statement pursuant to Article 154-bis, paragraph 5 of the Legislative Decree No. 58/98.

Reports of the Audit Firm and of the Board of Statutory Auditors are available to the public together with the Annual Report.

Therefore, you are invited to refer to these documents.

The foregoing being understood, we recommend that the Shareholders' Meeting should adopt the following resolution:

The Shareholders' Meeting:

- having examined the Company's statutory financial statements for the year ended 31 December 2016 showing a loss of EUR 5,880,637, the Directors' report on operations, the report of the Board of Auditors to the Shareholders' Meeting and the reports of the independent auditors;
- having examined the consolidated financial statements for the year ended 31 December 2016 showing a net profit at Group level of EUR 67,269,841;

RESOLVES

- a) to approve the Directors' Report on operations for 2016;
- b) to approve the Company's financial statements – including the balance sheet, the income statement and the explanatory notes for the year ended 31 December 2016 – showing a loss of EUR 5,880,637;
- c) to carry forward the losses of the period equal to EUR 5,880,637, without prejudice to subsequent resolutions in the extraordinary session.

EXTRAORDINARY SESSION

1. NON-RECONSTITUTION PROPOSAL, PURSUANT TO ART. 13, SECTION 2 OF LAW 342/2000, OF THE REVALUATION RESERVE AS PER LAW NO. 266/2005 PARTLY USED TO COVER THE LOSS INCURRED IN 2016 RELATED AND CONSEQUENT RESOLUTIONS.

Dear Shareholders,

The Ordinary Shareholders' Meeting has approved the Financial Statements for the financial year 2016 resolving to carry forward the losses of the period equal to EUR 5,880,637, without prejudice to subsequent resolutions in the extraordinary session.

The suggestion in the extraordinary session is to cover losses through the partial use of "Revaluation Reserve ex per Law 266/2005" for Euros 5,880,637.

To this purpose, the Law 266/2005 references art. 13 section 2 of Law 21 November 2000 No. 342 ("Law 342/2000"), which states that: *"in case of use of the reserve to cover losses, it will not be possible to distribute profits until the reserve has been re-established or reduced down by the corresponding amount with a resolution adopted by the Extraordinary Shareholders' Meeting, whilst 2nd and 3rd sections of art. 2445 of the Civil Code shall not be applicable"*.

In order to benefit of a major flexibility in the allocation of the Company's future profits and avoid limitations to the distribution of the dividend, we suggest to resolve not to reestablish the above-mentioned reserve by restoring the amount used to cover the operating loss for the financial year 2016.

The Shareholders' Meeting is therefore invited to adopt the following resolution:

The Shareholders' Meeting

- as per art. 1, comma 469, and subsequent, of Law 266/2005 and the thereby referenced art. 13, comma 2 of Law 342/2000;

RESOLVES

- a) to cover the loss of Euros 5,880,6372 through the partial use of "Revaluation Reserve set under Law 266/2005;
- b) to not reestablish the Revaluation Reserve - Law 266/2005 and to reduce it permanently by the amount of Euros 5,880,637 used to cover the loss.

ORDINARY SESSION

2. MOTION FOR THE DISTRIBUTION OF A DIVIDEND. RELATED AND CONSEQUENT RESOLUTIONS.

Dear Shareholders,

In relation to the distribution of a dividend, the Board of Directors proposes to pay for each ordinary share a dividend of EUR 0,10, using, for this purpose, total Euro 15,912,000 of retained earnings from years closed before 31 December 2007.

The foregoing being understood, we recommend that the Shareholders' Meeting should adopt the following resolution:

The Shareholders' Meeting

RESOLVES

- a) to allocate the total amount of EUR 15,912,000 as a payable dividend to the shareholders, equal to EUR 0.10 per each ordinary share, gross of any withholding tax, using retained earnings from years closed before 31 December 2007;
- b) establish the Record Date as of 23 May 2017 according to Article 83-terdecies of the Legislative Decree 58/98;
- c) to set out 22 May 2017 as the ex-dividend date;
- d) to pay the dividend, gross of any withholding tax, on 24 May 2017.

3. APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS FOR 2017 - 2019 AND DETERMINATION OF RELATIVE FEES. RELATED AND CONSEQUENT RESOLUTIONS.

Dear Shareholders,

With the approval of the Financial Statements for the year ended 2016, the term of office of the appointed Statutory Auditors will end; the Shareholders' Meeting is therefore requested, pursuant to Article 15 of the Articles of Association of the Company, to appoint new members of the Board of Statutory Auditors comprising three Standing Auditors and three Alternate Auditors, that will remain in office for three financial years and up until approval of the Financial Statements for the year ended 31 December 2019. Outgoing members of the Board of Statutory Auditors may be re-elected. The Shareholders' Meeting shall also resolve on the fees of the Board of Statutory Auditors.

Members of the Board of Statutory Auditors are elected based on the slates presented by Shareholders with voting rights that, alone or with others, represent at least **two per cent** of the share capital.

The slates for the election of members of the Board of Statutory Auditors shall contain the names of one or more candidates however the number of candidates may not exceed the number of Auditors to be elected and are divided into two sections, each of up to 3 candidates (numbered consecutively) for the office of Standing Auditor and Alternate Auditor.

The first candidate in each section must be picked from among the statutory auditors (revisori legali) listed in the appropriate registry referred to by Article 2397 of the Italian Civil Code.

Each slate for the appointment of Standing Auditors and Alternate Auditors shall contain a number of candidates belonging to the gender with fewer members so as to ensure a balance between both genders to the extent required by applicable laws and regulations.

Therefore, the slates which, considering both sections, contain a number of candidates equal to or above three shall also include, both in the first two places of the section of the slate relating to the regular Statutory Auditors, and in the first two places of the section of the slate relating to the alternate Statutory Auditors, candidates belonging to different genders.

Auditors shall meet requirements of applicable laws, and may not be included in slates if they already serve as Auditors for three other listed companies, excluding Group companies.

Pursuant to the Articles of Association and in accordance with applicable laws, (i) each Shareholder, (ii) Shareholders belonging to the same group and (iii) Shareholders that are party to a shareholders' agreement concerning the Company's shares, may not present nor vote for more than one slate, even through third parties or trust companies; moreover, each candidate may be on only one slate, failing which he/she will not be eligible for election and may not be included in candidate slates that do not comply with the limits on holding several positions established by applicable laws and regulations.

Once the votes are counted, the Standing Auditors shall be the top two candidates on the slate that received the highest number of votes (the "Majority Slate") and the top candidate of the slate - submitted and voted by shareholders who are not connected, directly or indirectly, with the majority shareholders - with the second-highest number of votes (the "Minority Slate"), who will serve as Chairman of the Board of Statutory Auditors. The following shall also be elected:

- two Alternate Auditors among the candidates in the "Alternate Auditors" section of the Majority Slate, progressively numbered;
- one Alternate Auditor among the candidates in the "Alternate Auditors" section of the Minority Slate according to the progressive number.

If at the outcome of voting the composition of the Board of Statutory Auditors, with its standing and alternate members, does not respect a balance between genders to the extent required by the applicable laws and regulations, the last member on the slate receiving the highest number of votes shall be replaced with the first person on the slate belonging to the gender with fewer members. If through the scrolling method a balance between genders is not reached to the extent required by applicable laws and regulations then the Shareholders' Meeting shall resolve on the issue with a majority prescribed by law.

If only one slate is submitted or if only one slate receives votes, all of its candidates shall be elected on the basis of ordinary majorities as prescribed by law, while still fulfilling the requirement to respect a balance between genders to the extent required by applicable laws and regulations.

The slates shall be filed at the Company's registered office, delivering relative documents by hand (in Corso di Francia n. 200 – 00191 Rome, Mondays to Fridays, from 9:00 hours to 17:00 hours – Saturday by 9.00 AM to 12.00 PM) or by fax, to the number +39 0632493324 or by certified email to legale@pec.cementirholding.it no later than the twenty-fifth day before the date of the Shareholders' Meeting (25 March 2017).

If only one slate has been filed or if only slates by Shareholders which are in relationship among them pursuant to Article 144-quinquies of the Issuers' Regulation have been filed by the deadline indicated hereinabove (25 March 2017), additional slates may be submitted until the third day after that date (28 March 2017), and in this case, the threshold of share capital necessary to submit the slates is reduced by one-half (1%).

Documents required by applicable laws shall be filed with each slate, including (i) information on the identity of the Shareholders presenting slates along with a copy of their ID, and information about the percentage of their overall investment held; (ii) a statement from Shareholders presenting the slates other than those that hold, also jointly, a controlling stake or relative majority, certifying the absence of any relationships of affiliation with such Shareholders pursuant to Article 144-quinquies of Consob Resolution no. 11971 of May 14, 1999 ("Issuers' Regulation"), taking also into account the recommendations made by Consob with Communication no. DEM/9017893 of February 26, 2009 and; (iii) the curriculum vitae illustrating the personal information and professional qualifications of each candidate, as well as the statements in which the individual nominees certify, under their own responsibility, that no cause of ineligibility or incompatibility exists, as well as and that they possess the requisites prescribed by the laws and regulations in force and that they accept their candidacies.

Pursuant to Article 2400, last paragraph, of the Italian Civil Code, on nomination and before accepting the appointment, the administration and control positions held by Auditors with other companies shall be notified to the Shareholders' Meeting. The curricula vitae filled at the registered office shall therefore include this information, and be updated up until the day of the appointment made by the Shareholders' Meeting.

Shareholders presenting slates shall prove that they hold the number of shares required, submitting documents issued by an intermediary authorised in compliance with applicable legislation, concerning shares that are registered in their name on the day when the slates are filed with the Company. When not available at the time the slates are filed, these documents shall be received by the Company no later than twenty-one days before the date of the Shareholders' Meeting, (i.e. 29 March 2017, which is the date when the slates are disclosed to the public).

The slates which do not meet the above requirements shall be treated as not submitted.

Shareholders that intend presenting a slate for the renewal of the Board of Statutory Auditors shall prepare and file, along with the slate, a proposed resolution for the Shareholders' Meeting concerning the annual fees that the 2014 Shareholders' Meeting had determined as Euro 40.000 gross for each Standing Auditor and Euro 60.000 gross for the Chairman.

Having stated the above, the Shareholders' Meeting is requested to pass the following resolution:

The Shareholders' Meeting:

- a) appoint, as members of the Board of Statutory Officers, for a term of 3 (three) financial years and up to the approval of the Financial Statements for the year ended 31 December 2019, the candidates in the slate or slates that will be submitted pursuant to the Articles of Association, based on the criteria established therein;
- b) appoint as Chairman of the Board of Statutory Auditors [●];
- c) determine the fees of auditors as being equal to Euro [●], per annum, for each standing auditor and Euro [●], per annum, for the Chairman of the Board of Statutory Auditors.

4. APPOINTMENT OF A BOARD MEMBER. RELATED AND CONSEQUENT RESOLUTIONS.

Dear Shareholders,

Following the resignation of the Board Director Riccardo Nicolini on 11 January 2017, the Board of Directors considered it appropriate to not proceed with co-option pursuant to Article 2386, paragraph 1 of the Italian Civil Code, and instead to submit the resolution concerning the appointment of a Director to the next Shareholders' Meeting, in view of its upcoming date.

It should be noted that there were no other candidates on the only slate submitted by the majority Shareholder.

We therefore request you appoint a Director to make up the composition of the current Board of Directors of thirteen persons, as resolved by the Shareholders' Meeting on 21 April 2015. The Director appointed as above will remain in office for the entire term of the current Board (up until the date of the Shareholders' Meeting convened to approve the Financial Statements for the year ended 31 December 2017), and will be given the same fee established for other Board Directors in office.

Pursuant to Article 5 of the Articles of Association in effect, to appoint directors other than cases where the entire Board of Directors is re-appointed, the Shareholders' Meeting shall pass a resolution with legal majorities and without adopting the slate voting system, ensuring a gender balance as provided for by applicable laws and regulations, and therefore through the resolution passed by the majority, based on proposals submitted by Shareholders.

It should also be noted that the board currently in office includes three Directors that meet the requirements for independence pursuant to Article 147 ter of Italian Legislative Decree no. 58/98 and the Corporate Governance Code endorsed by Borsa Italiana.

Although not required by legal provisions or the Articles of Association for presenting proposals, entitled persons that wish to submit a proposal to the Shareholder's Meeting to nominate a director, may submit the proposal, before the date of the Shareholders' Meeting, filing it at the registered office of the Company (in Corso di Francia n. 200 – 00191 Rome, Mondays to Fridays, from 9:00 hours to 17:00 hours – Saturday by 9.00 AM to 12.00 PM) or by fax, to the number +39 0632493324 or by certified email to legale@pec.cementirholding.it, along with information on the identity of the Shareholders presenting slates and a copy of their ID, and information about the percentage of their overall investment held (sending appropriate certification indicating the portion of share capital held at the "record date" indicated in the notice convening the Shareholders' Meeting, or notice justifying participation in the Shareholders' Meeting, issued by an authorised intermediary).

The following documents shall be filed along with each proposal for the nomination of a Director: (i) a curriculum vitae with detailed personal and professional information about each candidate; (ii) a statement made by the candidate who accepts the nomination and declares, under his/her own responsibility, that there are no reasons making him/her ineligible for the appointment and that he/she meets the requirements established by

law and by the Articles of Association for the position of Director, and is suitable for being qualified as an independent director in compliance with the Corporate Governance Code endorsed by Borsa Italiana.

Having stated the above, the Board of Directors, acknowledging the Articles of Association and legal provisions concerning the appointment of Directors, requests the Shareholders' Meeting to submit its proposals concerning the appointment of a Board member.

The Shareholders' Meeting:

- a) to appoint [●] as a member of the Board of Directors;
- b) to set the expiry of the term of office of the appointed Director, together with the other current members of the Board of Directors, at the end of the meeting convened to approve the financial statements for the year ending on 31 December 2017, thereby confirming the remuneration for the office resolved by the Shareholders' Meeting on 21 April 2015, for all members of the Board Of Directors.

5. REMUNERATION REPORT: RESOLUTION IN RELATION TO THE FIRST SECTION PURSUANT TO ARTICLE 123-TER, PARAGRAPH 6 OF LEGISLATIVE DECREE NO. 58/98.

Dear Shareholders,

The Remuneration Report, approved during the meeting of Board Directors held on 3 March 2017 sets out the principles and guidelines which Cementir Holding S.p.A. complies with while determining the remuneration of all Board Members and of the Managers with strategic responsibilities in their ordinary activities.

The Remuneration Report is prepared on the basis of the guidelines contained in article 6 of the Corporate Governance Code, as amended, taking into account article 123-ter of the Legislative Decree no. 58/98, as amended, as well as article 84-quater of the Consob Regulation no. 11971/99, as amended, and is made available to the public at the Company's registered office, at the Company's website at www.cementirholding.it and on the authorized storage device eMarket STORAGE at www.emarketstorage.com, no later than twenty-one days before the scheduled date of the Shareholders' Meeting (29 March 2017).

Therefore, you are invited to refer to this document.

Pursuant to Article 123-ter (6) Legislative Decree no. 58/98, the Shareholders' Meeting will be asked to resolve in favour or against the first section of the Remuneration Report envisaged in Article 123-ter (3) Legislative Decree no. 58/98; this resolution shall not be binding.

The first section of the Remuneration Report shows (i) the policy of Cementir Holding S.p.A. in regard to remuneration of the members of the Board of Directors and of the executives with strategic responsibilities in regard to the 2017 financial year; (ii) the procedures used for the adoption and implementation of this policy. The foregoing being understood, we recommend that the Shareholders' Meeting should adopt the following resolution:

The Shareholders' Meeting:

- having seen Articles 123-ter of Legislative Decree 58 of February 24, 1998 and 84-quater of Consob Regulation no. 11971/99;
- having taken note of the Remuneration Report prepared by the Board of Directors;
- having considered that, pursuant to Article 123-ter, paragraph 6, of Legislative Decree 58 of February 24, 1998, this resolution shall not be binding for the Board of Directors;

RESOLVES

- a) to give its favourable opinion on the first section of the Remuneration Report prepared by the Board of Directors pursuant to Article 123-ter of Legislative Decree 58/98, with particular regard to the remuneration policy of Cementir Holding S.p.A.

Rome, 3 March 2017

Cementir Holding S.p.A.

On behalf of the Board of Directors
The Chairman and Chief Executive Officer
Francesco Caltagirone