

**DIRECTORS' ILLUSTRATIVE REPORT
TO THE ORDINARY
SHAREHOLDER'S MEETING OF
TECNOINVESTIMENTI S.P.A.
CONVENED FOR 27 APRIL 2017
IN SINGLE CALL**

GENERAL SHAREHOLDERS' MEETING OF 27 APRIL 2017

ILLUSTRATIVE REPORT

Dear Shareholders,

We are making available to you, at the Company's registered office and on its website at www.tecnoinvestimenti.it and through the eMarket STORAGE authorised storage mechanism, pursuant to article 125-ter of Legislative Decree 58/98 as amended and supplemented (the "**TUF**", Consolidated Law on Finance) and article 84-ter of CONSOB Regulation no. 11971/1999 as amended and supplemented (the "**Issuers Regulation**"), a report on the proposals concerning the following matters on the Agenda for the Ordinary Shareholders' Meeting, which you have been invited to attend, at Via Meravigli 7, in the room to be indicated by signs at the venue, in Milan, on 27 April 2017 at 11:00 a.m., in Single Call, to discuss and decide on the following:

AGENDA

ORDINARY PART

1. Financial statements for the year ended 31/12/2016; Directors' Report on Operations; External Auditors' Report; Board of Statutory auditors' report; Presentation of Consolidated Financial Statements as at 31/12/2016; related and ensuing resolutions.
2. Proposed allocation of Profit for the year; related and ensuing resolutions.
3. Remuneration Report pursuant to art 123-ter, paragraph 6, of Legislative Decree 58/98; related and ensuing resolutions.

First item on the Agenda

Financial Statements for the year ended 31/12/2016; Directors' Report on Operations; External Auditors' Report; Board of Statutory Auditors' report; Presentation of Consolidated Financial Statements as at 31/12/2016; related and ensuing resolutions.

Dear Shareholders,

In relation to the first item on the Agenda, you have been called to the Shareholders' Meeting to approve the Financial Statements for the year ended 31 December 2016, the draft of which was approved by the Company's Board of Directors on 21 March 2017.

The Company's Financial Statements for the year ended 31 December 2016 show a profit of Euro 5,931,069.66.

At the Shareholders' Meeting, there will also be a presentation of the Company's Consolidated Financial Statements for the year ended 31 December 2016, with a Net profit for the Tecnoinvestimenti Group of Euro 12,062,104.76.

A copy of the documentation required by applicable legal and regulatory provisions and, in particular, a copy of the file relating to the Financial Statements and to the Consolidated Financial Statements both for the year ended 31 December 2016, along with the report from the Board of Statutory Auditors and the Audit Firm responsible for the external audit of the accounts (to which please refer for further information), will be provided at the Company's registered office, on its website and using the authorised storage mechanism, under the terms set out by applicable legal and regulatory provisions, along with the annual report on corporate governance and ownership structure, at the disposal of anyone wishing to see them.

In view of the above, the Board of Directors submits for your approval the following proposal:

"The Ordinary Shareholders' Meeting of Tecnoinvestimenti S.p.A.,

- *having examined the information in the Financial Statements for the year ended 31 December 2016 with the corresponding reports presented by the Board of Directors, by the Board of Statutory Auditors and by the External Auditors;*
- *having noted the information in the Consolidated Financial Statements for the year ended 31 December 2016, with the corresponding reports presented by the Board of Directors, by the Board of Statutory Auditors and by the External Auditors;*

resolves

- *to approve the Financial Statements for the year ended 31 December 2016."*

Second item on the Agenda

Proposed allocation of Profit for the year; related and ensuing resolutions.

Dear Shareholders,

In relation to the second item on the Agenda, you are called to the Shareholders' Meeting to decide on the allocation of profit for the year. In particular, the Company's Financial Statements for the year ended 31 December 2016 showed profit for the year of Euro 5,931,069.66.

In view of the above, the Board of Directors submits for your approval the following proposal:

"The Ordinary Shareholders' Meeting of Tecnoinvestimenti S.p.A.,

resolves

- to allocate Tecnoinvestimenti's Net profit for the year 2016 of Euro 5,931,069.66 as follows:

- to the Legal Reserve Euro 296,553.48;*
- to Profits carried forward Euro 1,587,105.68;*
- Euro 4,047,410.50 for distribution to Shareholders, as a dividend, of Euro 0.0875 for each of the 46,256,120 ordinary shares in circulation on 5 June 2017, the scheduled coupon date;*

- to pay the aforementioned dividend for the year 2016 of Euro 0.0875 per ordinary share – gross of any statutory deductions – from 7 June 2017, the Coupon date being 5 June 2017 and the Record date (i.e. the date of entitlement to payment of the dividend, pursuant to art. 83-terdecies of Legislative Decree dated 24 February 1998 no. 58 and art. 2.6.6, paragraph 2, of the Regulation for Markets organised and managed by Borsa Italiana S.p.A.) being 6 June 2017."

Third item on the Agenda

Report to the Shareholders' Meeting regarding the Group's Remuneration policy

Dear Shareholders,

In relation to the third item on the Agenda, please refer to the full Remuneration Report – drafted pursuant to art. 123-ter of the TUF and art. 84-quater of the Issuers Regulation, and in accordance with the provisions of Borsa Italiana S.p.A.'s Code of Conduct – which will be made available to you at the Company's Registered office and can be consulted on its website as well as through the authorised storage mechanism in accordance with the law.

Pursuant to art. 123-ter, paragraph 6, of the TUF, you are called upon to decide in favour of or against the first section of the Remuneration Report, set out by paragraph 3 of the aforementioned article 123-ter of the TUF, which illustrates the Company's policy with regard to the remuneration of members of management bodies, of the general manager and of executives with strategic responsibilities, as well as the procedures used for the adoption and implementation of this policy.

Please remember that pursuant to the aforementioned art. 123-ter, paragraph 6, of the TUF, the resolution that you are called upon to adopt will in no case be binding.

In view of the above, the Board of Directors submits for your approval the following proposal:

“The Ordinary Shareholders’ Meeting of Tecnoinvestimenti S.p.A.,

- *having examined and discussed the section of the Remuneration Report set out by art. 123-ter, paragraph 3, of Legislative Decree 58/1998, prepared by the Board of Directors, containing an illustration of the Company’s policy with regard to the remuneration of members of management bodies, of the general manager and of executives with strategic responsibilities, as well as the procedures used for the adoption and implementation of this policy, and made available to the public by the methods and within the timeframes required by law;*

resolves

favourably on the first section of the Remuneration Report adopted by the Board of Directors on 28 March 2017 pursuant to art. 123-ter of Legislative Decree 58/1998”.

Rome, 28 March 2017

On behalf of the Board of Directors

The Chairman