

The following is a faithful translation into English of the Italian document "Relazione degli amministratori". For any difference between the two texts, the Italian shall prevail upon the English version.



FIERA MILANO

Board of Directors' Report

ex article 125-ter, paragraph 1, of Legislative Decree no. 58/1998

For the attention of the Ordinary Meeting of Shareholders of Fiera Milano SpA convened in Rho (Milan), in the Auditorium in the Centro Servizi of the Exhibition Site, Strada Statale del Sempione 28, (reserved parking is available with entry from Porta Sud), on 25 July 2017 at 15:00 hours in single convocation.

1. An increase in the number of members of the Board of Directors.

Dear Shareholders,

the Meeting of Shareholders has been convened to approve an increase in the number of members of the present Board of Directors from eight current members to nine.

As is known by Shareholders and the market, on 21 April 2017, the Ordinary Meeting of Shareholders, amongst other things, established as eight the number of Board Directors and at the same time approved the appointment of the same until the date of approval of the Financial Statements for the year ended 31 December 2019. This decision reflects the comments put forward by the Milan Court which contested the absence of adequate reputational credentials with regard to one of the original nine candidates included in the list presented by the controlling shareholder, Fondazione Ente Autonomo Fiera Internazionale di Milano.

The controlling shareholder, Fondazione Ente Autonomo Fiera Internazionale di Milano indicated the appropriateness of initiating procedures to appoint a Director who would be granted a stable operating mandate by the Company, as discussions regarding the definition of the Director's responsibilities are currently being finalised.

Given the foregoing, the controlling shareholder has therefore informally requested the Board of Directors to convene a Shareholders' Meeting to submit a proposal to shareholders to increase the number of members of the Board of Directors, pursuant to the proposal to appoint an additional Director (Item 2 on the Agenda), on whom the Board of Directors may confer the powers relating to the ordinary management of the Company.

It should be noted that, as specified in the Press Release of 2 May 2017, the Director Marina Natale had only temporarily been granted powers relating to the ordinary management of the Company until the new Chief Executive Officer had been identified.

It should also be noted that the authority to change the number of members of the Board of Directors is the competence of the Ordinary Meeting of Shareholders. This authority may be exercised pending the mandate of the existing Board of Directors and even in the absence of an express regulatory provision to that effect, as the increase in the resultant number of Directors is within the limits expressed in the Articles of Association regarding the maximum number of members of the Board of Directors.

We therefore submit for your approval the following

proposed resolution

"The Shareholders' Meeting of Fiera Milano SpA,

- having examined the report of the Directors pursuant to Article 125-ter of the Consolidated Financial Law (TUF)

approves

to increase to nine the number of members of the present Board of Directors, deferring the appointment of the Director to complete the composition of the Board of Directors to the subsequent resolution."

2. Appointment of a new Director.

Dear Shareholders,

the Meeting of Shareholders has been convened to approve the appointment of a ninth member of the Board of Directors, subject to approval of the proposal to increase the number of members of the Board of Directors referred to in the preceding Item on the Agenda.

It should be noted that the controlling shareholder Fondazione Ente Autonomo Fiera Internazionale di Milano, acknowledging the foregoing, will put forward the name of the candidate following publication of the present report and, at the latest, during the Shareholders' Meeting, without prejudice to the right of each shareholder to propose their own candidate within the same time frame.

It should also be noted that, in order to facilitate the process of formalising the corporate relationship with the newly Director, also should the newly appointed Director be appointed Chief Executive Officer, it was considered appropriate to provide for an initial period of effectiveness of the appointment of the new Director, commencing on 1 September 2017.

It should be noted that the appointment of the candidate Director will be made on the basis of absolute majority, without the application of the voting lists mechanism, pursuant to Article 14.6 of the Articles of Association in force, which is shown below:

"In the event that only one list is presented, in the event that no list is presented or in the event that it is not required to elect the entire Board of Directors, the Shareholders' Meeting will make its approval in accordance with the legal majority, (...)."

It should also be noted that, although the Company has not been included in the STAR Segment of the Italian Stock Exchange (MTA - *Mercato Telematico Azionario*) of Borsa Italiana SpA since 15 November 2016, it has stated its intention to adhere to the qualitative standards of corporate governance, information transparency, and liquidity required by the STAR segment. Therefore, in accordance with Borsa Italiana Rules and relevant Regulations, the Company intends: (i) to ensure the presence of three independent Directors in a Board of Directors composed of nine or up to a maximum of fourteen members and (ii) to apply the provisions and criteria of Articles 2 and 3 of the Self-regulatory Code of Listed Companies with regard to the composition of the Board of Directors.

It should also be noted that Article 14.2 of the new Articles of Association states that the majority of the members of the Board of Directors must be in possession of the required credentials of independence established by prevailing legislation, and also the requisites of independence established by the Self-regulatory Code of Listed Companies of Borsa Italiana SpA.

Given the foregoing, notice is given that:

- (i) the minimum number of independent Directors in accordance with the Self-regulatory Code of Borsa Italiana and pursuant to Article 148, paragraph 3, of Legislative Decree no. 58 of 24 February 1998, and by Article 14.2 of the Articles of Association, will be

guaranteed, as all of the present Directors, with the exception of the executive Director, Marina Natale, are currently independent;

- (ii) gender balance will also be guaranteed as the present Board of Directors of eight members is composed of an equal number of representatives of each gender.

The Company advises that information regarding the identity of the candidate, his/her curriculum vitae and the additional documentation required by law, should promptly be communicated to the Company by the proposing shareholder or shareholders in order that they may be made publicly available prior to the Shareholders' Meeting in accordance with the applicable principles and criteria contained in Articles 2 and 3 of the Self-regulatory Code of Listed Companies.

In order to provide full and complete information, please note that the Articles of Association are available in the *Investor Relations/Corporate Governance/Articles of Association* section of the Company's website www.fieramilano.it

We therefore submit for your approval the following

proposed resolution

" The Shareholders' Meeting of Fiera Milano SpA,

- having examined the report of the Directors pursuant to Article 125-ter of the Consolidated Financial Law (TUF),*
- taking into consideration the proposal put forward by shareholder [•],*

approves

to appoint as a new member of the Board of Directors [•], born in [•] on [•], resident in [•], tax code [•], Italian citizen, whose mandate will commence on 1 September 2017, and who will remain in office until the expiry of the mandate granted to the other Directors, and specifically until the Shareholders' Meeting to approve the Financial Statements for the year ended 31 December 2019, with the right to receive the same annual fixed compensation previously established for the other Directors, as well as attendance fees and re-imbusement of expenses, as approved on 21 April 2017."

Rho (Milan), 20 June 2017

On behalf of the Board of Directors
The Chairperson
Lorenzo Caprio