

Directors' report of Landi Renzo S.p.A. in accordance with article 125-ter of legislative decree 58/1998 (as further amended and integrated) and article 84-ter of Consob regulation no. 11971 of 1999 (as further amended and integrated), to the ordinary shareholders' meeting, to be held at the registered office of Landi Renzo S.p.A. to be held in Corte Tegge, Cavriago (Reggio Emilia), Via Nobel 2/4, on 17 October 2017, at 9:00 a.m., in single call.

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1. **1.1 PROPOSAL TO REDUCE THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS FROM NINE TO EIGHT. 1.2 RE-DETERMINATION OF THE OVERALL REMUNERATION YEARLY GRANTED TO THE BOARD OF DIRECTORS; ANY RELATED AND CONSEQUENTIAL RESOLUTION.**

Dear Shareholders,

As made public by means of a press release disseminated on 1 August 2017, Mr Claudio Carnevale resigned from his office as Director of Landi Renzo S.p.A. By virtue of resolution dated 7 September 2017, the Board of Directors deemed adequate – as an alternative to the co-optation of a further member of the Board – to submit to the decision of the shareholders the possibility to directly reduce the number of its members.

In the current context where Land Renzo S.p.A. operates, indeed, the reduction of the number of members from nine to eight would allow the management body to keep the most efficient and operative structure. In addition, the Board of Directors has been traditionally composed of eight members (size which has been always considered adequate in light of the dimension of the company and the business it carries out) and has been increased only recently to exclusively allow the then general manager (now Managing Director), Mr Cristiano Musi, to join the Board. In light of the above, the Board of Directors considers that the solution aimed at reducing the number of Directors from nine to eight is adequate compared to the current needs of Landi Renzo S.p.A.

The reduction of the members of the Board of Directors would also imply the need to consequently reduce the overall remuneration granted to the Board of Directors, decreasing it from Euro 202,500 to Euro 190,000, without prejudice to the right of the Board of Directors to fix a further remuneration to the directors granted with special powers pursuant to article 2389, third paragraph, of the Italian civil code.

In light of the above, we submit for your approval the following

proposed resolution

"The Shareholders' Meeting of Landi Renzo S.p.A., having acknowledged the proposal of the Board of Directors

resolves

- 1) *to reduce the number of members of the Board of Directors from nine to eight;*
- 2) *to reduce the overall remuneration granted to the Board of Directors, decreasing it from Euro 202,500 to Euro 190,000, without prejudice to the right of the Board of Directors to fix a further remuneration to the directors granted with special powers pursuant to article 2389, third paragraph, of the Italian civil code."*

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2. **2.1 APPOINTMENT OF AN EFFECTIVE MEMBER OF THE BOARD OF STATUTORY AUDITOR TO INTEGRATE THE BOARD ITSELF. 2.2 DETERMINATION OF THE RELEVANT COMPENSATION; ANY RELATED AND CONSEQUENTIAL RESOLUTIONS.**

Dear Shareholders,

As made public by means of a press release disseminated on 19 May 2017, on 17 May 2017 the effective member of the Board of Statutory Auditor, Mr Massimiliano Folloni, passed away after a long and fruitful collaboration with Landi Renzo S.p.A. Following his death, the alternate statutory auditor, Ms Filomena Napolitano, temporarily replaced him becoming an effective member of the Board of Statutory Auditors. Consequently the Board of Statutory Auditors is now made of three members all of them being of the female gender: Ms Eleonora Briolini (Chairman), Ms Diana Rizzo and Ms Filomena Napolitano.

In light of the above and to ensure the composition of the Board of Statutory Auditors to comply with the gender balance requirements set forth by the applicable regulations, it is necessary to appoint a new effective Statutory Auditor to be of the male gender. The member will replace Mr Filomena Napolitano who will remain an alternate Statutory Auditor.

Having said the above, we propose to the shareholders' meeting to proceed with the required integration of the Board of Statutory Auditors pursuant to article 22 of the by-laws by appointing a male effective Statutory Auditor, considering that the newly appointed Statutory Auditor will expire from his office together with the other members of the Board of Statutory Auditors and therefore upon approval of the financial statements to close on 31 December 2018. In addition, the shareholders' meeting will have to decide upon the determination of the compensation of the new Statutory Auditor.

Pursuant to article 22 of the by-laws, the shareholders' meeting will resolve with the majorities set forth by the applicable laws.

Therefore, the Shareholders are invited to identify and submit adequate candidacies bearing in mind that the Statutory Auditor to be appointed will have to (i) be a male and (ii) comply with the requirements of honourability, professionalism and independency set forth by the applicable laws and regulations.

Any candidacy could be submitted directly during the session of the shareholders' meeting or at the registered office in advance of the date of the shareholders' meeting, to the extent accompanied by the documentation required by the law and the by-laws.

Cavriago, 15 September 2017

The Chairman of the Board of Directors

Stefano Landi