

**ILLUSTRATIVE REPORT OF THE DIRECTORS TO THE SHAREHOLDERS' MEETING OF  
7 NOVEMBER 2018**

**1ST ITEM OF THE AGENDA – ORDINARY PART**

**1. Confirmation of the nomination by co-optation of a Director and determination of the relative Compensation. Inherent and Consequential Deliberation.**

Dear Shareholders,

This Report has been written by the Board of Directors of Tecnoinvestimenti S.p.A. (the “**Company**”) to illustrate and justify to the Shareholders’ Meeting the proposal to confirm Mr. Gian Paolo Coscia in the position of Director of the Company, according the effects of Art. 2386, First Para, Italian Civil Code as well as Art. 11 of the Articles of Association of the Company.

On 23 July 2018, Alessandro Barberis, the independent Member of the Board of Directors – as per Art. 148, Para 3, of the Decree Law 24 February 1998 n. 58 (Consolidated Law on Financial Intermediation, “**TUF**”) and Art. 3 of the Code of Self Discipline of Borsa Italiana S.p.A. (the “**Code of Conduct**”) – as well as Vice Chairman of the Board of Directors, submitted his resignation. As a result of the resignation of Mr. Barberis, the Board of Directors of the company, which met on 23 July 2018, with favorable opinion of the Board of Statutory Auditors, proceeded to appoint Mr. Gian Paolo Coscia as Director by co-optation, also subject to verification by the Board of Directors of his independence and honorability requirements referred to in the TUF and the Code of Conduct.

In this regard, it is recalled that pursuant to Art. 11 of the Articles of Association, the Board of Directors, where possible, proceeds to replace the former Director with one belonging to the same list to which the former director belonged, and the Shareholders' Meeting deliberates, with the majorities required by Law, respecting the same criterion.

In compliance, therefore, with the above-mentioned Statutory provisions, the Board of Directors has appointed "by co-optation" by choosing the new director in the list presented for the Shareholders' Meeting on 24 April 2018 by the majority shareholder Tecno Holding SpA to which the former Director belonged.

Finally, it is recalled that as per Art. 10 of the Articles of Association the Board of Directors must be composed of a minimum of 5 (five) up to a maximum of 13 (thirteen) members and that the Shareholders’ Meeting on 24 April 2018 determined the number of members of the Board of Directors to be 11 (eleven). Consequently, the Shareholders’ Meeting is invited to deliberate the confirmation of the nomination of the independent Director Mr. Gian Paolo Coscia to complete the Board of Directors, as per the Articles of Association.

Said Director will remain in office until the expiry of the mandate of the entire Board of Directors, or rather until the date of the approval of the Annual Report for the fiscal year ending 31 December 2020. In compliance with the provisions of Principle 6.P.1 of the Corporate Governance Code, in which it is recommended that Directors be appointed utilizing a transparent procedure, which guarantees timely and adequate information on the personal and professional characteristics of the candidates for the position, the Board of Directors invites Shareholders to examine the curriculum vitae of Mr. Gian Paolo Coscia attached to this Illustrative Report. The confirmed Director will receive a compensation of € 32,000.00 gross per year, and an attendance token of € 600 gross for each meeting in which the Board Member is present, i.e. the compensation for Directors not invested with particular responsibilities which was approved by the last Shareholders' Meeting of the Company of 24 April 2018.

## PROPOSAL FOR DELIBERATION

Dear Shareholders,

in light of what has been presented, we submit to You the following proposal for deliberation:

*“The Shareholders’ Meeting of Tecnoinvestimenti S.p.A. (the “Company”), in the Ordinary Part*

*- given the Illustrative Report of the Board of Directors;*

*- having taken note and following the resignation of the Director Alessandro Barberis, Mr. Gian Paolo Coscia has been co-opted as a Director of the Company pursuant to resolution of the Board of Directors on 23 July 2018 pursuant to Art. 2386 of the Italian Civil Code and Art. 11 of the Articles of Association;;*

### ***deliberates***

*- to confirm as Director Mr. Gian Paolo Coscia, born in Alessandria, 12/12/1955, Tax Code CSCGPL55T12A182V, domiciled for the position at the Company in Piazza Sallustio 9, Rome, who will remain in office until the expiry of the entire Board of Directors (i.e. until the date of approval of the financial statements for the year ended 31 December 2020), like the other directors in office at the time of the present resolution;*

*- to confirm that the compensation for the office of Director will correspond to that determined by the Shareholders' Meeting of 24 April 2018 for Directors not invested with particular responsibilities, and therefore at Euro 32,000.00 gross a year, and an attendance token of Euro 600 gross, for each meeting in which the director is present."*

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Rome, 8 October 2018

For the Board of Directors

The Chairman

(Enrico Salza)