

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

**ITEM II ON THE AGENDA – ORDINARY PART**

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**2.2. Authorization for the purchase and disposition of Own Shares as per and for the application of Articles 2357 (and following) of the Italian Civil Code, as well as Article 132 of the Decree Law of 24 February 1998 n. 58 Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Financial Intermediation, "TUF") and Art. 144-bis of Consob regulation 11971/1999 ("Issuers' Regulation"), as subsequently modified. Inherent and consequential deliberations.**

Dear Shareholders,

This report has been drafted by the Board of Directors of Tecnoinvestimenti S.p.A. (the "**Company**") to illustrate and submit to the Shareholders' Meeting the request for authorization for the purchase and subsequent disposal of Own Shares pursuant to Art. 2357 and following of the Italian Civil Code, Art. 132 of the TUF and Art. 144-bis of the Issuers' Regulation, Art. 125-ter of the TUF and Art. 73 of the Issuer Regulations, in compliance with Attachment 3A, scheme no. 4 of the Issuers' Regulations, in light of the reasons and according to the methods and terms illustrated below (the "Report").

**1. MOTIVATIONS FOR THE REQUEST FOR AUTHORIZATION FOR THE PURCHASE OF OWN SHARES**

The request for authorization to purchase and dispose of Own Shares is aimed at providing the Company with an instrument in use in listed companies, to seize investment opportunities for any purpose permitted by the current provisions, including the purposes contemplated in market practices, admitted by Consob, pursuant to Art. 180, paragraph 1, lett. c) TUF, as identified by Consob resolution no. 16839 of 19 March 2009, with reference to the market practice inherent in the purchase of Own Shares to support the liquidity of the stock and for the establishment of a so-called "Securities Warehouse", without prejudice to the provisions of Regulation (EU) no. 596/2014 and related implementing provisions, where applicable.

It should be noted that the request for authorization to purchase Own Shares is not aimed at reducing the Share Capital by cancelling the Own Shares purchased.

**2. MAXIMUM NUMBER, CATEGORY AND NOMINAL VALUE OF THE SHARES TO WHICH THE AUTHORIZATION IS REFERRED**

The authorization entails the right to purchase, in one or more transactions, to a freely determinable extent by the Board of Directors, a maximum number of Ordinary Shares of the Company, without par value, such as not to exceed the limit of 10% of the Share Capital of the Company, in compliance with the provisions of law and regulations in force at the date of the transaction.

On the occasion of each purchase or disposal of Own Shares, the Company will make the appropriate accounting entries, in compliance with Art. 2357-ter, last paragraph, Italian Civil Code and of the applicable accounting standards.

**3. USEFUL INFORMATION FOR THE VALUATION OF THE MAXIMUM LIMIT TO WHICH THE AUTHORIZATION IS REFERRED, PURSUANT TO ART. 2357, PARA 3 OF THE ITALIAN CIVIL CODE.**

Pursuant to Art. 2357, paragraph 3 of the Italian Civil Code the nominal value of the Shares purchased may not exceed a fifth of the Company's Share Capital, taking into account for this purpose also the Shares held by its subsidiaries.

At the date of this Report, the subscribed and fully paid-up Share Capital of the Company is equal to Euro 46,890,120.00, divided into n. 46,890,120 Ordinary Shares, with no par value.

As of today's date, the Company does not hold either directly or indirectly Own Shares.

The maximum purchase disbursement for the transaction for which authorization is requested is set at € 35 million. Pursuant to Art. 2357 of the Italian Civil Code, purchases of Own Shares may take place exclusively up to the limit defined by distributable profits and available reserves resulting from the latest approved financial statements and may only refer to fully paid-up Shares. In this regard, the Council recalls that, pursuant to Art. 2357 of the Italian Civil Code, the purchase of Own Shares is permitted within the limits of distributable profits and available reserves resulting from the last approved financial statements. In this regard, it should be noted that in the financial statements of the Company at 31 December 2017, the total amount of distributable profits and available reserves amounted to € 58,714,816. Therefore, taking into account the maximum amount referred to above, any purchase of Own Shares is adequately covered by the available reserves in the financial statements.

The amount of available reserves and distributable profits, as well as the verification of information for the assessment of compliance with the maximum purchase limit to which the authorization will refer will be analysed by the Board of Directors at the time the transaction is carried out.

To allow checks on subsidiaries, these specific directives will be issued for prompt notification to the Company of any purchase of Ordinary Shares of the Parent Company made pursuant to Art. 2359-bis of the Italian Civil Code.

#### **4. DURATION FOR WHICH THE AUTHORIZATION IS REQUESTED**

It is proposed to establish the duration of the authorization to purchase Own Shares within the maximum term set by the Art. 2357, paragraph 2 of the Italian Civil Code, which is n. 18 (eighteen) months starting from the date of the Shareholders' Meeting resolution approving the present proposal. It should be noted that during this period, purchases may take place in one or more tranches, as determined by the Board of Directors, in compliance with the applicable rules.

The authorization for the disposal of Own Shares in the portfolio is requested without time limit, due to the absence of limits in this sense in the current provisions of the law and the opportunity to allow the Board of Directors to avail of the maximum flexibility, also in temporal terms.

#### **5. MINIMUM AND MAXIMUM PRICES AND MARKET VALUATION**

It is proposed that purchases of Own Shares be made at a minimum unit price not lower than the official market price of the day prior to the purchase, less 10%, and not more than the official stock exchange price of the day before the purchase operation, increased by 10%.

#### **6. METHOD OF EXECUTION OF PURCHASE AND DISPOSAL OPERATIONS**

The purchase operations can be carried out, pursuant to Art. 132 of the TUF and of the Art. 144-bis of the Issuers' Regulations and, in any case, according to the methods permitted by the legislation from time to time in force. In particular, purchases must be made taking into account the need to respect the principle of equal treatment of Shareholders.

The Board of Directors proposes that the purchase of Own Shares be carried out in compliance with the market practices permitted by Consob, pursuant to Art. 180, paragraph 1, lett. c) TUF, as identified by Consob resolution no. 16839 of 19 March 2009, with reference to the market practice inherent in the purchase of Own Shares to support the liquidity of the stock and for the establishment of a so-called "Securities Warehouse".

With regard to the disposal operations, the Board of Directors proposes to be authorized pursuant to Art. 2357-ter of the Italian Civil Code, to dispose of treasury shares in whatever manner it deems necessary or appropriate for the pursuit of the purpose for which the transaction is carried out, in compliance with the applicable laws and regulations, as well as with accepted market practices.

**7. ADDITIONAL INFORMATION, WHEREBY THE PURCHASE OPERATION WOULD BE INSTRUMENTAL TO REDUCING THE SHARE CAPITAL BY CANCELLING THE OWN SHARES PURCHASED**

The purchase of own shares is not instrumental to the reduction of the Share Capital, without prejudice to the Company, if a reduction in the Share Capital were to be approved by the Shareholders' Meeting, the right to execute it also by cancelling the Own Shares held in portfolio.

**DELIBERATION PROPOSAL**

Dear Shareholders,

in light of what has been illustrated, 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 dispositions of Art. 2357 and those following of the Italian Civil Code, of Art. 132 of the TUF and Art. 144-bis of the Issuers’ Regulation;*
- *having examined the Illustrative Report of the Board of Directors provided pursuant to Art. 125-ter of the TUF, as well as Art. 73 of the Issuers’ Regulation and in conformity with the Attachment 3A – form n. 4 of the Issuers’ Regulation (the “**Report**”);*
- *having taken note of the proposals presented to deliberate,*  
*deliberates*
- *to authorize the Board of Directors, for the maximum term foreseen by legislation in force (currently fixed in n. 18 months starting from the date of the meeting authorization) and for the reasons illustrated in the Report, to purchase, in one or more transactions in a freely determinable extent by the Board of Directors, a maximum number of Ordinary Shares of the Company, without nominal value, such as not to exceed the limit of 10% of the Company's Share Capital, with a total maximum purchase disbursement set at Euro 35 million;*
- *and for the reasons illustrated in the Report, to purchase, in one or more transactions to a freely determinable extent by the Board of Directors, of a maximum number of ordinary shares of the Company, without par value, such as not to exceed the limit of 10% of the Company's Share Capital, with a total maximum purchase disbursement set at Euro 35 million;*
- *to grant the Board of Directors the widest possible power to execute purchase transactions, pursuant to Art. 132 of the TUF and of the Art. 144-bis of the Issuers' Regulation and, in any case, according to the methods permitted by the legislation in force from time to time - in particular, purchases must be made taking into account the need to respect the principle of equal treatment of shareholders and in compliance market practices allowed by Consob, pursuant to Art. 180, paragraph 1, lett. c) TUF, as identified by Consob resolution no. 16839 of 19 March 2009, with reference to the market practice inherent in the purchase of Own Shares to support the liquidity of the stock and for the establishment of a so-called "Securities Warehouse" - at a minimum unit price not lower than the official market price of the day prior to the purchase, decreased by 10%, and maximum not higher than the official market price of the day before the purchase transaction, increased by 10%;*
- *to authorize the Board of Directors, to dispose without time limit of the Shares held in the portfolio, on one or more occasions, for the purposes illustrated in the Report and in the manner permitted by current legislation, with the power to establish from time to time, in function of the objectives pursued, terms, methods and conditions of use of Own Shares;*
- *to instruct the Chairman and the Chief Executive Officer, separately and with the right to sub-delegate, to carry out all the necessary actions to execute the present resolutions. \*\*\**

Rome 17 October 2018

On behalf of the Board of Directors  
The Chairman  
(Enrico Salza)