

**Ordinary and Extraordinary Shareholders' Meeting**  
**21 April 2015**  
Directors' explanatory report on the agenda

pursuant to Article 125-ter Legislative Decree n. 58 of 24 February 1998 as amended

*The Italian text prevails over the translation into English*

*Dear Shareholders,*

According to Article 125-ter of Legislative Decree no. 58/98, as amended, and Article 84-ter of Consob Resolution no. 11971/99, as amended, the Board of Directors of Cementir Holding S.p.A. submits to you a report illustrating the matters on the agenda of the Ordinary and Extraordinary Shareholders' Meeting convened at the head office of the company in Corso di Francia n. 200, on single call, for 21 April 2015 at 11:00 a.m.

## **AGENDA**

### **Ordinary Session**

1. Financial statements as of 31 December 2014. Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Allocation of net result for the year. Related resolutions. Presentation of the Group's consolidated financial statements at 31 December 2014.

### **Extraordinary Session**

1. Non-reconstitution proposed, pursuant to Art. 13, Section 2 of Law 342/2000, of the revaluation reserve as per Law No. 266/2005, partially used to cover the loss incurred in 2014. Related and consequent resolutions.

### **Ordinary Session**

2. Motion for the distribution of a dividend. Related and consequent resolutions;
3. Remuneration Report: resolution in relation to the first section pursuant to Article 123-ter, paragraph 6 of Legislative Decree no. 58/98;
4. Election of the Board of Directors for the 2015-2017 term:
  - a) Determination of the number of members of the Board of Directors
  - b) Appointment of the members of the Board of Directors
  - c) Determination of the remuneration of the members of the Board of Directors

Pursuant to the provisions of Article 125-bis of the Legislative Decree 58/98, concerning the requirement of making motions accessible for resolutions, and Article 135-undicies of the Legislative Decree 58/98, concerning the requirement of providing voting instructions to the representative designated by the Company, the motions on the Agenda of the Shareholders' Meeting are listed below.

## **ORDINARY SESSION**

**1. FINANCIAL STATEMENTS AS OF 31 DECEMBER 2014. REPORTS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS AND THE INDEPENDENT AUDITORS. ALLOCATION OF THE NET RESULT FOR THE YEAR. RELATED RESOLUTIONS. PRESENTATION OF THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2014.**

*Dear Shareholders,*

the document "Annual Report at 31 December 2014" of Cementir Holding S.p.A., made available at the Company's registered offices, on the Company's website [www.cementirholding.it](http://www.cementirholding.it), and on the authorized storage device managed by Blt Market Services at [www.emarketstorage.com](http://www.emarketstorage.com), not later than twenty-one days before the scheduled date of the Shareholders' Meeting (within 31 March 2015), includes the draft of the financial statements of Cementir Holding S.p.A. and the consolidated financial statements, jointly with the Directors' report and the statement pursuant to Article 154-bis, paragraph 5 of the Legislative Decree No. 58/98.

Reports of the Audit Firm and of the Board of Statutory Auditors are available to the public together with the Annual Report.

Therefore, you are invited to refer to these documents.

The foregoing being understood, we recommend that the Shareholders' Meeting should adopt the following resolution:

**The Shareholders' Meeting:**

- having examined the Company's statutory financial statements for the year ended 31 December 2014 showing a loss of EUR 75,453,281;
- having examined the consolidated financial statements for the year ended 31 December 2014 showing a net profit at Group level of EUR 71,633,824;
- having examined the Directors' report on operations;
- having examined the report of the Board of Auditors to the Shareholders' Meeting pursuant to Article 153 of Legislative Decree 58/98;
- having examined the reports of the independent auditors on the statutory and consolidated financial statements at 31 December 2014;

**RESOLVES**

- a) to approve the Directors' Report on operations for 2014;
- b) to approve the Company's financial statements – including the balance sheet, the income statement and the explanatory notes for the year ended 31 December 2014 – showing a loss of EUR 75,453,281;
- c) to carry forward the losses of the period equal to EUR 75,453,281, without prejudice to subsequent resolutions in the extraordinary session.

**EXTRAORDINARY SESSION**

**1. NON-RECONSTITUTION PROPOSAL, PURSUANT TO ART. 13, SECTION 2 OF LAW 342/2000, OF THE REVALUATION RESERVE AS PER LAW NO. 266/2005 PARTLY USED TO COVER THE LOSS INCURRED IN 2014. RELATED AND CONSEQUENT RESOLUTIONS.**

*Dear Shareholders,*

The Ordinary Shareholders' Meeting has approved the Financial Statements for the financial year 2014 resolving to carry forward the losses of the period, without prejudice to subsequent resolutions in the extraordinary session.

The suggestion in the extraordinary session is to cover losses through the partial use of "Revaluation Reserve ex per Law 266/2005" for Euros 75,453,281.

To this purpose, the Law 266/2005 references art. 13 section 2 of Law 21 November 2000 No. 342 ("Law 342/2000"), which states that: "*in case of use of the reserve to cover losses, it will not be possible to distribute profits until the reserve has been re-established or reduced down by the corresponding amount with a resolution adopted by the Extraordinary Shareholders' Meeting, whilst 2<sup>nd</sup> and 3<sup>d</sup> sections of art. 2445 of the Civil Code shall not be applicable*".

In order to benefit of a major flexibility in the allocation of the Company's future profits and avoid limitations to the distribution of the dividend, we suggest to resolve not to reestablish the above-mentioned reserve by restoring the amount used to cover the operating loss for the financial year 2014.

The Shareholders' Meeting is therefore invited to adopt the following resolution:

**The Shareholders' Meeting**

- as per art. 1, comma 469, and subsequent, of Law 266/2005 and the thereby referenced art. 13, comma 2 of Law 342/2000;

**RESOLVES**

- a) to cover the loss of Euros 75,453,281 through the partial use of "Revaluation Reserve set under Law 266/2005;

- b) to not reestablish the Revaluation Reserve - Law 266/2005 and to reduce it permanently by the amount of Euros 75,453,281, used to cover the loss.

## ORDINARY SESSION

### 2. MOTION FOR THE DISTRIBUTION OF A DIVIDEND. RELATED AND CONSEQUENT RESOLUTIONS.

*Dear Shareholders,*

in relation to the distribution of a dividend, the Board of Directors proposes to pay for each ordinary share a dividend of EUR 0,10, using, for this purpose, total Euro 15,912,000 of retained earnings from years closed before 31 December 2007.

The foregoing being understood, we recommend that the Shareholders' Meeting should adopt the following resolution:

#### **The Shareholders' Meeting**

#### RESOLVES

- a) to allocate the total amount of EUR 15,912,000 as a payable dividend to the shareholders, equal to EUR 0.10 per each ordinary share, gross of any withholding tax, using retained earnings from years closed before 31 December 2007;
- b) establish the Record Date as of 19 May 2015 according to Article 83-terdecies of the Legislative Decree 58/98;
- c) to set out 18 May 2015 as the ex-dividend date;
- d) to pay the dividend, gross of any withholding tax, on 20 May 2015.

### 3. REMUNERATION REPORT: RESOLUTION IN RELATION TO THE FIRST SECTION PURSUANT TO ARTICLE 123-TER, PARAGRAPH 6 OF LEGISLATIVE DECREE NO. 58/98.

*Dear Shareholders,*

The Remuneration Report, approved during the meeting of Board Directors held on 10 March 2015 sets out the principles and guidelines which Cementir Holding S.p.A. complies with while determining the remuneration of all Board Members and of the Managers with strategic responsibilities in their ordinary activities.

The Remuneration Report is prepared on the basis of the guidelines contained in article 6 of the Corporate Governance Code, as amended, taking into account article 123-ter of the Legislative Decree no. 58/98, as amended, as well as article 84-quater of the Consob Regulation no. 11971/99, as amended, and is made available to the public at the Company's registered office, at the Company's website at [www.cementirholding.it](http://www.cementirholding.it) and on the authorized storage device managed by Blt Market Services at [www.emarketstorage.com](http://www.emarketstorage.com), no later than twenty-one days before the scheduled date of the Shareholders' Meeting (31 March 2015).

Therefore, you are invited to refer to this document.

Pursuant to Article 123-ter (6) Legislative Decree no. 58/98, the Shareholders' Meeting will be asked to resolve in favour or against the first section of the Remuneration Report envisaged in Article 123-ter (3) Legislative Decree no. 58/98; this resolution shall not be binding.

The first section of the Remuneration Report shows (i) the policy of Cementir Holding S.p.A. in regard to remuneration of the members of the Board of Directors and of the executives with strategic responsibilities in regard to the 2015 financial year; (ii) the procedures used for the adoption and implementation of this policy.

The foregoing being understood, we recommend that the Shareholders' Meeting should adopt the following resolution:

**The Shareholders' Meeting:**

- having seen Articles 123-ter of Legislative Decree 58 of February 24, 1998 and 84-quater of Consob Regulation no. 11971/99;
- having taken note of the Remuneration Report prepared by the Board of Directors;
- having considered that, pursuant to Article 123-ter, paragraph 6, of Legislative Decree 58 of February 24, 1998, this resolution shall not be binding for the Board of Directors;

**RESOLVES**

- a) to give its favourable opinion on the first section of the Remuneration Report prepared by the Board of Directors pursuant to Article 123-ter of Legislative Decree 58/98, with particular regard to the remuneration policy of Cementir Holding S.p.A.

**4. ELECTION OF THE BOARD OF DIRECTORS FOR THE 2015-2017 TERM: a) DETERMINATION OF THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS, b) APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS, c) DETERMINATION OF THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

*Dear Shareholders,*

With the Shareholders' Meeting approving the financial statements for 2014 ends the three-year term of office of the Board of Directors elected by the ordinary Shareholders' Meeting of 18 April 2012; therefore, the Board of Directors has also called the Shareholders' Meeting to propose the appointment of the new Directors for the period 2015, 2016 and 2017.

Please note that, according to the provisions of article 5 of the corporate bylaws, the Company shall be managed by a Board of Directors of no fewer than five and no more than fifteen members, being the Shareholders' Meeting in charge of determining their number within such limits.

The expiring Board of Directors refrains from making specific proposals on the present item on the agenda and requests the Shareholders' Meeting to determine – within the limits provided for by the corporate bylaws and on the basis of the proposals that may be made by Shareholders also during the meeting itself – the number of the members of the Board of Directors.

Pursuant to the Article 147-ter Legislative Decree No. 58/98 and the Bylaws, the members of the Board of Directors will be elected by slate voting. The slates, together with the necessary documentation, shall be filed by the shareholders at the Company's registered office (in Corso di Francia n. 200 – 00191 Rome – from Monday to Friday from 9:00 am to 5:00 pm) or by fax to No. +39 0632493325 or by an electronic communication sent to the certified mail address: legale@pec.cementirholding.it at least twenty-five days before the Shareholders' Meeting (i.e. by March 27, 2015). Only those shareholders who, severally or jointly with others, represent at least 2% of the share capital are entitled to submit slates. The submitting Shareholders bear the burden of proving that they own the required number of shares, by filing the specific documentation issued by a legally qualified intermediary, having regard to the shares registered in their name on the day when the slates are filed with the Company. If this documentation is not available when the slates are filed at the Company, it must be delivered to the Company not later than twenty-one days before the scheduled date of the Shareholders' Meeting (i.e. 31 March 2015, when the slates are made available to the public).

Each shareholder may file, alone or with others, only one slate containing a maximum number of fifteen candidates listed in consecutive order and vote only one slate. Each candidate may appear only on one slate, under penalty of having his/her candidacy rejected. Please note that Article 5 of the Company's bylaws, in implementation of Law July 12th, 2011, n. 120 provides that the composition of the Board of Directors shall in any case ensure balanced gender representation in accordance with the rules and regulations in force at the time. As this is the law's first time implementation, each slate containing a number of candidates equal to or greater than three should be composed in such a way to ensure that the less

represented gender be reserved a share of at least one fifth of the appointed Directors. Where the application of the allocation criterion between genders does not result in a whole number of members of the Board of Directors belonging to the less represented gender, this number is rounded up to the next higher. Each slate with not more than seven candidates named has to contain and expressly name at least one Independent Director (i.e. meeting the requirements of independence applicable to the statutory auditors of listed companies, which are defined by article 148 of the Consolidated Financial Act referenced by art.147-ter of the Consolidated Financial Act). If the slate is made up of more than seven candidates, such list shall include and expressly name at least two Independent Directors.

Shareholders are invited to also take into account the independence requirements and the number of independent directors recommended by Article 3 of the Corporate Governance Code for Listed Companies promoted by Borsa Italiana S.p.A..

All candidates shall also meet the integrity requirement applicable to the statutory auditors of listed companies under Article 148, paragraph 4, of the Consolidated Financial Act, which also applies to directors pursuant to Article 147-quinquies, paragraph 1, of the Consolidated Financial Act.

The slates must be filed along with the documentation and information required by the Articles of Association and by applicable laws. Therefore, we remind you that, together with the slates the following documents must be filed: (i) the relevant documentation issued by a qualified intermediary proving ownership of the number of shares required to submit the slate as of the day when the same are filed, (ii) the identity of the Shareholders who submitted the slate and the overall percentage of shares held, (iii) a curriculum vitae with personal and professional qualifications of each candidate, and (iv) the statements where each candidate accepts the nomination and witnesses, under his own responsibility and penalty of exclusion from the list, the absence of reasons for ineligibility and the existence of the requirements established by law and the Company's bylaws for the office of Director, and (if applicable) the possession of the independence requirements established by law for Auditors and the possibility to qualify as independent in accordance with the Corporate Governance Code for Listed Companies promoted by Borsa Italiana S.p.A. as well as (v) a statement by the submitting Shareholders other than those owning a controlling or majority shareholding witnessing that they have no related party relationships with the latter.

Please note that, with Communication No. DEM/9017893 of February 26, 2009, Consob recommended to those shareholders who present a minority slate for the election of the Board of Directors to file, together with the slate, a statement "in which it is certified the absence of relationships of affiliation, also indirect, as provided in Articles 147-ter, paragraph 3, of the Consolidated Financial Act and in Article 144-quinquies of Consob Resolution No. 11971 of May 14, 1999, with those shareholders who own, also on a jointly basis, a controlling or a majority stake, if the foregoing can be identified on the basis of the filings of the relevant shareholdings required by Article 120 of the Consolidated Financial Act or on the basis of the publication of any shareholders' agreements under Article 122 of the same Act", specifying the significant relationships, if any, with those shareholders who own a controlling or majority shareholding in the Company.

Please note that lists that do not fulfil the above provisions will be considered as not submitted.

The slates will be made available at the Company's registered office, on the Company's website [www.cementirholding.it](http://www.cementirholding.it), and on the authorized storage device managed by Blt Market Services at [www.emarketstorage.com](http://www.emarketstorage.com) at least twenty-one days prior to the date set for the Shareholders' Meeting in single call, i.e. by 31 March 2015.

As to the composition of the slates, the Board of Directors, having regard to the outcome of the board review regarding the size, composition and functioning of the Board and of its Committees, recommends that Shareholders who intend to submit a list:

- (i) put forward candidates with sufficient experience, including in management, and expertise in economic, accounting, legal, financial, risk management and/or remuneration matters;
- (ii) include candidates of both genders in lists containing three or more candidates in order to ensure balanced gender representation on the Board of Directors to the extent required by article 2 of Law no. 120/2011 referred to above (the less represented gender must obtain a quota of at least one-fifth of the Directors elected to the Board);
- (iii) include in the lists an adequate number of candidates who meet independence requirements, according to the Article 3 of the Corporate Governance Code for Listed Companies promoted by Borsa Italiana S.p.A. (not less of two Independent Director).

The procedure for electing Directors will be as follows:

- all the Directors to be elected but one will be taken from the list that obtains the highest number of votes cast by the Shareholders in the order of their rankings in the list itself;
- the remaining Director will be taken from the list that obtains the next highest number of votes at the Shareholders' Meeting; this list must not be linked, even indirectly, with the Shareholders that submitted or cast their vote in favour of the list that obtains the highest number of votes.

If the composition of the Board of Directors at the end of voting procedure does not respect the balanced gender representation required by the current regulations referred to above, the candidate of the more represented gender who is the last elected in the list that obtains most votes will be replaced by the highest ranked candidate of the less represented gender that has not been elected in the same list according to the consecutive order, subject to compliance with the minimum number of Directors who meet the independence requirements laid down by law. This replacement process will be repeated until the composition of the Board of Directors conforms to the current regulations brought in by Law 120/2011. Finally, if this procedure does not achieve this result, the Shareholders' Meeting will make the necessary additions, resolving by the statutory majority.

If only one list is presented or allowed to voting procedure, the candidates of this list will be appointed as Directors according to their rankings in the list. If necessary, the procedure described in the previous paragraph shall apply.

If no list is presented, the Shareholders' Meeting will resolve by statutory majority without following the procedure provided for above, subject to compliance with the current laws and regulations governing balanced gender representation.

It is to be noted that, pursuant to section 5 of the Company's Articles of Association, the Directors may not be appointed for a term of office of more than three financial years and may always be reelected.

Finally, article 9 of the Company's Articles of Association provides that the members of the Board of Directors are entitled to a compensation determined by the Shareholders' Meeting and that, once adopted, the related resolution applies during subsequent accounting periods until the Shareholders' Meeting resolves otherwise.

You are reminded that the ordinary Shareholders' Meeting of 18 April 2012 assigned to all Directors an attendance allowance of EUR 1,000.00 for each Board of Directors meeting they attend.

With regard to the foregoing, the Shareholders' Meeting is requested to determine – on the basis of the proposals that may be made by Shareholders during the Meeting itself – the compensation to which the members of the Board of Directors are entitled.

Those Shareholders that are willing to submit a slate are recommended to prepare and file, together with the slate, a motion concerning the remuneration and the number of members of the Board of Directors.

The above being understood, the Board of Directors, based on the provisions of article 5 of the company's articles of association on the composition and methods of appointing the Board of Directors, which are to be referred to, calls upon the Meeting:

- to fix the number of members of the Board of Directors;
- to vote on the lists of candidates for the position of Director of the Company submitted and made known using the methods and within the time limits provided in article 5 of the company articles of association;
- to determine their remuneration.

Rome, 11 March 2015

**Cementir Holding S.p.A.**  
On behalf of the Board of Directors  
The Chairman and Chief Executive Officer  
Francesco Caltagirone