

## **Ordinary and Extraordinary Shareholders' Meeting 17 April 2014**

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 17 April 2014 at 12:00 p.m.

## **AGENDA**

### **Ordinary Session**

1. Financial statements as of 31 December 2013. Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Allocation of net result for the year. Presentation of the Group's consolidated financial statements at 31 December 2013. Related and consequent resolutions.

### **Extraordinary Session**

1. Non-reconstitution, 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 2013. Related and consequent resolutions.

### **Ordinary Session**

1. Motion to the distribution of a dividend. Related and consequent resolutions;
2. Remuneration Report: resolution in relation to the first section pursuant to Article 123-ter, paragraph 6 of Legislative Decree no. 58/98;
3. Appointment of the Board of Auditors for the period 2014 - 2016 and determination of the related remuneration. Related and consequent resolutions.

Pursuant to the provisions of Article 125-bis of the Legislative Decree 58/98, concerning the requirement of making motions for resolutions accessible, 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 2013. REPORTS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS AND THE INDEPENDENT AUDITORS. ALLOCATION OF PROFITS FOR THE YEAR AND DISTRIBUTION OF A DIVIDEND. PRESENTATION OF THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013. RELATED AND CONSEQUENT RESOLUTIONS.**

*Dear Shareholders,*

the document "Annual Report at 31 December 2013" of Cementir Holding S.p.A., available at the Company's registered offices and on the Company's website [www.cementirholding.it](http://www.cementirholding.it), section Investor Relations/Corporate Governance/Shareholders Meetings 2014, not later than twenty-one days before the scheduled date of the Shareholders' Meeting (27 March 2014), 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, kindly refer to these documents.

The foregoing premises having been stated, we recommend that the Shareholders' Meeting adopt the following resolution:

**The Shareholders' Meeting:**

- having examined the Company's statutory financial statements for the year ended 31 December 2013 showing a loss of EUR 1,608,773.00;
- having examined the consolidated financial statements for the year ended 31 December 2013 showing a net profit at Group level of EUR 40,124 K;
- 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 2013;

**RESOLVES**

- a) to approve the Directors' Report on operations for 2013;
- 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 2013 – showing a loss of EUR 1,608,773;
- c) to carry forward the losses of the period equal to EUR 1.608.773, without prejudice to subsequent resolutions in the extraordinary session.

**EXTRAORDINARY SESSION**

**1. NON-RECONSTITUTION, PURSUANT TO ART. 13, SECTION 2 OF LAW 342/2000, OF THE REVALUATION RESERVE AS PER LAW NO. 266/2005 USED TO COVER THE LOSS INCURRED IN 2013. RELATED AND CONSEQUENT RESOLUTIONS.**

*Dear Shareholders,*

The Ordinary Shareholders' Meeting has approved the Financial Statements for the financial year 2013 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 1,608,773.

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 may not be possible to distribute profits until the reserve has been re-established or reduced down to the corresponding amount with a resolution adopted by the Extraordinary Shareholders' Meeting had approved, whilst 2<sup>nd</sup> and 3<sup>rd</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 establish the above-mentioned reserve by restoring the amount used to cover the operating loss for the financial year 2013.

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 1.608.773 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 1.608.773, used to cover the loss.

## ORDINARY SESSION

### 1. MOTION TO 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 0,08, using, for this purpose, total Euro 12,729,600.00 earnings carried forward from years closed before 31 December 2007.

The foregoing premises having been stated, we recommend that the Shareholders' Meeting adopt the following resolution:

- a) to allocate the amount of EUR 12,729,000.00 as a payable dividend to the shareholders, equal to EUR 0.08 per ordinary share, gross of any withholding tax, using earnings carried forward from years closed before 31 December 2007;
- b) establish the Record Date as of 21 May 2014 according to Article 83-terdecies of the Legislative Decree 58/98;
- c) to set out 19 May 2014 as the ex-dividend date;
- d) to pay the dividend, gross of any withholding tax, on 22 May 2014.

### 2. 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 7 March 2014 defines the principles and guidelines to which Cementir Holding S.p.A. complies with while determining the remuneration of all Board Members, of the General Manager and of all the other Managers with strategic responsibilities in their ordinary activities.

The Remuneration Report is defined 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 will be made available to the public at the Company's registered office and at the Company's website at [www.cementirholding.it](http://www.cementirholding.it) section Investor Relations/Corporate Governance/Shareholders Meetings 2014 not later than twenty-one days before the scheduled date of the Shareholders' Meeting (27 March 2014). Therefore, kindly 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 illustrates (i) the policy of Cementir Holding S.p.A. in regard to remuneration of the members of the Board of Directors, the General Manager, and the executives with

strategic responsibilities in regard to the 2014 financial year; (ii) the procedures used for the adoption and implementation of this policy.

The foregoing premises having been stated, we recommend that the Shareholders' Meeting 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, particularly in regard to the remuneration policy of Cementir Holding S.p.A.

**3. APPOINTMENT OF THE BOARD OF AUDITORS FOR THE PERIOD 2014 - 2016 AND DETERMINATION OF THE RELATED REMUNERATION. RELATED AND CONSEQUENT RESOLUTION.**

*Dear Shareholders,*

With the approval of the financial statements for 2013, the term of the current Board of Auditors has expired. The shareholders are therefore invited to appoint a new Board of Auditors in accordance with the provisions of Article 15 of the bylaws.

The Board of Auditors is elected on the basis of slates submitted by shareholders with voting rights, alone or together with other shareholders, representing at least 2% of share capital.

The Board of Auditors shall consist of three Standing Auditors and three Alternate Auditors whose remuneration shall be determined by the Shareholders' Meeting.

Slates for the election of the members of the Board of Auditors shall contain the names of one or more candidates numbered in descending order. In no case, however, may the number of candidates on the slate exceed the number of Auditors to be elected. The slates may be divided into two separate sections for standing auditors and alternate auditors, each with a maximum of three candidates numbered in descending order.

Each list for appointment as standing auditor and alternate auditor must contain a number of candidates of the less represented gender which ensures observance of the balance of genders in the minimum ratio required by the legal and regulatory provisions in force.

Therefore, since this is the first term since the Law 120 of 12 July 2011 statute came into force, each slate must be composed in such a way that the less represented gender – typically the female gender – must be reserved a quota of at least one-fifth of the elected Statutory Auditors.

If application of the gender quota rule does not result into a whole number of members on the Board of Statutory Auditors belonging to the less represented gender, this number shall be rounded up to the next highest whole number.

Finally, considering the need to maintain gender balance even if the Statutory Auditors are substituted during their term, each slate must be composed in such a way that, following such substitution, at least one standing Statutory Auditor and one alternate Statutory Auditor from the less represented gender be represented on the Board of Statutory Auditors.

No shareholder may submit or vote, either directly or through another person or a trust company, for more than one slate, and each candidate may appear on only one slate or be subject to disqualification.

Once the votes are counted, the standing auditors shall be the top two candidates on the slate that has received the largest number of votes (the "majority slate") and the top candidate of the slate – submitted and

voted by shareholders who are not connected, directly or indirectly, with the majority shareholders – with the second-largest number of votes (the “minority slate”), who will act as chairman of the Board of Auditors.

Also elected shall be two alternate auditors from among the candidates in the “alternate auditors” section of the slate that obtained the most votes and one alternate auditor from among the candidates in the “alternate auditors” section of the slate that obtained the second-largest number of votes.

If, on the outcome of voting, the composition of the Board of Auditors in terms of standing auditors and alternate auditors does not observe the balance of genders in the minimum ratio required by the legal and regulatory provisions in force, the list that obtained the majority of votes will be run down, replacing the last member selected with the first member of the less represented gender listed. If the balance of genders is not achieved in the minimum ratio required by the legal and regulatory provisions in force even by running down the list, the Shareholders' Meeting shall pass a resolution with the majority envisaged by law.

In the event only one slate is submitted or where only one slate receives votes, all the candidates from that slate shall be deemed elected on the basis of ordinary statutory majorities without prejudice to the need to observe the balance of genders in the minimum ratio envisaged by the provisions of law and regulations in force

We remind that the (I) Auditors must comply with the requisitions foreseen in the applicable law (II) may not be included in slates if they are already members of the board of auditors of three other listed companies, excluding Group companies (iii) members of the Board of Auditors shall serve a term of three years, which shall expire on the date of the Shareholders' Meeting called to approve the financial statements for their third year of office.

Therefore, the Board of Auditors will remain in office for three years, until the approval of the financial statements at 31 December 2016. Outgoing members of the Board of Auditors may be re-elected. The Shareholders' Meeting must also vote on the remuneration of the members of the Board of Auditors.

The slates, with the related documentation, must be filed by handing them over at Company's registered office (in Corso di Francia, No. 200 – 00191 Rome from Monday to Friday from 9:00AM till 5:00PM) or sending them by fax to Number +39 06 3249 3324 or transmitting them by certified email to [legale@pec.cementirholding.it](mailto:legale@pec.cementirholding.it), at least twenty-five days before the date of the Shareholders' Meeting (i.e. by 23 March 2014)

If just one slate or only slates, that are related to each other according to the applicable law, are submitted by the deadline indicated hereinabove (23 March 2014), additional slates may be submitted until 12.00 PM of the fourth day after that date (27 March 2014), and in this case, the threshold of share capital necessary to submit the slates is reduced by one-half (1%).

The documents prescribed by applicable laws and regulations must be submitted together with each slate, including (i) the personal identity information of the submitting Shareholders, with indication of the total shareholding that they own; (ii) a declaration by the Shareholders who submit any minority list certifying that they have no related party relationships pursuant to law and regulations; (iii) the curriculum vitae illustrating the personal information and professional qualifications of each candidate, as well as the statements in which the individual candidates certify that they are legally qualified and that they accept their nomination.

Pursuant to Article 2400, last paragraph, of the Italian Civil Code, when they are appointed and before they accept their position, the Statutory Auditors must disclose to the Shareholders' Meeting any seats in board of directors and board of statutory auditor that they hold at other companies.

The curricula vitae filed at the registered office of the Company shall include this information and guarantee that said information will be updated until the day of their election by the Shareholders' Meeting.

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, and specifically 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 no later than twenty-one days before the scheduled date of the Shareholders' Meeting (27 March 2014).

The Company will make available to the public, at Company's registered office and on its website, the slates of candidates submitted by the shareholders, together with the information provided for by law and the bylaws not later than twenty-one days before the scheduled date of the Shareholders' Meeting (by 27 March 2014).

Those Shareholders that wish to submit a slate are recommended to prepare and file, together with the slate, a motion concerning the remuneration that the Shareholders' Meeting 2011 had set in EUR 40,000 for each of the standing auditors and EUR 60,000 for the chairman.

Motions to

- elect to the Board of Statutory Auditors for a term of 3 (three) financial years, i.e., until the approval of the financial statements for the year ended 31 December 2016, the candidates listed in the slate or slates submitted pursuant to the Bylaws, in accordance with the criteria set forth therein;
- elect [●] Chairman of the Board of Statutory Auditors;
- award to the Statutory Auditors an annual compensation of [●] Euro for each Statutory Auditor and [●] Euro for the Chairman of the Board of Statutory Auditors.

Rome, 7 March 2014

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