

CEMENTIR HOLDING S.p.A.

Rome, Corso di Francia 200

Tax ID no. 00725950638 – VAT no. 02158501003

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REPORT OF THE BOARD OF AUDITORS TO THE SHAREHOLDERS' MEETING PURSUANT TO ART. 153 OF LEGISLATIVE DECREE 58/98 AND ART. 2429(3) OF THE CIVIL CODE

Shareholders,

again in 2016 we performed supervisory functions over the company's management as required by law, and in particular Legislative Decree 58 of 24 February 1998, as auditing activities are performed by KPMG S.p.A., with whom we maintained constant contact, as discussed more specifically below.

As regards our activities during the year, we report the following:

- we monitored compliance with the law and the bylaws, including by consulting with Internal Audit and Compliance;
- we received from the directors information on operations and on the most financially significant transactions carried out by Cementir and its subsidiaries during the year. Based on the information provided to us, we can reasonably conclude that these operations comply with the law and the bylaws and that they were not manifestly imprudent, risky, in potential conflict of interest or in contrast with the resolutions of the Shareholders' Meeting or otherwise prejudicial to the integrity of the Company's assets. Based on information obtained during meetings of the Board of Directors, no director engaged in any transactions that posed a potential conflict of interest;
- we acquired information and monitored, within the scope of our duties, the adequacy of the Company's organizational structure, compliance with the principles of sound administration and the appropriateness of the instructions issued by Cementir Holding S.p.A. to its subsidiaries pursuant to Article 114(2) of Legislative Decree 58/98, gathering information from the relevant department heads;

- we examined and monitored the appropriateness of the internal control system, as well as the administrative and accounting system and its reliability in representing operational events accurately; we also examined and monitored the work carried out for the preparation and updating of the internal audit plan. For this purpose, we regularly met with the manager responsible for preparing the company's financial reports, provided for by Art. 16 of the bylaws, and with the head of the Internal Auditing unit and the manager responsible for corporate legal affairs. No significant concerns arose during the course of these meetings. The Chairman of the Board of Auditors also attended the meetings of the Control and Risks Committee, where the above subjects were specifically examined, informing the other members of the Board of Auditors about the outcome of such meetings;
- we examined and obtained information on organizational and procedural activities relating to Legislative Decree 231/2001. The Chairman of the Board of Auditors attended the meetings of the Supervisory Body to the extent possible, reporting on its proceedings to the other members of the Board of Auditors. Based on information provided by the head of the Compliance department, and the results of the Control and Risks Committee's meetings, the organizational model adopted pursuant to Legislative Decree no. 231/2001 was found to be updated according to the legislation in force;
- The Chairman of the Board of Auditors also attended the meetings of the Appointment and Remuneration Committee, informing the other members of the Board of Auditors about the outcome of such meetings;
- we verified and confirmed that this Board and the directors meet the independence requirements as indicated in the Consob Issuers' Regulation and the Corporate Governance Code;
- we verified the actual implementation of the corporate governance rules as set out in the Corporate Governance Code (art. 149, para. 1, c-bis), the Consolidated Finance Act, and those relating to resolutions on remuneration and other benefits;

- we carried out the checks envisaged by art. 36, paragraph 1, of Consob Market Regulation;
- pursuant to Art. 150 (3) of Legislative Decree 58/98, we met regularly with the independent auditors, KPMG S.p.A., to exchange information and opinions; we also assessed the correct use of accounting standards and their consistency for the purpose of drafting the separate and consolidated financial statements. No significant information or circumstances were found that would require mention in this report; we verified that the Independent Auditors meet the independence requirement pursuant to art. 17, paragraph 9 of Legislative Decree no. 39/2010;
- we did not find any atypical or unusual transactions with Group companies, third parties or related parties. For transactions with such parties, the Company has adopted a specific procedure approved by the Board of Directors. In the notes to the financial statements, the directors provide information on intercompany transactions, reporting that all transactions with subsidiaries, associates, the controlling shareholder, whether of a financial or commercial nature, took place in the ordinary course of business under normal market terms and conditions;
- we verified that no omissions, irregularities or other censurable facts occurred, nor did we encounter any significant facts needing to be reported either to control bodies or in this report during the course of our supervisory activity; no reports pursuant to art. 2408 of the Italian Civil Code nor other reports or complaints of any kind were filed with the Board of Auditors;
- as regards the results reported in the financial statements for the year ended 31 December 2016, we held specific meetings with representatives of KPMG S.p.A. to review, within the scope of our respective duties, the most important items contained in the document. In collaboration with the CFO, we specifically focused on the valuation of investments, particularly that in Cementir Italia S.p.A., which is based on the outcome of the impairment test and on a specific appraisal prepared by a professional appointed by Cementir Holding S.p.A.; we oversaw the acquisition by the Subsidiary Cementir Italia S.p.A. of Sacci's business division, involved in an arrangement with creditors' procedure, and of

Compagnie des Ciments Belges by Aalborg Portland Holding A/S indirectly 100% controlled by Cementir Holding S.p.A.;

- we also verified, through meetings with the head of Administration, Finance and Control, the completeness of the information contained in the Director's Report. We reached the conclusion that the Director's Report complies with the law and the relevant accounting standards. KPMG S.p.A. was also obviously involved in the discussion, particularly concerning the consistency of the mentioned Report with the related financial statements;
- in 2016 the audit firm received the following remuneration for the statutory audits performed:
 - separate financial statements EUR 32,481;
 - consolidated financial statements EUR 25,376;
 - limited audit of the condensed half-year consolidated financial statements EUR 10,150;
 - certification of the "Modello Unico", unified tax return EUR 1,060.

As part of our supervisory activities for the year 2016, the Board of Auditors met five times, including via tele-conferencing. We attended seven meetings of the Board of Directors and attended the Ordinary Shareholders' Meeting to approve the financial statements for the year ended 31 December 2015.

Based on the activity carried out during the year, and the specific consultation with KPMG S.p.A., we find no grounds to oppose approval of the financial statements of Cementir Holding S.p.A. for the period ended 31 December 2016 and the accompanying Director's Report. We also concur with the directors' proposal to cover the loss of EUR 5,880,637 using the revaluation reserve (Law 266/2005) and to distribute a dividend of EUR 0.10 per share, for a total of EUR 15,912,000, drawing upon retained earnings.

The Board of Auditors also examined the consolidated financial statements and acknowledges the unqualified opinion issued by KPMG S.p.A.

With the approval of the financial statements for the year ended 31 December 2016, the Board of Auditors has finished its term. Accordingly you are called upon to appoint a new Board.

Rome, 27 March 2017

THE BOARD OF AUDITORS

CLAUDIO BIANCHI
CHAIRMAN

MARIA ASSUNTA COLUCCIA
STANDING AUDITOR

GIAMPIERO TASCO
STANDING AUDITOR