

**BOARD OF DIRECTORS ADVICE TO SHAREHOLDERS ON THE
SIZE AND COMPOSITION OF THE NEW BOARD**

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1. Introduction

The Corporate Governance Code, in relation to the forecoming renewal of the board composition, recommends that the Boards of Directors of listed companies should issue advice to Shareholders on the size and composition of new Boards of Directors, taking account of the result of the self-evaluation process ("Board Review 2017").

Therefore the Cementir Holding Board of Directors ("Board"), with the support of the Appointment and Remuneration Committee, expressed its position on the qualitative and quantitative composition of the Board, to be presented to the shareholders prior to the Shareholders' Meeting, that includes in its agenda the appointment of the new Board for the years 2018-2020.

2. Size of the Board of Directors

Considering the positive activities of the corporate body operations in the last three years, the Board considers the actual number of thirteen board members an adequate figure and, in particular, is also adequate the relation between the Executive Director, the non-executive Directors with no independence requirements and the independent Directors, since it effectively ensures the company's functioning concerning management and control.

3. Composition of the Board of Directors

The results of the 2017 Board Review outline that the actual structure of the Board reverts appropriate and balanced aspects of professional and managerial competencies, as well as the various gender, educational, cultural, age and seniority features.

Therefore, the Board of Directors wishes that the upcoming renewal will follow a principle of continuity, so as to grant stability and coherence with the business goals and business plans, and recommends that the different components and competences now possessed by those in charge may be substantially confirmed in the new Board; therefore, the current incumbents, pursuant to the current situation, highlights the importance to:

- ensure a balanced combination of professional profiles, expertise, experiences and different skills, with an adequate representation of the share capital, encouraging those competencies related to industrial and financial businesses and market-orientation;
- ensure that the Board is provided with such specific professional competencies, relevant for supervision of the internal control and risk management systems, as already present in the current Board of Directors;
- ensure the presence of at least one expert in financial matters;
- ensure the presence of an adequate number of Directors with independence requirements, in consideration of the recommendation of Article 3 of the Corporate Governance Code promoted by the Italian Stock Exchange (not less than two independent Directors);
- ensure the presence of an adequate number of Directors belonging to both genders, so that the Board of Directors' composition respects the gender balance required by the current regulations;
- maintain the current ratio between executive and non-executive Directors, confirming a governance model focused on a single CEO;
- ensure the seniority distribution among Directors, considering the opportunity to maintain the presence of a suitable number of Directors currently in charge, and, at the same time, confirming the significance of the diversification in members' age.

In case there will be an adjustment to the current structure of the Board of Directors, a further enhancement of the combination of competences, including eminent professionals with international experience, would be recommended.

In presenting their nominations, Shareholders should also consider that the proposed candidates may grant full availability in participating to board meetings and internal committee meetings, as well as other unofficial meetings with the other board members.

The Board of Statutory Auditors concurred with the assessment of the Board.