



**SHAREHOLDERS' MEETING**  
**APRIL 29<sup>TH</sup> 2019 - 11.00 AM IN SINGLE CALL**

**REPORT OF THE BOARD OF DIRECTORS ON THE MATTERS ON THE AGENDA**  
*(in accordance with Article 125-ter, Legislative Decree No. 58/1998 and  
Article 84-ter of Consob Regulation No. 11971/1999)*

Dear Shareholders,

this report (the “**Report**”) was prepared by the Board of Directors of Avio S.p.A. (“**Avio**” or the “**company**”) in accordance with Article 125-ter of Legislative Decree No. 58 of February 24<sup>th</sup> 1998, as subsequently amended and supplemented (the “**CFA**”) and Article 84-ter of the Regulation adopted with Consob Regulation No. 11971 of May 14<sup>th</sup> 1999, as subsequently amended and supplemented (the “**Issuers’ Regulation**”), to outline the matters on the agenda of the Shareholders’ Meeting called for April 29<sup>th</sup> 2019 in single call.

In particular, you are called to consider the following agenda:

1. Statutory financial statements at December 31, 2018. Presentation of the consolidated financial statements at December 31, 2018. Reports of the Board of Directors, Board of Statutory Auditors and of the Independent Audit Firm. Allocation of the net profit. Related and consequent resolutions
2. Remuneration Report of Avio S.p.A. in accordance with Article 123-ter, paragraph 6, Legislative Decree No. 58/98
3. Approval of the proposal of authorisation of the purchase of treasury shares: related and consequent resolutions

\*\*\*      \*\*\*      \*\*\*

#### **Proposals on the matters on the agenda:**

- 1. Statutory financial statements at December 31, 2018. Presentation of the consolidated financial statements at December 31, 2018. Reports of the Board of Directors, Board of Statutory Auditors and of the Independent Audit Firm. Allocation of the net profit. Related and consequent resolutions**

The Shareholders’ Meeting will be called to approve the statutory financial statements at December 31<sup>st</sup> 2018 of the company, accompanied by the Directors’ Report.

All the documentation concerning this matter will be made available to the public, within the terms required by applicable provisions and regulations, at the registered office of the company, on the website [www.avio.com](http://www.avio.com), “*Investors - Financial documents*” section, on the website of Borsa Italiana S.p.A. and on the authorised storage mechanism “eMarket STORAGE”, together with the Board of Statutory Auditors’ Report and the Independent Auditors’ Report on the Statutory Financial Statements for the year ended December 31, 2018. The shareholders have the right to obtain a copy.

Considering the Directors’ Management Report, we invite you to approve the statutory financial statements at December 31<sup>st</sup> 2018, drawn up as per IFRS, together with the accompanying reports, which present a net profit of Euro 23,344 thousands.

In inviting you to approve the 2018 Annual Accounts of Avio S.p.A., taking account of the change to the dividend policy under approval, we propose the allocation of the result as follows:

- Euro 11,598 thousand as dividend;
- Euro 11,746 thousand to retained earnings.

## **2. Remuneration Report of Avio S.p.A. in accordance with Article 123-ter, paragraph 6, Legislative Decree No. 58/98**

The Shareholders' Meeting will be called to approve, pursuant to Article 123-ter, paragraph 6, of the CFA, the Remuneration Report of the company, prepared pursuant to the above-mentioned article of the CFA and Article 84-*quater* of the Issuers' Regulation, which illustrates the remuneration policy regarding the members of the Board of Directors, the General Managers and the Senior Executives, in addition to the procedures utilized for the adoption and implementation of this policy.

For further information, reference should be made to the text made available to the public at the registered office of the company, on the company website at [www.avio.com](http://www.avio.com), "*Corporate Governance*" section, on the website of Borsa Italiana S.p.A. and on the authorized storage mechanism "eMarket STORAGE", at least 21 days before the date fixed for the Shareholders' Meeting.

It is recalled that the Shareholders, pursuant to Article 123-ter, paragraph 6 of the CFA, will be called to vote on Section I of the "Remuneration Report" (in favour or against). The resolution is not binding. The results of the vote will be made available to the public in accordance with Article 125-*quater*, paragraph 2 of the CFA.

## **3. Approval of the proposal of authorization of the purchase of treasury shares: related and consequent resolutions**

The Shareholders' Meeting shall be called to approve, in accordance with Article 2357 of the Civil Code, the proposal to authorize the purchase of treasury shares, as outlined in the Illustrative Report of the Board of Directors prepared in compliance with Article 73 and annex 3A, schedule No. 4 of the Issuers' Regulation and made available to the public at the registered office of the company, on the company website at [www.avio.com](http://www.avio.com), "*Corporate Governance*" section and on the authorized storage mechanism "eMarket STORAGE", at least 21 days before the date fixed for the Shareholders' Meeting.

Rome, March 29<sup>th</sup> 2019

For the Board of Directors

The Chairman of the Board of Directors

Mr. Roberto Italia