



TECHNOGYM S.P.A.
REGISTERED OFFICE IN CESENA, VIA CALCINARO, 2861
SHARE CAPITAL EURO 10,050,250.00 FULLY SUBSCRIBED AND PAID IN
REGISTRATION WITH THE FORLÌ-CESENA COMPANIES' REGISTER NO. 315187 - TAX CODE 06250230965

**EXPLANATORY REPORT BY THE BOARD OF DIRECTORS ON THE PROPOSAL SET OUT IN ITEM
4 OF THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING OF TECHNOGYM S.P.A. CALLED
FOR MAY 8, 2018 IN SINGLE CALL**

4. Appointment of the Board of Directors of Technogym S.p.A, based on prior determination of their number, establishment of the duration of office and of the determination of the associated fees. Appointment of the Chairman of the Board of Directors of Technogym S.p.A. and determination of the associated emolument. Pertinent and consequent resolutions.

Dear Shareholders,

We should point out to you that, the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended as at December 31, 2017, called for May 8, 2018, will mark the expiry of office of the Board of Directors of Technogym S.p.A. ("**Technogym**" or the "**Company**"), appointed by the ordinary Shareholders' Meeting of the Company on July 16, 2015 for the 2015-2017 three-year period.

Based on the above, at the next Company Shareholders' Meeting, you will therefore be required to resolve, among other things, on the following: (a) the determination of the number of members of the Board of Directors of the Company; (b) the determination of the duration of office of the Board of Directors of the Company; (c) the appointment of the members of the Company's Board of Directors; (d) the appointment of the Chairman of the Board of Directors of the Company and, lastly (e) the determination of the fees of the members of the Company's Board of Directors.

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4.1. Determination of the number of members of the Company's Board of Directors

With reference to the determination of the number of Technogym Directors, we should point out that, pursuant to art. 16.1 of the Company's Articles of Association, the Company's Shareholders' Meeting, before appointing the Board of Directors, is required to determine the number of members of the Board of Directors, which must be no less than seven and no more than fifteen.

The Company's Board of Directors due to expire abstains from formulating specific proposals on the matter and invites you, therefore, to determine the number of members of Technogym's Board of Directors, within the aforementioned limits, based on the proposals that may be formulated by the shareholders also during the Shareholders' Meeting.

4.2. Determination of the duration of office of the Board of Directors of the Company

We should point out to you that, pursuant to paragraph 16.2 of the Company's Articles of Association, Technogym's Directors are appointed for a term of no more than three years, and their term of office expires on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their office. The Directors can be re-elected.

The Company's Board of Directors due to expire abstains from formulating specific proposals in that regard and invites you, therefore, to determine the duration of office of Technogym's Board of Directors, within the aforementioned limits, based on the proposals that may be formulated by the shareholders also during the Shareholders' Meeting.

4.3. Appointment of members of the Company's Board of Directors

The Board of Directors of the Company is appointed in compliance with the provisions of Legislative Decree no. 58 of February 24, 1998, as subsequently amended and supplemented (the "**Consolidated**

Finance Law”) and the relevant implementing regulations, as well as the Company’s Articles of Association to which reference should be made for matters not expressly indicated below.

Technogym’s Directors are appointed by the Company’s Shareholders’ Meeting based on the lists presented by the shareholders, in which the candidates must be listed by sequential number. Lists may be presented by the Board of Directors in office and, in compliance with the relevant CONSOB resolution, by the shareholders who, alone or with other shareholders, at the time of the presentation of the list hold an equity investment of at least 1% in Technogym. It should be noted that ownership of the minimum percentage equity investment is determined with regard to the Technogym shares registered in the shareholders’ name on the day in which the lists are filed at the Company.

Each shareholder, the shareholders participating in a Shareholders' agreement relating to the relevant Company as set forth in Art. 122 of the Consolidated Finance Law, the controlling party, the subsidiaries and those subject to common control and other parties among which there is an affiliation, even indirect, pursuant to the legal and regulatory provisions in force at the time, cannot present or take part in the presentation, not even through a third party or trust Company, of more than one list nor may vote for different lists.

Each candidate may appear only on one list, being otherwise deemed ineligible. Pursuant to art. 147-quinquies, paragraph 1, of the Consolidated Finance Law, all candidates must meet the integrity requirements set forth in art. 148, paragraph 4, of the Consolidated Finance Law for the statutory auditors of listed companies.

Each list carries the names of the candidates, with a sequential number; the number of candidates cannot exceed the number of members to be elected.

Each list with a number of candidates not exceeding seven must include and identify at least one candidate with the independence requirements set according to the legal and regulatory provisions in force at the time for Independent Directors. Each list with a number of candidates above seven must include and identify at least two candidates who satisfy the independence requirements set according to the legal and regulatory provisions in force at the time for Independent Directors. If these obligations are not fulfilled, the list is deemed as not presented.

Each list presenting 3 (three) or more candidates must also include candidates of both genders, so that at least one-third (rounded up) of candidates belong to the less represented gender. If these obligations are not fulfilled, the list is deemed as not presented.

Lists of candidates must be filed by the Shareholders, together with the certification attesting to ownership of a sufficient number of Technogym shares to guarantee the right to present the list, by April 13, 2018, according to the following methods: (a) by hand delivery to the Company’s registered office in Cesena, via Calcinaro, 2861; or (b) via certified e-mail to the address technogym.amministrazione@legalmail.it. In all cases, at the time of filing of the lists, the information must be provided that allows the person transmitting the lists to be identified. Lists will therefore be made available to the public by the Company at least twenty-one days before the date of the Shareholders’ Meeting (i.e. by April 17, 2018), according to the methods set out in the applicable legislation.

Lists must be accompanied: (a) by information on the identity of the shareholders who have presented the lists, with the specification of the percentage equity investment held in total, without prejudice to the fact that the evidence of the ownership of this equity investment may be presented even after the filing of the lists provided this is done within the term set for the publication of the lists by the Company; (b) by a statement of the shareholders other than those holding, including jointly, a controlling interest or a relative majority, stating the absence of relations of affiliation, even indirect,

pursuant to the legal and regulatory provisions in force at the time, with the latter; (c) by exhaustive information on the personal and professional characteristics of the candidates, possibly specifying their qualifications as Independent Directors pursuant to the legal and regulatory provisions in force at the time (and/or pursuant to the codes of conducts on corporate governance promoted by management companies of regulated markets if adopted by the Company), as well as a statement by the candidates that the requirements set by the legal and regulatory provisions in force at the time and by the Articles of Association, including those of integrity and, if applicable, independence, are met, and that they accept the candidature and, if elected, the office; (d) any other additional or different statement, disclosure and/or document required by the legal and regulatory provisions in force at the time.

According to the provisions of Communication no. DEM/9017893 of February 26, 2009, CONSOB recommends that shareholders other than those who hold, including jointly, a controlling interest or relative majority, provide the following information in the aforementioned declaration:

- (i) any relations in place, if significant, with the shareholders who hold, including jointly, a controlling interest or relative majority. In particular, it is recommended that, in terms of the aforementioned relations, at least those listed in point 2 of the above-mentioned CONSOB Communication are indicated. Alternatively, the absence of significant relations must be indicated;
- (ii) the reasons for which these relations were not considered crucial for the existence of affiliate relationships pursuant to art. 148, second paragraph of the Consolidated Finance Law and art. 144-quinquies of CONSOB Regulation no. 11971/1999, as subsequently amended and supplemented.

The lists presented in the absence of compliance with all the provisions outlined previously are considered as not presented.

The Company's Board of Directors will be elected as required by paragraphs 18.1 et seq. of Articles of Association of Technogym, in observance of the provisions contained therein with reference to the minimum number of Independent Directors and Directors belonging to the less represented gender.

If no list is presented or if a single list is presented and this does not obtain the relative majority of the votes represented in Shareholders' Meeting or if it is not possible for any reason to appoint the Board of Directors with the methods described, the members of the Board of Directors are appointed by the Shareholders' Meeting with the ordinary procedures and the relative majority of the votes represented therein, without application of the list vote mechanism, and in any case in a way to ensure the presence of the minimum number of Independent Directors required by legal and regulatory provisions as well as compliance with the legal and regulatory provisions on gender balance in force at the time.

Technogym's Board of Directors in office does not intend to present a list for the appointment of the new Board of Directors.

It should be noted that, in compliance with the recommendations set out in art. 1, paragraph 1, letter h) of the Corporate Governance Code for Listed Companies, the Board of Directors issued its guidelines on the size of the new Board of Directors as well as on the managers and professionals whose presence in the new Board is considered necessary, published on the Company's website www.technogym.com.

In light of the above, we therefore invite you to appoint the Company's Board of Directors, by expressing your vote in favor of one of the lists of candidates for the office of members of Technogym's Board of Directors, which will be presented and published in observance of the provisions indicated above.

4.4. Appointment of the Chairman of the Company's Board of Directors

Pursuant to paragraph 20.1 of Technogym's Articles of Association, the Ordinary Shareholders' Meeting is attributed the right to primarily appoint the Chairman of the Board of Directors of Technogym. Said paragraph 20.1 actually sets forth that the Company's Board of Directors can only elect a Chairman from its members only if the Company's Shareholders' Meeting has not made provision for it.

The Company's Board of Directors due to expire abstains from formulating specific proposals in that regard and invites you, therefore, to appoint the Chairman of the Board of Directors of Technogym from the Directors elected following the voting relating to previous point 4.3, based on the proposals that may be formulated by the shareholders also during the Shareholders' Meeting.

4.5 Determination of the fees of the Company's Board of Directors

Lastly, we should point out to you that, pursuant to art. 22 of Technogym's Articles of Association, the fees due to the members of the Board of Directors are determined by the Shareholders' Meeting. Directors are reimbursed for the expenses incurred in fulfilling their office. The remuneration of the Directors vested with special roles (including therein the Chairman and the Deputy Chairman of the Board of Directors) is established by the Board of Directors, having consulted the Board of Statutory Auditors. The Shareholders' Meeting can determine a total amount for the remuneration of all Directors, including those vested with special roles.

In light of the above, you are requested to determine the compensation to be paid to the Company's Board of Directors and its Chairman. It should be noted that the Shareholders' Meeting of March 16, 2016 resolved the maximum amount of fees to be allocated to Directors, including those vested with special roles, for their three-year term of office and, therefore, up until approval of the financial statements for the year ended as at December 31, 2017, at Euro 7,500,000.00, plus the reimbursement of expenses, benefits and insurance policies, as set forth in the Company procedures as well as any other remuneration due to Directors based on their participation in the Long-Term Incentive Plan in force at the date of this resolution and whose benefits have finished as at today's date.

Technogym's Board of Directors due to expire abstains from formulating specific proposals in that regard and invites you, therefore, to determine the fees of the members of Technogym's Board of Directors based on the proposals that may be formulated by the shareholders also during the Shareholders' Meeting.

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on behalf of the Board of Directors
The Chairman
Nerio Alessandri