



TECHNOGYM S.P.A.

REGISTERED OFFICE IN CESENA, VIA CALCINARO, 2861

SHARE CAPITAL EURO 10,000,000.00, FULLY SUBSCRIBED AND PAID-IN

ENROLMENT NUMBER IN THE BUSINESS REGISTER OF FORLÌ-CESENA 315187 AND TAX CODE  
06250230965

**REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSAL UNDER POINT  
NO. 5 ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING OF TECHNOGYM S.P.A.  
CALLED FOR 21 APRIL 2017 ON SOLE CALL**

## 5. **Proposed authorization to purchase and use treasury shares. Related resolutions.**

Dear Shareholders,

We submit for your approval the authorization for the Board of Directors to purchase and use treasury shares, pursuant to Articles 2357 *et. seq.* of the Italian Civil Code, Art. 132 of Legislative Decree no. 58 of 24 February 1998, as amended (the “**Consolidated Finance Law**”) and Art. 144-*bis* of CONSOB Regulation approved with resolution no. 11971 of 14 May 1999, as amended (the “**Issuers’ Regulation**”) and we illustrate below the methods and terms of the transaction proposed, in compliance with the provisions of Art. 73 and Annex 3A, table no. 4 of the Issuers’ Regulation.

### 1. **Reasons for the request for the authorization to purchase and use treasury shares**

The authorization to purchase and use treasury shares under this proposal is appropriate for the purpose of enabling Technogym S.p.A. (hereinafter, “**Technogym**” or the “**Company**”), by obtaining suitable financial coverage compatible with the Company’s future plans, investments and contractual restrictions, to:

- purchase treasury shares with a view to medium/long-term investment, also to create lasting equity investments, or, in any event, to capture market opportunities also by purchasing and reselling shares, operating on the market, and – as regards disposal, sale or use – on the over-the-counter markets or off the market or through accelerated bookbuilding (ABB) procedures or *en bloc*, at any time, fully or partially, in one or more steps, and without time limits, provided that the purchases are carried out at market conditions;
- intervene, in compliance with the provisions in force, directly or through intermediaries, to contain anomalous movements in share prices and to regularize the performance of trading and trends in prices, in relation to momentary distortive phenomena linked to excess volatility or low liquidity of trades;
- set up a portfolio of treasury shares that it may make use of in cases deemed to be in the Company’s financial, operational and/or strategic interest, including for the share-based incentive plans;

it being understood that if the reasons for the purchase no longer apply, the treasury shares held or purchased in execution of this authorization may be allocated to one of the other purposes indicated above and/or sold.

With specific reference to the request for authorization to purchase treasury shares, it is noted that, as things stand, this request is not destined for reductions of share capital through the cancellation of the treasury shares purchased.

### 2. **Maximum number, category and nominal value of the shares covered by the authorization**

The proposal concerns authorizing the Board of Directors to purchase ordinary shares (fully freed up) of the Company, in one or more steps, in an amount that can be freely determined by the Board of Directors up to a maximum number of (treasury) shares not exceeding 0.55% of share capital, considering the treasury shares owned both directly and any held by subsidiaries of the Company.

In any event, the purchases shall be made – in compliance with the provisions of Art. 2357, paragraph 1 of the Italian Civil Code – within the limits of distributable profits and available reserves resulting from the latest regularly approved financial statements of the Company.

Note that, in the event of purchases, disposals, conversions or contributions of treasury shares, in compliance with the provisions of law and the accounting standards applicable, the Company shall make the appropriate accounting entries. In the event of disposal, conversion, contribution or write-down, additional purchases may be made up to the expiry of the term of authorization from the Shareholders' Meeting, without prejudice to the quantitative limits set by law, also relating to the number of treasury shares that may be held by the Company or its subsidiaries in each case, as well as the conditions set by the Shareholders' Meeting.

### **3. Information useful for a comprehensive assessment of compliance with Art. 2357, paragraph 3 of the Italian Civil Code**

The share capital subscribed and paid-in by the Company is represented by 200,000,000 ordinary shares, without nominal value.

As of today, neither the Company nor its subsidiaries hold shares of the Company.

Pursuant to Art. 2357, paragraph 1 of the Italian Civil Code it is possible to purchase treasury shares within the limits of distributable profits and available reserves resulting from the latest regularly approved financial statements. Pursuant to Art. 2357-ter, paragraph 3 of the Italian Civil Code, a restricted reserve equal to the amount of treasury shares posted under balance sheet assets must be established and maintained so that the shares are not transferred or cancelled.

Note that in the Company's financial statements for the year ended as at 31 December 2015, approved by the Shareholders' Meeting of 16 March 2016 available, freely distributable reserves were posted in the amount of Euro 3,675,594, while in the draft separate financial statements for the year ended as at 31 December 2016, submitted for approval of the Shareholders' Meeting of 21 April 2017 available, freely distributable reserves were posted in the amount of Euro 46,171,688.

It is understood that the Board of Directors must verify compliance with the conditions required by Art. 2357, paragraphs 1 and 3 of the Italian Civil Code to purchase treasury shares on executing the deed that completes each authorized purchase.

### **4. Duration of the authorization**

The Board of Directors proposes that the authorization to purchase treasury shares be granted for the maximum duration permitted by Art. 2357, paragraph 2 of the Italian Civil Code and thus, for a period

of 18 months from the date on which the Shareholders' Meeting shall adopt the corresponding resolution. The Board may carry out the authorized transactions in one or more steps at any time.

This time limit of 18 months does not apply to any transactions of use of any treasury shares purchased by virtue of the Shareholders' Meeting authorization.

## **5. Minimum and maximum consideration**

The purchase price of the shares will be identified on a case-by-case basis, having regard to the selected method to carry out the transaction and in compliance with any regulatory provisions or market practices. However, in any event, the price shall not be more than 20% lower or higher than the weighted average of the official stock market prices of the shares recorded by Borsa Italiana S.p.A. in the session prior to each single transaction.

Nonetheless, these price limits may not be applied for the use of treasury shares as a consideration to be used as part of strategic transactions or when the assignment of shares occurs for the purpose of any share-based incentive plans.

Disposals or uses of treasury shares may be carried out at the price or, in any event, according to criteria and conditions determined by the Board of Directors, having regard to the methods of implementation concretely used, the performance of share prices in the period prior to the transaction and the best interest of the Company.

## **6. Method of execution of transactions**

Considering the various purposes that may be pursued through the finalisation of transactions in treasury shares, the Board of Directors proposed that the authorization be granted to purchase treasury shares in accordance with any of the methods permitted by regulations in force.

However, this excludes authorizations that request from the Shareholders' Meeting the right to purchase treasury shares through purchases and sales of derivatives traded on regulated markets that entail the physical delivery of the underlying shares, even though this is contemplated in Art. 144-*bis*, letter c) of the Issuers' Regulation.

As regards disposals and/or uses of treasury shares, the Board of Directors proposes that the authorization permit the adoption of any method that may be suitable to achieve the purposes pursued – including the use of treasury shares for the share-based incentive plans – to be carried out both directly and through intermediaries, in compliance with the national and EU provisions of law and regulations in force on the matter.

It is noted that, pursuant to the exemption as per Art. 132, paragraph 3 of the Consolidated Finance Law, the operational methods above do not apply in the event of the purchase of treasury shares by employees of the Company, of subsidiaries and of the parent company, shares which are assigned to said employees as part of a share-based incentive plan pursuant to Articles 2349 and 2441, paragraph 8 of the Italian Civil Code, or deriving from compensation plans approved pursuant to Art. 114-*bis* of the Consolidated Finance Law.

The purchases or disposals of treasury shares for which authorization is requested shall be carried out in compliance with the applicable regulations and, specifically, in compliance with the national and EU legal and regulatory provisions, also regarding market abuse.

Suitable communication shall be provided of the purchases and disposals of treasury shares in compliance with the applicable information.

## **7. Information in the event that the purchase is carried out to reduce capital**

As stated above, the purchase of treasury shares is not destined for reductions of share capital through the cancellation of treasury shares purchased, also without prejudice to the Company's right, should the Shareholders' Meeting approve a reduction of share capital in the future, to execute it also by cancelling the treasury shares held.

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If you agree with the proposal we have formulated, we submit the following proposed resolution for your approval:

*“The Ordinary Shareholders' Meeting of Technogym S.p.A.:*

- *having examined the Report of the Board of Directors and the proposals set out therein;*
- *having regard to the provisions of Articles 2357 and 2357-ter of the Italian Civil Code and Art. 132 of Legislative Decree no. 58 of 24 February 1998 and Art. 144-quater of the Issuers' Regulation adopted by CONSOB with resolution no. 11971/1999, as amended;*
- *having regard to the separate financial statements for the year ended as at 31 December 2016 approved by today's Shareholders' Meeting;*
- *having verified the opportunity to grant the authorization to purchase and use treasury shares, for the purposes and according to the methods illustrated above;*

### ***resolves***

- *to authorize the Board of Directors to purchase Technogym ordinary shares, without nominal value, within the maximum limit set by Art. 2357, paragraph 3 of the Italian Civil Code and, more specifically, up to a maximum number of shares not exceeding 0.55% of the pro-tempore share capital of Technogym S.p.A., by obtaining suitable financial coverage compatible with the Company's future plans, investments and contractual restrictions, to:*
  - *purchase treasury shares with a view to medium/long-term investment, also to create lasting equity investments, or, in any event, to capture market opportunities also by purchasing and reselling shares, operating on the market, and – as regards disposal, sale or use – on the over-the-counter markets or off the market or through accelerated bookbuilding (ABB) procedures or en bloc, at any time, fully or partially, in one or more steps, and without time limits, provided that the purchases are carried out at market conditions;*

- *intervene, in compliance with the provisions in force, directly or through intermediaries, to contain anomalous movements in share prices and to regularize the performance of trading and trends in prices, in relation to momentary distortive phenomena linked to excess volatility or low liquidity of trades;*
- *set up a portfolio of treasury shares that it may make use of in cases deemed to be in the Company's financial, operational and/or strategic interest, including for the share-based incentive plans;*
- *offer shareholders an additional instrument to monetize their investments, establishing that:*
  - (i) *the purchase may be carried out, in one or more steps, within 18 months from the date of this resolution, using any of the methods set out in the combined provisions of Art. 132 of Legislative Decree no. 58 of 24 February 1998 and Art. 144-bis, letters a), b) and d) of the Issuers' Regulation adopted by CONSOB with resolution no. 11971/1999, as amended, taking account of the specific exemption set out in paragraph 3 of Art. 132 of Legislative Decree no. 58 of 24 February 1998, and, in any event, using all other methods permitted by national and EU legal and regulatory provisions in force, and in compliance with all other applicable rules, including national and EU legal and regulatory provisions, also concerning market abuse, with the sole exception of the methods of purchase set out in Art. 144-bis, letter c) of the cited Issuers' Regulation;*
  - (ii) *suitable communication shall be provided of the purchases of treasury shares in compliance with the applicable information;*
  - (iii) *the purchase price of each share shall not be more than 20% lower or higher than the weighted average of the official stock market prices of the shares recorded by Borsa Italiana S.p.A. in the session prior to each single transaction;*
  - (iv) *purchases of treasury shares must be made using distributable profits and available reserves resulting from the latest regularly approved financial statements at the time the transaction is executed, establishing a treasury share reserve and, in any event, making the necessary accounting entries according to the methods and within the limits set by law;*

*all of the above, in any event, in compliance with and observance of any other pro-tempore provisions of law or regulations in force on the matter;*

- *authorize, fully or partially and without time limits, the use, either directly or through intermediaries, of the treasury shares purchased pursuant to the resolution under point a), also before the authorization to purchase treasury shares has been fully exercised, establishing that:*
  - *the use may be made in accordance with the purposes and based on any of the methods permitted by law, including the use of treasury shares for share-based incentive plans, and in compliance with all other applicable rules, including national and EU legal and regulatory provisions concerning market abuse;*
  - *suitable communication shall be provided of the disposals of treasury shares in compliance with the applicable information;*
  - *treasury shares may be assigned in one or more steps and at any time, also through public offerings, to shareholders, to the market or as part of any extraordinary and/or strategic operations. The shares may*

*also be assigned by combining them with bonds or warrants for their exercise and, in any event, according to the methods permitted by the law and regulations in force, at the discretion of the Board of Directors;*

- *uses of treasury shares may be carried out at the price or, in any event, according to the conditions and criteria determined by the Board of Directors, having regard to the methods of implementation used, the performance of share prices in the period prior to the transaction and the best interest of the Company;*
  - *disposals may in any event be carried out according to the methods permitted by the law and regulations in force, at the discretion of the Board of Directors;*
- *make, pursuant to Art. 2357-ter, paragraph 3 of the Italian Civil Code, all accounting entries necessary or suitable, in relation to the transactions in treasury shares, in compliance with the provisions of law in force and the accounting standards applicable;*
- *grant the Board of Directors and, on behalf of the Board, the Chairman of the Board of Directors, all the necessary powers to purchase or use treasury shares, also through consecutive transaction and, in any event, to implement the above resolutions, also through attorneys, fulfilling all obligations that may be required by the competent authorities.”*

for the Board of Directors:  
The Chairman  
Nerio Alessandri