



**PIOVAN S.p.A.**

**DIRECTORS' REPORT**

FOR

Ordinary Shareholders' Meeting

convened on 17 April 2019

**Item 1 on the agenda**

***Approval of the Financial Statements of Piovan S.p.A. as at 31 December 2018; Board of Directors' Information report on the management of the Financial Year 2018; Board of Statutory Auditors' Report; report by the Auditing Firm; related and consequent resolutions. Presentation of the Consolidated Financial Statements of the Group as at 31 December 2018; Presentation of the consolidated non financial declaration drawn up pursuant to Legislative Decree no. 254/2016. Approval of the allocation of the profit for the financial year ended 31 december 2018. Related and consequent resolutions.***

Dear Shareholders,

we submit for your approval the Draft of the Financial Statements as of 31 December 2018, approved by the Board of Directors on 14 March 2019, and the allocation of the result for the year ended 31 December 2018.

In particular, the financial year as at 31 december 2018 ended with a profit for the year of Euro 11,671,417, which we propose you to allocate as a payment of a dividend for total Euro 7,639,395, entirely under the Parent Company's result for the financial year, equal to Euro 0.15 for each share entitled to profits, having therefore already excluded the treasury shares held by the Company, pursuant to art. 2357-ter, paragraph 2, of the Civil Code. For the remaining part, we propose to retain earnings, allocating it as an extraordinary reserve.

The dividend will be paid starting May, 8 2019, with ex-dividend set for May 6, 2019 and record date May 7, 2019.

For all the information and detailed comments relating to the financial statements and the allocation of the result for the year, please refer to the Annual Financial Report, including the draft of the Financial Statements and the Consolidated Financial Statements as of 31 December 2018, approved by the Board of Directors on March 14, 2019, the Directors' Report on Operations, the attestation pursuant to art. 154-bis, paragraph 5, of Legislative Decree 24 February 1998, no. 58 and the consolidated declaration containing non-financial information (the "**consolidated Non-Financial declaration**" or "**DNF**") pursuant to Legislative Decree December 30, 2016, no. 254, which will be deposited and made available to the public, together with the Report of the Board of Statutory Auditors and the Report of the Auditing Company in accordance with the terms and with the legal procedures.

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Given the above and making reference with the Annual Financial Report for a more detailed information, we submit for your approval the following

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**Resolution proposal:**

*"With reference to the first item on the agenda, the Ordinary Shareholders' Meeting of Piovan S.p.A.,*

- *having heard and approved what was stated by the Board of Directors;*
- *having examined the draft of the financial statements of Piovan S.p.A. as of December 31, 2018 and the report of the Board of Directors on operations having acknowledged that from the financial statements of Piovan S.p.A at 31 december 2018 there were available and distributable reserves, which make it possible to distribute a dividend to the extent proposed;*
- *having read the Report of the Board of Statutory Auditors and the Report of the Auditing company,*  
*resolved*
- *to approve the Financial Statements of Piovan S.p.A. as of December 31;*
- *to distribute to the shareholders a dividend of overall Euro 7,639,395 entirely under the Parent Company's result, equal to Euro 0.15 per share entitled to profits (with express exclusion treasury shares of the Company, in accordance with Article 2357-ter, paragraph 2, of the Civil Code;*
- *to establish that the ex-dividend date is 6 may 2019, the record date is 07 may 2019 and the payment date is 8 may 2019."*

\* \* \*

Santa Maria di Sala, 14 March 2019

The Chairman of the Board of Directors

Nicola Piovan

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**Item 2 on the agenda**

***Approval of the plan for the assignment free of charge of ordinary shares of the Company called « 2019 – 2021 Performance Shares Plan » reserved to executive directors, key managers and employees or associates of the Company or the Group, and a plan for the grant of monetary incentives headed “2019-2021 Long-Term Monetary Incentive Plan”, reserved to top managers and employees or associates of the Company or the Group; related and consequent resolutions.***

Dear Shareholders,

we submit for your approval (i) the plan for the free allocation of ordinary shares of the Company called “Performance Shares Plan 2019-2021”, reserved to executive directors, key managers and employees or associates of the Company or the Group, and (ii) the plan for the grant of monetary incentives headed “2019-2021 Long-Term Monetary Incentive Plan”, reserved to top managers and employees or associates of the Company or the Group; related and consequent resolutions (the two plans considered jointly, “Plans”).

The drafts of the regulations of the two Plans, together with the relative drafts of the informative documents, according to art. 84-bis of Consob Regulation no. 11971/1999 were approved by the Board of Directors on 15 January 2019.

For all the information and detailed comments relating to the *Performance Shares Plan 2019-2021* and the *Long-Term Monetary Incentive Plan 2019-2021*, we refer to the respective information documents available to the public at the Company's registered office, in Santa Maria di Sala (VE), Via delle Industrie, no. 16, as well as on the website [www.piovangroup.com](http://www.piovangroup.com).

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**Resolution proposal:**

*“With reference to the third item on the agenda, the Ordinary Shareholders' Meeting of Piovan S.p.A.,*

- *having heard and approved what was stated by the Board of Directors;*
- *having examined the information documents relating to the Performance Shares Plan 2019-2021 and the Long-Term Monetary Incentive Plan 2019-2021, drawn up pursuant to art. 114-bis of the Legislative Decree no. 58 of 24 February 1998 (“TUF”) and 84-bis of Consob Regulation no. 11971/1999,*

*resolved*

*to approve, pursuant to and for the purposes of art. 114-bis of the TUF, the adoption of Performance Shares Plan 2019-2021 and the Long-Term Monetary Incentive Plan 2019-2021 in compliance with what is indicated in the related information documents “*

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Santa Maria di Sala, 14 March 2019

The Chairman of the Board of Directors

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**Item 3 on the agenda**

***Remuneration Report pursuant to art. 123-ter of the Legislative Decree 58/1998. Resolutions relating to the Company's remuneration policy pursuant to the first section of the remuneration report.***

Dear Shareholders,

Under Article 123-ter, sixth paragraph, of the Legislative Decree 24 February 1998, no. 58 ("**TUF**"), the Shareholders' Meeting convened annually for the approval of the financial statements is required to resolve on the section of the Report on Remuneration concerning the Company's policy on the remuneration of the members of the administrative bodies, the general managers and executives with strategic responsibilities and the procedures used for the adoption and implementation of this policy pursuant to the same article 123-ter, third paragraph, of the TUF.

Pursuant to the aforementioned art. 123-ter, paragraph 6, of the TUF, the Shareholders' Meeting must resolve in favour or against the remuneration policy, with a non-binding resolution.

For further details, please refer to the Remuneration Report prepared by the Board of Directors pursuant to art. 123-ter of the TUF and art. 84-quater of Consob Regulation no. 11971/1999, which will be made available to the public in the manner and within the terms of the law.

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**Resolution proposal**

Dear Shareholders,

in light of the above, the Board of Directors proposes to adopt the following resolution:

*"The Ordinary Shareholders' Meeting of Piovan S.p.A.,*

- *having regard to the articles 123-ter of the Legislative Decree 24 February 1998, no. 58 and 84-quater of Consob Regulation no. 11971/1999;*
- *having taken note of the Remuneration Report drawn up by the Board of Directors;*

*resolved*

*to express a favourable opinion on the remuneration policy for directors and executives with strategic responsibilities and on the procedures used for the adoption and implementation of this policy, each of which is illustrated in the first section of the remuneration report prepared by the Board of Directors".*

\* \* \*

Santa Maria di Sala, 14 March 2019

The Chairman of the Board of Directors

Nicola Piovan

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