



DIRECTORS' ILLUSTRATIVE REPORT PREPARED PURSUANT TO ARTICLE 125-TER OF THE LEGISLATIVE DECREE 58/98 IN RELATION TO POINT 2 ON THE AGENDA OF THE PLC S.p.A. SHAREHOLDERS' MEETING OF 28 APRIL 2020 (Proposal for the allocation of profit for the year. Related and / or consequent resolutions.)

PLC SPA

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VAT No. and Tax Code 05346630964 – Economic Administrative Index MI-1814188 – Share Capital €37,136,262.72 fully paid up

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Proposal for the allocation of profit for the year. Related and / or consequent resolutions.

Dear Shareholders,

The Board of Directors of PLC S.p.A. ("**PLC**" or the "**Company**") resolved to convene the Shareholders' Meeting in ordinary session to discuss and resolve, *inter alia*, regarding the proposal for the allocation of profit for the year.

The draft financial statements as at 31 December 2019 which is submitted at the Shareholders' Meeting show an operating profit of Euro 2,741,191.20. We refer on this point to the Directors' report in relation to point 1 on the agenda, which was made available to the Shareholders in accordance with the law.

In formulating the proposal for the allocation of the profit for the year of PLC SpA, the Board of Directors took into account (i) the negative result for the year 2019 on a consolidated level, although to be considered of a transitory nature, since deriving from the postponement of the activities in the first half of 2019 in the "Construction Segment", due to the delay in the publication of the FER 1 Decree, and (ii) the possible changes in the global macro economic scenario due to the effect of Covid-19.

In consideration of the above, the Board of Directors has decided to support the capital strength of the PLC Group, also in order to contain any future impacts of Covid-19 on the equity, economic and financial situation of the PLC Group and, adopting a prudential approach, has proposed carrying forward the profit for the year 2019 of the parent company PLC S.p.A., net of the part set aside.

The Board of Directors recommends that you:

- allocate the profit for the year 2019 (i) as for Euro 405,296.07 to the legal reserve, as indicated in art. 2430 of the Italian Civil Code and (ii) as for Euro 2,335,895.13 in retained earnings reserve.

As a result of the above, the legal reserve would amount to Euro 5,405,296.07, equal to one fifth of the Company's share capital.

In light of the above, we invite you to approve the following

Proposed resolution

"The ordinary Shareholders' Meeting of PLC S.p.A.,

- *having taken note of the explanatory report of the Board of Directors and in implementation of the proposal submitted through it, to be understood as referred to herein,*

resolves

- a) *to allocate the profit for the year, amounting to Euro 2,741,191.20, as follows:*
 - *as for Euro 405,296.07 to the legal reserve, pursuant to art. 2430 of the Civil Code;*
 - *as for Euro 2,335,895.13 to the retained earnings reserve;*
- b) *to confer, on a single and separate basis to the Chairman of the Board of Directors and to the Chief Executive Officer, all necessary powers to implement the above."*

Milan, 27 March 2020

for the Board of Directors
Signed the CEO
(Eng. Michele Scoppio)

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27,026,480.35 fully paid up