

**Aquafil S.p.A.**

**Via Linfano 9, Arco (Trento)**

Subscribed and paid-in share capital €49,708,767.68

**VAT and Tax code and registration number in the Trento Register of Company  
091652170961**

**AQUAFIL S.p.A.**

**GENERAL SHAREHOLDERS' MEETING**

April 27, 2018, at 3:30 pm, single call

*(pursuant to Article 125-ter of Legislative Decree No. 58/1998, and Article 84-ter of Consob  
Regulation No. 11971/1999)*

Director's Report illustrating the motions pertaining to item 4 on the Agenda of the General Shareholders' Meeting to be held on April 27, 2018, prepared pursuant to Article 125-ter of Legislative Decree No. 58/1998, and regarding:

*"4. Long-term Cash Incentive Plan 2018-2020; relevant and ensuing resolutions."*

This report has been prepared pursuant to Article 125-ter, paragraph 1, of Legislative Decree No. 58 dated February 24, 1998, as further amended and extended (*TUF*), as well as Article 84-ter of the Regulation No. 11971 issued by Consob on May 14, 1999, as further amended and extended (*Rules for Issuers*), and pertains to item 4 placed on the Agenda of the General Shareholders' Meeting of Aquafil S.p.A. ("*Aquafil*" or the "*Company*") scheduled for April 27, 2018, single call.

This Report will be made available to the public at the Company's registered offices, on the corporate website ([www.aquafil.com](http://www.aquafil.com)) and in the other manners provided for by Consob regulations.

The Illustrative Report concerning all other items on the Agenda will be made available to the public within the terms and according to methods required under applicable legislation.

***Long-term Cash Incentive Plan 2018-2020; relevant and ensuing resolutions.***

Shareholders,

With regard to item 4 on the Agenda and pursuant to Article 114-bis TUF, the Shareholders' Meeting is called on to resolve on the proposal to adopt a Long-term Cash Incentive Plan for the period 2018-2020 (the "**Plan**") intended for directors with delegated powers and key management personnel of the Company and its subsidiaries.

The Plan, which has been drafted by the Board of Directors on the proposal of the Remuneration Committee, in consultation with the Board of Statutory Auditors, provides for a cash incentive within the framework of the beneficiaries' remuneration package based on the achievement of certain performance targets and the creation of value for the shareholders (conditional on continuing employment with the Aquafil Group).

Although the Plan does not call for the assignment of financial instruments, but solely cash incentives, it does provide that a part of such incentives be based on the return on the Company's shares. Accordingly, the Plan is subject to the provisions of Article 114-bis TUF governing plans that provide for the assignment of financial instruments, to the extent applicable.

In accordance with Article 84-bis, paragraph 1, of the Rules for Issuers, the Plan's characteristics are described in detail in the Informative document drafted in accordance with Scheme No. 7 of Annex 3A of the Rules for Issuers, made available concurrently with this report and to which express reference is made.

\* \* \*

In light of the foregoing, the Board of Directors invites the shareholders to pass the following resolution:

*"The General Shareholders' Meeting of Aquafil S.p.A.*

*resolves*

1. *to approve, pursuant to Article 114-bis of Legislative Decree No. 58 of February 24, 1998, the Long-Term Cash Incentive Plan for the period 2018-2020, within the terms set out in this report and in accordance with the Informative Document prepared pursuant to Article 84-bis of the Rules for Issuers;*

2. *to grant the managing body the fullest powers necessary or appropriate to the implementation of the Plan, to be exercised in accordance with the related Informative Document, and in particular, but without limitation, the powers to see to the following in order to: (i) modify and/or adding to the Plan Rules; (ii) name additional Beneficiaries; (iii) determine the amount of the Incentive to be awarded to each Beneficiary; and (iv) carry out all acts, procedures, formalities or communications that are necessary or appropriate to the management and/or implementation of the Plan."*

Arco (Trento), March 27, 2018

On behalf of the Board of Directors  
The Chairman of the Board of Directors  
(Giulio Bonazzi)