



**NOTICE OF ANNUAL GENERAL MEETING**

**1st CALL – JUNE 28 2014 - at 10.00 a.m.**

**2nd CALL – JUNE 30 2014 - at 10.00 a.m.**

**PALAZZO DELLE STELLINE CONGRESS CENTRE**

**CORSO MAGENTA 61 - MILANO**

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**REPORT ON ITEM 7) ON THE AGENDA**

**ASSIGNMENT OF POWERS TO THE BOARD OF DIRECTORS AS PER THE  
TERMS OF ARTICLES 2420-TER AND 2443 OF THE CIVIL CODE;  
CONSEQUENT AMENDMENT OF ART. 4 OF THE COMPANY BYLAWS.  
RESOLUTIONS RELATING TO THE SAME.**

Dear Shareholders,

With a resolution adopted on April 30 2009 the Extraordinary Meeting of the Shareholders of CIR S.p.A. resolved to give the Board of Directors, for a maximum period of five years from the date of that same AGM and in accordance with the terms of Articles 2420-ter and 2443 of the Civil Code, the power to:

- Increase, once or more than once, the share capital up to a maximum of Euro 500,000,000 nominal value, through the issuance of shares with or without a share premium, to be offered in subscription and also to service warrants or the conversion of bonds even those issued by third parties, both in Italy and abroad, or to be assigned free of charge to those entitled by recognizing to capital the available part of reserves and provisions resulting from the latest financial statements approved;
- Increase, once or more than once, the share capital up to a maximum of Euro 20,000,000 nominal value, through the issuance of shares to be reserved for subscription by employees of the Company or its subsidiaries and parent companies as per the terms of Art. 2441, last paragraph, of the Civil Code, the same Board having the right to set the issuance price which cannot be lower than the nominal value, the requisites for subscription and any limits to the availability of the shares, and in general to establish the terms and conditions of such subscription;
- Issue, once or more than once, even without an option right, and in this case in favour of institutional investors, convertible bonds or bonds with warrants attached, even in foreign currencies, where permitted by law, with a corresponding increase in share capital – with a limit of ten per cent of the existing share capital if the option right is not included – up to an amount which, taking into account the bonds in circulation at the date when the issuance is approved, shall not exceed the limits laid down by regulations in force at the moment when the Board resolution is adopted. More in general to define the procedures, terms and conditions of the bond issue and the regulations thereof.

This delegation of powers had a duration of five years and is now expiring.

On the basis of what was explained above, we would ask you to approve the following resolution:

“The Extraordinary Meeting of the Shareholders of CIR S.p.A:

- having seen the report of the Board of Directors
- duly acknowledging that the current share capital of Euro 397,146,183.50 is fully paid up, as is confirmed by the Board of Statutory Auditors
- noting the favourable opinion of the Board of Statutory Auditors

#### RESOLVES

- 1) to give the Board of Directors, as per the terms of Articles 2443 and 2420-ter of the Civil Code, for a maximum period of five years from the date on which this resolution is recorded in the Register of Companies, the right to:
  - a) Increase, once or more than once, the share capital up to a maximum of Euro 500,000,000 nominal value, through the issuance of shares with or without a share premium, to be offered in subscription and also to service warrants or the conversion of bonds even those issued by third parties, both in Italy and abroad, or to be assigned free of charge to those entitled by recognizing to capital the available part of reserves and provisions resulting from the latest financial statements approved;
  - b) Increase, once or more than once, the share capital up to a maximum of Euro 20,000,000 nominal value, through the issuance of shares to be reserved for subscription by Directors and employees of the Company or its subsidiaries and parent companies as per the terms of Art. 2441, fifth and last paragraph, of the Civil Code, the same Board having the right to set the issuance price which cannot be lower than the nominal value, the requisites for subscription and any limits to the availability of the shares, and in general to establish the terms and conditions of such subscription;
  - c) Issue, once or more than once, even without an option right, and in this case in favour of institutional investors, convertible bonds or bonds with warrants attached, even in foreign currencies, where permitted by law, with a corresponding increase in share capital – with a limit of ten per cent of the existing share capital if the option right is not included – up to a maximum amount of euro 500,000,000. More in general to define the procedures, terms and conditions of the bond issue and the regulations thereof;
- 2) to amend Article 4 paragraphs 11, 12 and 13 of the Company Bylaws as follows:

*Current text*

SHARE CAPITAL – SHARES

Article 4

*(omissis)*

11. The Board of Directors has the right for a period of five years as from April 30 2009 to increase the share capital either once or more than once to a maximum of Euro 500,000,000, nominal value through the issuance of shares with or without a share premium. These shares will be offered in subscription or will service warrants or the conversion of bonds including issues made by third parties, both in Italy and abroad, or else they will be assigned free of charge to holders of option rights by allocating to share capital available reserves or provisions on the basis of the latest financial statements approved.

12. For a period of five years starting from April 30 2009 the Board of Directors also has the right to increase the share capital either once or more than once to a maximum of EUR 20,000,000 of nominal value through the issuance of shares to be reserved for subscription by employees of the Company and of its subsidiaries and parent companies in accordance with Article 2441, last paragraph, of the Civil Code. The same Board shall have the right to fix the price of issuance, which may not be lower

*Proposed text*

SHARE CAPITAL – SHARES

Article 4

*(omissis)*

11. The Board of Directors has the right for a period of five years as from the date of registration in the Register of Companies of the resolution of the Extraordinary Meeting of the Shareholders held on June 10 2014, to increase the share capital either once or more than once to a maximum of Euro 500,000,000, nominal value, through the issuance of shares with or without a share premium. These shares will be offered in subscription or will service warrants or the conversion of bonds including issues made by third parties, both in Italy and abroad, or else they will be assigned free of charge to holders of option rights by allocating to share capital available reserves or provisions on the basis of the latest financial statements approved.

12. For a period of five years starting from the date of registration in the Register of Companies of the resolution of the Extraordinary Meeting of the Shareholders held on June 10 2014, the Board of Directors also has the right to increase the share capital either once or more than once to a maximum of EUR 20,000,000 of nominal value through the issuance of shares to be reserved for subscription by Directors and employees of the Company and of its subsidiaries and parent companies in accordance with

than the nominal value of the shares, the requirements for subscription and the limits of the availability of the same shares, as well as the general terms and procedures for the said subscription.

13. The Board of Directors has the right for a period of five years starting from April 30 2009 to issue, once or more than once, even without the option right and in this case in favour of institutional investors, convertible bonds or bonds with warrants attached, which may also be in a foreign currency, if permitted by law, with a corresponding increase in share capital – within the limit of ten per cent of the existing share capital if the option right is not included - up to an amount which, taking into account the bonds in circulation at the date on which the issuance is approved, shall not exceed the limits established by regulations in force at that time. And more in general the Board also has the right to define the procedures, terms and conditions of the bond issuance and the rules governing such issuance.

Article 2441, fifth and last paragraph, of the Civil Code. The same Board shall have the right to fix the price of issuance, which may not be lower than the nominal value of the shares, the requirements for subscription and the limits of the availability of the same shares, as well as the general terms and procedures for the said subscription.

13. The Board of Directors has the right, for a period of five years from the date of registration in the Register of Companies of the resolution of the Extraordinary Meeting of the Shareholders held on June 10 2014, to issue, once or more than once, even without the option right and in this case in favour of institutional investors, convertible bonds or bonds with warrants attached, which may also be in a foreign currency, if permitted by law, with a corresponding increase in share capital – within the limit of ten per cent of the existing share capital if the option right is not included – for a maximum amount of euro 500,000,000. And more in general the Board also has the right to define the procedures, terms and conditions of the bond issuance and the rules governing such issuance.

The rest of the text of the Article remains unchanged.

- 3) To give the Board of Directors and for the Board the Chairman and the Chief Executive Officer in office, severally, the broadest powers to implement the resolutions adopted and to make any amendments to this resolution and to the attached Company Bylaws that may be required by the competent Authorities, provided that these are only of a formal nature”.