



**NOTICE OF ORDINARY GENERAL MEETING**

**1st CALL – APRIL 24 2015 - at 10.30 a.m.**

**2nd CALL – APRIL 27 2015 - at 10.30 a.m.**

**PALAZZO DELLE STELLINE CONGRESS CENTRE**

**CORSO MAGENTA 61 - MILANO**

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**Report on Item 3) on the Agenda**

**Compensation Report**

## COMPENSATION REPORT

### **FOREWORD**

This report (“**Compensation Report**”) has been prepared in conformity with the terms of Art. 84-*quater* of Consob Regulation no. 11971/99 in implementation of Art. 123-*ter* of the T.U.F. and taking into account the recommendations contained in Art. 6 of the Code of Conduct for Listed Companies of Borsa Italiana S.p.A. (the “**Code of Conduct**”), and is organized in two sections. The first section has the aim of providing the Shareholders’ Meeting with information regarding the policy of the Company on the subject of the compensation of the Members of the Board of Directors and of the Executives with strategic responsibilities and the procedures for adopting and implementing this policy. The second section aims to give an adequate representation of each of the items that makes up the compensation and to illustrate to the market the compensation paid out or at least assigned in the previous year to the Members of the Board of Directors and the Members of the Board of Statutory Auditors and to Executives with strategic responsibilities.

The Annual General Meeting of the Shareholders, convened to approve the Financial Statements for the year ended December 31 2014, as per the terms of Art. 123-*ter* of the T.U.F., is called upon to express a non-binding vote on the Compensation Report. The result of the vote will be disclosed to the public.

### **List of definitions**

For the purposes of this Compensation Report the terms and expressions listed below have the meaning given alongside each of them:

“**Shares**”: the ordinary shares of CIR S.p.A.

“**Code of Conduct**”: Code of Conduct for Listed Companies published by Borsa Italiana S.p.A..

“**Executives with strategic responsibilities**”: individuals defined as such in Annex 1 to Consob Regulation no. 17221 of March 12 2010 giving instructions on the subject of related-party transactions and identified in Art. 2.2.3 of the “Rules for related-party transactions” adopted by CIR S.p.A.

“**Group**”: the company COFIDE S.p.A. and the companies controlled by the same.

“**Policy**”: compensation policy of the Company.

“**Rules for Issuers**”: Consob Resolution no. 11971/99.

“**Company**”: CIR S.p.A.

“**T.U.F**”: Legislative Decree no. 58/98.

## **SECTION I**

This section describes the policy of the Company on the subject of compensation of the Members of the Board of Directors and the Executives with strategic responsibilities with reference to the year 2015 together with the procedures used for the adoption and implementation of the policy. The policy establishes the principles and guidelines on the basis of which compensation is determined.

*a) Bodies and individuals involved in the preparation and approval of the compensation policy, specifying their respective roles, and the bodies or individuals responsible for the correct implementation of the same policy*

The Policy is prepared by the Appointments and Compensation Committee and is submitted annually by the said Committee to the examination and approval of the Board of Directors. After examining and approving the policy, the Board of Directors submits it to the consultative vote of the Shareholders' Meeting.

The Policy is structured as follows:

- i) The Shareholders' Meeting establishes the fixed fee for the members of the Board of Directors when they are appointed and for the entire duration of their mandate.
- ii) The Shareholders' Meeting expresses a vote, which is non-binding, on the Policy approved each year by the Board of Directors.
- iii) The Shareholders' Meeting approves the share-based compensation plans for the Chairman and for the Chief Executive Officer of the Company and for employees of the Group.
- iv) At the proposal of the Appointments and Compensation Committee and having heard the opinion of the Statutory Auditors, the Board of Directors establishes the compensation of Directors with special positions.
- v) The Board of Directors establishes the compensation of non-executive Directors for being on one or more committees.
- vi) The Chief Executive Officer establishes the compensation of Executives with strategic responsibilities who are not members of the Board of Directors.
- vii) The Appointments and Compensation Committee has responsibility for processing proposals made to the Board of Directors regarding the compensation of Directors holding special positions, for preparing the Policy and submitting it to the examination of the Board of Directors. The Appointments and Compensation Committee also has responsibility for putting proposals before the Board of Directors regarding the features of share-based compensation plans: these plans are then submitted to the approval of the Shareholders' Meeting. The latter approves the plan and delegates the Board of Directors to approve its Regulations, identify the beneficiaries and the number of rights to assign to each of them.

*b) Intervention, where applicable, of a Compensation Committee or any other committee with competence on the subject, with a description of its composition, competences and the way it works*

As indicated above, the Appointments and Compensation Committee takes part in the preparation of the Policy to submit to the Board of Directors.

The Committee is made up of Independent Directors Giampio Bracchi, Michael Pistauer, Claudio Recchi and Guido Tabellini.

The Appointments and Compensation Committee:

- Submits to the Board of Directors proposals relating to the compensation policies for Directors and Executives with strategic responsibilities;
- Gives opinions jointly with the Control and Risk Committee on proposals relating to the compensation policies for the head of *internal auditing and the executive responsible for the preparation of the Company's financial statements and governance documents*;
- Puts forward proposals for the compensation of the Chief Executive Officer and the Directors holding special positions, which can also include compensation plans involving the assignation of stock options or other share-based incentives;
- Puts forward proposals to the Board on the subject of share-based compensation plans for employees (preparing the specific Rules of the same), identifying the beneficiaries and the number of options to assign to each of them and, at the indication of the Chief Executive Officer, on the criteria for the compensation of the managerial staff of the Company;
- Periodically assesses the adequacy, the overall consistency and the practical application of the compensation policy for Directors and Executives with strategic responsibilities.

*c) Possible intervention of independent experts*

In the preparation of the Policy no independent experts were involved.

*d) Aims pursued with the compensation policy, principles underpinning it and any changes in the compensation policy from the previous financial year*

Compensation policies are aimed at guaranteeing competitiveness in the labour market in line with the objectives of growth and rewarding the loyalty of human resources, as well as using different instruments of compensation for different types of professionalism, competences and roles in the Company.

The guidelines of the Policy are established according to criteria that can attract, retain and motivate persons with adequate professional qualities to manage the Group effectively.

The Company ensures that compensation is aligned with market benchmarks, applying bonus compensation criteria and parameters in particular situations of merit.

The Policy did not change substantially in the year under examination compared to the previous year.

It was not necessary to draw up agreements allowing the company to obtain repayment of variable items of compensation because the assignment of the same through financial instruments is linked to a combination of two elements: the passage of time and the appreciation of the stock in the market, both of which are established upfront and are measurable, as is illustrated in full in the following paragraphs g), h) and i).

*e) Description of the policies on the subject of fixed and variable items of compensation with particular reference to an indication of their respective weighting in the overall compensation and distinguishing between the variable items in the short versus the medium-long term*

The compensation (as per Art. 2389 of the Civil Code) assigned to the Chairman and to the Chief Executive Officer and General Manager (as an Executive Director), and to the non-executive Directors for being on one or more committees, is established every year as a fixed amount on the basis of the commitment required of each of them.

The compensation package of the General Manager and of the Executives with strategic responsibilities is made up partly of cash and partly of financial instruments.

The part in cash does not exclude variable items, although CIR, as a holding company, operates both in mature sectors with relatively constant cash flows and in sectors with higher growth potential and in very different kinds of businesses (publishing, automotive components, healthcare), for which it is particularly difficult to identify specific performance parameters. Consequently the compensation policy for the Chairman and for the Chief Executive Officer and the Executives with strategic responsibilities was determined exclusively on the basis of a pay package consisting of a part in cash and a part in shares of the Company.

The compensation plans based on the shares of the Company are approved by the Shareholders' Meeting and take into account the indications given in Art. 6 of the Code of Conduct, with a view to the pursuit of the top-priority objective of creating value for the Shareholders in the medium-long term.

More specifically:

- The Units that are the subject of the Plan vest every three months as from the first day of the second year after the grant date and for a period of almost two

- years, thus having an average vesting period that is substantially in line with the one recommended in the Code of Conduct (three years);
- Exercise of part of the units assigned is subject to reaching the performance objectives linked to the performance of the share;
  - A period of unavailability of part of the shares granted (10% of the total) is established for 5 years from the grant date.

*f) Policy followed in relation to non-monetary benefits*

The Chairman of the Company is the beneficiary of insurance policies.

There are no (non-monetary) benefits in favour of the Directors.

In line with market practice, the compensation package of Executives with strategic responsibilities also has certain benefits which include insurance schemes and private healthcare.

*g) In relation to variable items, a description of performance objectives on the basis of which the former are assigned, distinguishing between short and medium-long term variables, and information on the link between the change in results and the change in compensation*

Share-based compensation plans are one of the instruments used to supplement the compensation package with loyalty-rewarding benefits which are deferred over an adequate time frame and are partly linked to the achievement of certain performance targets. The aim is to create value for the Shareholders in the medium-long term. More specifically, the Stock Grant Plan 2015 - submitted to the approval of the Shareholders' Meeting convened to approve, among other things, the Financial Statements as of December 31 2014 - involves the assignation of Units, that are free of charge and not transferable between living persons, each of which gives the right to be assigned free of charge one Share when certain circumstances come to pass. The Units are subdivided into two categories:

“Time-based Units”, the vesting of which is subject to the directorship (or the employment) remaining for a certain period;

“Performance Units”, in a number equal to at least 50% of the total Units assigned, the vesting of which, apart from the continuation of the directorship (or employment) for a certain period, is also subject to the Share reaching certain objectives in terms of performance on the Stock Exchange in relation to the FTSE Italia Mid Cap index.

For a more detailed description of the features of Stock Grant Plan 2015, see the Information Document prepared as per the terms of Art. 84-*bis* of the Rules for Issuers, made available to the Shareholders' Meeting convened to approve the Financial Statements as of December 31 2014, which can be consulted on the Company website [www.cirgroup.it](http://www.cirgroup.it), in the section Governance.

*h) Criteria used for assessment of the performance objectives on which the assignment of shares, options, other financial instruments or other variable items of compensation is based*

The criterion for measuring the performance objectives is that of correlating the performance of the Company's shares with that of index to which it belongs (the FTSE Italia Mid Cap). The number of Units assigned to each Beneficiary is determined in relation to the role occupied by that person in the Company and the importance of the function carried out by each of them.

*i) Information which aims to show how the compensation policy is consistent with the pursuit of the long-term interests of the company and with the risk management policy, where it has been formalized*

When defining the compensation systems, the Board of Directors ensured that these systems take into good account the policies of pursuing the medium-long term objectives for creating value for the shareholders.

To this end, as specified in point g) above, the share-based component takes into consideration, two main elements: the passage of time and the appreciation of the share on the market in relation to the FTSE Italia Mid Cap index.

It is deemed appropriate to measure the performance of the CIR stock not in absolute terms but in relation to the general trend of the market, in order to separate out, where possible, the evaluation of the actual performance of the Share from general dynamics which may not necessarily be connected to the specific performance of the Company.

The Board is of the opinion that the presence of these two elements (time and performance) is appropriate in order to give the loyalty of the beneficiaries of the plan an adequate reward even in cases where the Company stock does not appreciate in relation to the FTSE Italia Mid Cap index. The continuation of the relationship with personnel, which is considered key, is in itself a value for the Company and therefore also for its shareholders. The incentive to better performance is ensured by the assignment of Units the exercise of which is subject to reaching certain results in terms of appreciation of the CIR stock in the market compared to the FTSE Italia Mid Cap index, which is a parameter that the Board considers appropriate to foster an alignment of the interests of management with those of the shareholders in the medium and long term.

In defining systems of compensation, the Board of Directors also made sure that these systems gave appropriate consideration to the "Guidelines on the subject of the system of control and risk management" approved by the Board on October 29 2012.

Then in both situations (Performance Units and Time-based Units), again with a view to ensuring that the interests of management are aligned with those of the

shareholders over the medium-long term, there is a deferred vesting period and a “minimum holding” requirement (see point j) below).

*j) The vesting period, any deferred payment systems, with an indication of the periods of deferral and the criteria used to determine these periods and, where applicable, ex post correction mechanisms*

As stated in the previous point e), Stock Grant Plan 2015 stipulates that the Units assigned to the beneficiaries will vest as from two years after they are assigned, according to the following timing:

- Up to a maximum of 12.5% of the total Time-based Units assigned as from April 30 2017;
- Up to a maximum of 25% of the total Time-based Units assigned as from July 31 2017;
- Up to a maximum of 37.5% of the total Time-based Units assigned as from October 31 2017;
- Up to a maximum of 50% of the total Time-based Units assigned as from January 31 2018;
- Up to a maximum of 62.5% of the total Time-based Units assigned as from April 30 2018;
- Up to a maximum of 75% of the total Time-based Units assigned as from July 31 2018;
- Up to a maximum of 87.5% of the total Time-based Units assigned as from October 31 2018;
- Up to a maximum of 100% of the total Time-based Units assigned as from January 31 2019.

The Units that have vested must in any case be exercised by the final maturity of April 27 2025.

The periods of deferment give the beneficiaries a reasonable time horizon in which to achieve the economic benefits of the Plan, in line with the objectives of rewarding loyalty and aligning the interests of management with those of the Shareholders (in the long term) that the plan aims to fulfil.

*k) Information on any clauses relating to holding the financial instruments after their acquisition, with an indication of the holding periods and of the criteria used to determine such periods*

Stock Grant Plan 2015, which will be submitted to the approval of the Shareholders’ Meeting, includes a minimum holding requirement for the Shares assigned: in the event that the Units have vested and the relative Shares have been



assigned, each beneficiary irrevocably undertakes to hold at least 10% of the Shares assigned until the fifth anniversary of the Grant Date. During this period, the Shares will be subject to a bond of inalienability, except when the Board of Directors should authorize otherwise.

*l) Policy in relation to what payout is applicable when the position or the employment terminates, specifying which circumstances give rise to the right to such payout and any link between the said payout and the performance of the Company.*

The Chairman receives an end of mandate benefit (TFM) as per the terms of rules currently in force, subject to approval by the Board of Directors.

Regarding the Chief Executive Officer and General Manager, her contract with the company establishes specific rules for termination which stipulate, in the event of the following:

- a. Termination by the company of the managerial position, with the sole exclusion of the case of a dismissal for a just cause;
- b. Termination by the manager in the event of revocation, non-reappointment, non-assignment of the powers and duties agreed upon or reduction of the same as Chief Executive Officer of CIR and/or as Chief Executive Officer of Gruppo Editoriale L'Espresso;
- c. Termination by the manager in the event of the suspension, for a reason other than the renouncement and/or the cancellation for a just cause of the position of Director and/or Chief Executive Officer of CIR and/or of the position of Director and/or Chief Executive Officer of Gruppo Editoriale L'Espresso;
- d. Termination by the manager in the event of a just cause for resigning from the managerial position with CIR, and/or a just cause for resigning from the position of Director and/or Chief Executive Officer of CIR, and/or a just cause for resigning from the position of Director and/or Chief Executive Officer of Gruppo Editoriale L'Espresso;
- e. Termination by the manager because of a change of control compared to that existing when the contract was signed;
- f. Termination by the manager in the event of non-compliance with the financial obligations established in the contract;

the payment of a one-off indemnity equal to twice the total compensation (meaning the sum of the gross fixed compensation received as an employee at the date of the termination, of the fees received as director as of the date of termination and of the average of the last three years of what was paid as the variable fee/compensation).

Except when application of the law requires otherwise, no sum is payable when the mandate of a Director terminates.

Regarding Executives with strategic responsibilities, bound to the Company by an employment relationship, the rules of law and the agreements of the National

Contract for Industry Executives apply on the subject of termination of employment.

*m) Information on the presence of possible insurance cover, in the sense of pension plans other than those that are obligatory*

In line with best practice, an insurance policy (Directors & Officers) has been taken out against civil liability towards third parties for the various corporate bodies and the Executives in the exercise of their functions with the aim of protecting the Group from the risk of having to pay compensation, except for cases of wilful misconduct or gross negligence.

*n) Compensation policy followed where applicable in relation to: (i) independent directorships, (ii) committee membership and (iii) special positions (chairman, deputy chairman etc.)*

Compensation, in addition to the ordinary fee, is envisaged for Independent Directors who sit on any Committees.

Directors holding special positions (Chairman and Chief Executive Officer) benefit from the compensation described in the preceding paragraphs.

*o) If the compensation policy has been defined using the compensation policies of other companies as a reference, the criteria used for the choice of any such companies*

The compensation Policy was prepared without any specific reference to the policies of other companies. In fact it is considered that the Policy is consistent both with the objectives of the Group and with the typical characteristics of the same, in terms of business carried out and size.

## **SECTION II**

### **1.1 Part One**

#### *1.1 Items making up compensation*

##### Board of Directors

The compensation of the Directors consists of a fixed part determined by the Shareholders' Meeting on their appointment for the whole duration of their mandate.

##### Directors holding special positions

The Chairman and the Chief Executive Officer and General Manager receive a further fixed item of compensation. The Chief Executive Officer and General manager is the beneficiary of share-based compensation plans.

##### Non-executive Directors

Non-executive Directors receive a further fixed fee if they sit on any of the Internal Committees (Control and Risk Committee, Committee for Related Party Transactions, Appointments and Compensation Committee,).

##### Board of Statutory Auditors

The fee is determined as a fixed sum by the Shareholders' Meeting on their appointment for the whole duration of their mandate. The fee for the Chairman is different from that of the other Statutory Auditors.

##### Executives with strategic responsibilities

The compensation package is made up of the following: fixed fee plus share-based compensation plans. In addition, there are insurance schemes and private healthcare in line with the terms of the applicable National Contract for Industry Executives.

#### *1.2 With particular reference to agreements involving compensation in the event of the early termination of the relationship, the following information applies:*

##### *1.2.1 Existence of such agreements*

No agreements have been entered into involving any compensation paid to Directors in the event of early termination of their directorships.

Executives with strategic responsibilities receive compensation in the event of their employment relationship being terminated without a just cause or without any good reason given by the employer, in accordance with the National Contract for Industry Executives and with the terms of the law, which establish limits as to the quantity of the payoff.

*1.2.2 Criteria for determining the compensation entitlement of each individual*

Executives with strategic responsibilities are entitled to compensation in the cases envisaged by the National Contract for Industry Executives.

*1.2.3 Presence of any performance criteria to which the assignment of the compensation is subject*

There are no performance objectives connected with the assignment of compensation.

*1.2.4 Effects of the termination of the relationship on the Units assigned within the scope of the share-based incentive plans or cash payouts*

The Units allocated under the Stock Grant Plans are assigned to the Beneficiaries personally and cannot be transferred on any account by deed between living persons. The right to exercise the Units is also subject to the employment or the directorship relationship continuing between the beneficiary and the Company or the subsidiary of the same.

In the event of the termination of the employment or directorship relationship, for whatever reason, including the death of the beneficiary, the beneficiaries or their heirs will keep entitlement only to the Units that had already vested when the relationship terminated.

*1.2.5 Cases in which the right to compensation exists*

See point 1.2.1. above.

*1.2.6 The existence, where applicable, of agreements involving the assignment or the maintenance of non-monetary benefits in favour of individuals who no longer hold the position or have signed a consulting contract for a period following the termination of their employment relationship*

No agreements of this kind have been signed.

In the event of termination of the employment or directorship for whatever reason, including the death of the beneficiary, the Stock Grant Plan provides that the beneficiaries or their heirs keep the entitlement to the Units that had already vested at the time of the termination of the relationship.

The Board of Directors, at its own discretion, has the right to decide, and this decision cannot be contested, whether to allow one or more beneficiaries or their heirs to keep the rights resulting from the Plan even when these rights would cease to exist, and in particular to keep part or all of the Units that have not yet vested.

*1.2.7 Existence of agreements providing for compensation for non-competition undertakings*

No agreements have been signed involving compensation for non-competition undertakings.

*1.2.8 With reference to directors who left their positions during the year, any changes in the determination of the compensation compared to the terms of the agreement on the same*

Not applicable.

*1.2.9 Where there are no specific agreements on the subject, specific information on the criteria used to determine the leaving indemnity matured*

During the year 2014 sums of leaving indemnity, calculated as per regulations, were paid out.

**Part Two**

Annexes charts 1, 2, 3A as per Schedule no. 7-*bis* of the Rules for Issuers.

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**Equity investments**

As per the fourth paragraph of Art. 84-*quater* of the Rules for Issuers, an annex to this Report shows the equity investments held in the Company or in its subsidiaries by Directors, Statutory Auditors and Executives with strategic responsibilities, as well as by the spouses who are not legally separated and minor children, directly or through subsidiaries, fiduciary companies or a third person, as resulting from the Shareholder Book, notification received or from any other information obtained from the same Directors, Statutory Auditors and Executives with strategic responsibilities (Charts 1 and 2 of Schedule no.7-*ter* of the Rules for Issuers).

**SCHEDULE 7-BIS - TABLE 1: Compensation paid to members of the Administrative and Control bodies, General Managers and other Executives with strategic responsibilities**

(in euro)

Last name and first name	Position	Period in which position was held 2013	Expiry of mandate	Company preparing the financial statements and subsidiaries and associates	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	Notes	
					Fixed fees	Fees for being on Committees	Variable non-equity compensation		Non-monetary benefits	Other fees	Total	Fair value of equity compensation (theoretical value: see note 2)	End of mandate or leaving indemnity		
							Bonuses and other incentives	Profit sharing							
DE BENEDETTI CARLO	Honorary Chairman and Director	1.1 - 30.06	Approval Fin. Stat. 2013	CIR S.p.A.	60,000						60,000			1a, 1b, 5	
				Subsidiaries	283,333			111,592				394,925			7
				<b>Total</b>	<b>343,333</b>			<b>111,592</b>				<b>454,925</b>			
DE BENEDETTI RODOLFO	Chairman	1.1 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	1,616,667				22,178		1,638,845	1,161,181		1a, 1b, 2, 3,	
				Subsidiaries	145,000							145,000			7
				<b>Total</b>	<b>1,761,667</b>			<b>22,178</b>				<b>1,783,845</b>	<b>1,161,181</b>		
MONDARDINI MONICA	Chief Executive Officer and General Manager	1.1 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	1,020,168					500,000	1,520,168	362,365		1a, 1b, 1c, 2	
				Subsidiaries	425,000		486,000					911,000	185,198		4, 6, 7, 2
				<b>Total</b>	<b>1,445,168</b>		<b>486,000</b>			<b>500,000</b>		<b>2,431,168</b>	<b>547,563</b>		
BOTTICINI MARISTELLA	Director	1.1 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	20,000	14,500					34,500			1a, 1e	
BRACCHI GIAMPIO	Director	1.1 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	20,000	29,000					49,000			1a, 1d, 1e	
DE BENEDETTI EDOARDO	Director	30.6 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	10,000						10,000			1a	
DEBENEDETTI FRANCO	Director	1.1 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	20,000						20,000			1a	
DE BENEDETTI MARCO	Director	30.6 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	10,000						10,000			1a	
GIANNINI SILVIA	Director	1.1 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	20,000	14,500					34,500			1a, 1e	
GIRARD FRANCO	Director	1.1 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	20,000						20,000			1a	
MICOSSI STEFANO	Director	1.1 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	20,000						20,000			1a	
PISTAUER MICHAEL	Director	1.1 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	20,000	14,500					34,500			1a, 1d	
RECCHI CLAUDIO	Director	1.1 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	20,000	13,500					33,500			1a, 1d	
SENEQUIER DOMINIQUE	Director	1.1 - 30.06	Approval Fin. Stat. 2013	CIR S.p.A.	10,000	7,500					17,500			1a, 1d	
TABELLINI GUIDO	Director	1.1 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	20,000	14,500					34,500			1a, 1d	

<i>(in euro)</i>					(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	
<i>Last name and first name</i>	<i>Position</i>	<i>Period in which position was held 2013</i>	<i>Expiry of mandate</i>	<i>Company preparing the financial statements and subsidiaries and associates</i>	<i>Fixed fees</i>	<i>Fees for being on Committees</i>	<i>Variable non-equity compensation</i>		<i>Non-monetary benefits</i>	<i>Other fees</i>	<i>Total</i>	<i>Fair value of equity compensation (theoretical value: see note 2)</i>	<i>End of mandate or leaving indemnity</i>	<i>Notes</i>
							<i>Bonuses and other incentives</i>	<i>Profit sharing</i>						
MANZONETTO PIETRO	Chairman Board of Statutory Auditors	1.1 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	75,200						75,200			
ALLIEVI ANNA MARIA	Statutory Auditor	30.06 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	25,000						25,000			
NANI LUIGI	Statutory Auditor	1.1 - 30.06	Approval Fin. Stat. 2013	CIR S.p.A.	25,000						25,000			
					Subsidiaries	6,666					6,666			8
					<i>Total</i>	<b>31,666</b>					<b>31,666</b>			
ZINGALES RICCARDO	Statutory Auditor	1.1 - 31.12	Approval Fin. Stat. 2016	CIR S.p.A.	50,000						50,000			
					Subsidiaries	217,402					217,402			8
					<i>Total</i>	<b>267,402</b>					<b>267,402</b>			
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES					CIR S.p.A.	189,000					189,000	121,661		1c, 2
					Subsidiaries		50,000				50,000			
					<i>Total</i>	<b>189,000</b>	<b>50,000</b>				<b>239,000</b>	<b>121,661</b>		

(1) Fees for the position in the company preparing the financial statements:

a) fees of € 20,000 approved by the AGM

b) special positions as per Art. 2389 parag. 3 approved by the Board of Directors in favour of De Benedetti Carlo, De Benedetti Rodolfo and Mondardini Monica

c) employee salary

d) Appointments and Compensation Committee € 15,000

e) Control and Risk Committee € 15,000

(2) This is the company's notional cost recognized to the income statement in personnel costs with an offset in the special equity reserve; IAS accounting values not yet received by the director, thus at the moment only potential.

(3) Fees for non-monetary benefits refer to insurance policies approved by the Board of Directors in favour of De Benedetti Rodolfo.

(4) Extraordinary fee relating economically to 2014 but to be paid in 2015.

(5) Amount paid into Romed S.p.A.

(6) The "Fixed fees" do not include the amount for the position of director approved by the AGM of Sogefi of € 20,000 paid to CIR S.p.A.

(7) Fixed fees in subsidiaries.

(8) Fixed fees include fees for the position of Statutory Auditor in other companies of the Group.

**SCHEDULE 7-BIS - TABLE 2: Stock options assigned to Members of the Board of Directors, General Managers and other Executives with strategic responsibilities**

		Options held at the beginning of the year				Options assigned during the year						Options exercised during the year			Options that expired in the year	Options held at end of year	Options for the year
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2)+(5)-(11)-(14)	(16)
Last name & first name	Position held	Plan	Number of options	Strike price	Period of possible exercise (from - to)	Number of options	Strike price	Period of possible exercise (from-to)	Fair value at grant date (in thousands of euro)	Grant date	Market price of underlying shares at grant date of options	Number of options	Strike price	Market price of underlying shares at exercise date	Number of options	Number of options	Fair value (theoretical value - see note) (in thousands of euro)
DE BENEDETTI RODOLFO	CHAIRMAN																
Stock option plan		5/9/2003	112,500	1.1300	from 29/02/2004 to 28/02/2014										112,500	--	--
Stock option plan		12/3/2004	275,000	1.6000	from 30/09/2004 to 30/09/2014										275,000	--	--
Stock option plan		6/9/2004	1,250,000	1.5600	from 28/02/2005 to 28/02/2015											1,250,000	--
Stock option plan		11/3/2005	1,350,000	2.3400	from 30/09/2005 to 30/09/2015											1,350,000	--
Stock option plan		6/9/2005	1,250,000	2.4900	from 28/02/2006 to 29/02/2016											1,250,000	--
Stock option plan		2006 1st tranche	1,250,000	2.5000	from 31/12/2006 to 31/12/2016											1,250,000	--
Stock option plan		2006 2nd tranche	1,250,000	2.4700	from 30/06/2007 to 30/06/2017											1,250,000	--
Extraordinary stock option plan		2009 1st tranche (*)	1,750,000	3.0877	from 30/09/2007 to 30/09/2017											1,750,000	--
Extraordinary stock option plan		2009 2nd tranche (*)	1,750,000	2.7344	from 31/03/2008 to 31/03/2018											1,750,000	--
Extraordinary stock option plan		2009 3rd tranche (*)	1,750,000	1.6806	from 30/09/2008 to 30/09/2018											1,750,000	--
Extraordinary stock option plan		2009 4th tranche (*)	1,750,000	1.0718	from 31/03/2009 to 31/03/2019											1,750,000	--
Stock option plan		2009 1st tranche	1,750,000	0.9907	from 30/09/2009 to 30/09/2019											1,750,000	--
Stock option plan		2009 2nd tranche	1,750,000	1.5449	from 28/02/2010 to 28/02/2020											1,750,000	--
Stock option plan		2010 1st tranche	1,750,000	1.6208	from 30/09/2010 to 30/09/2020											1,750,000	7
Stock option plan		2010 2nd tranche	1,750,000	1.4982	from 28/02/2011 to 28/02/2021											1,750,000	37
<b>TOTAL</b>			<b>20,737,500</b>	<b>1.9241</b>											<b>387,500</b>	<b>20,350,000</b>	<b>44</b>
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES																	
Stock option plan		6/9/2004	8,000	1.5600	from 28/02/2005 to 28/02/2015											8,000	--
Stock option plan		11/3/2005	150,000	2.3400	from 30/09/2005 to 30/09/2015											150,000	--
Stock option plan		6/9/2005	50,000	2.4900	from 28/02/2006 to 29/02/2016											50,000	--
Stock option plan		2006 1st tranche	75,000	2.5000	from 31/12/2006 to 31/12/2016											75,000	--
Stock option plan		2006 2nd tranche	75,000	2.4700	from 30/06/2007 to 30/06/2017											75,000	--
Extraordinary stock option plan		2009 1st tranche (*)	105,000	3.0877	from 30/09/2007 to 30/09/2017											105,000	--
Extraordinary stock option plan		2009 2nd tranche (*)	105,000	2.7344	from 31/03/2008 to 31/03/2018											105,000	--
Extraordinary stock option plan		2009 3rd tranche (*)	115,000	1.6806	from 30/09/2008 to 30/09/2018											115,000	--
Extraordinary stock option plan		2009 4th tranche (*)	115,000	1.0718	from 31/03/2009 to 31/03/2019											115,000	--
Stock option plan		2009 1st tranche	115,000	0.9907	from 30/09/2009 to 30/09/2019											115,000	--
Stock option plan		2009 2nd tranche	115,000	1.5449	from 28/02/2010 to 28/02/2020											115,000	--
Stock option plan		2010 1st tranche	125,000	1.6208	from 30/09/2010 to 30/09/2020											125,000	--
Stock option plan		2010 2nd tranche	125,000	1.4982	from 28/02/2011 to 28/02/2021											125,000	3
<b>TOTAL</b>			<b>1,278,000</b>	<b>1.9327</b>												<b>1,278,000</b>	<b>3</b>

(\*) Plans resulting from the conversion of Phantom Stock Option Plans.

(16) This is the notional cost for the Company recognized to the Income Statement in personnel costs with offset in the special equity reserve.



**SCHEDULE 7-BIS - TABLE 3A: Incentive plans based on financial instruments other than stock options, in favour of Members of the Board of Directors, General Managers and other Executives with strategic responsibilities**

		<i>Financial instruments assigned in prior periods and not vested in the year</i>			<i>Financial instruments assigned in the year</i>					<i>Financial instruments that vested in the year &amp; were not assigned</i>	<i>Financial instruments that vested in the year and are assignable</i>		<i>Financial instruments for the year</i>
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<i>Last name &amp; first name</i>	<i>Position held</i>	<i>Plan</i>	<i>Number and type of financial instruments</i>	<i>Vesting period</i>	<i>Number and type of financial instruments</i>	<i>Fair value at grant date (theoretical value: see note) (in thousands of euro)</i>	<i>Vesting period</i>	<i>Grant date</i>	<i>Market price at grant date</i>	<i>Number and type of financial instruments</i>	<i>Number and type of financial instruments</i>	<i>Value at vesting date</i>	<i>Fair value (theoretical value: see note) (in thousands of euro)</i>
DE BENEDETTI RODOLFO	CHAIRMAN	2011	stock grant 1,490,000	from 29/04/2011 to 31/01/2015							stock grant 311,000 <i>of which: 233.250 exercised</i>	314	226
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES		2011	stock grant 106,500	from 29/04/2011 to 31/01/2015							stock grant 22,250 <i>of which: 16.688 exercised</i>	22	16
DE BENEDETTI RODOLFO	CHAIRMAN	2012	stock grant 2,679,185	from 27/04/2012 to 31/01/2016							stock grant 406,293 <i>of which: 270.862 exercised</i>	400	658
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES		2012	stock grant 191,523	from 27/04/2012 to 31/01/2016							stock grant 29,044 <i>of which: 19.363 exercised</i>	29	47
DE BENEDETTI RODOLFO	CHAIRMAN	2013	stock grant 1,000,000	from 29/04/2013 to 31/01/2017									233
MONDARDINI MONICA	CEO & GM	2013	stock grant 1,000,000	from 29/04/2013 to 31/01/2017									233
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES		2013	stock grant 140,336	from 29/04/2013 to 31/01/2017									33
MONDARDINI MONICA	CEO & GM	2014			stock grant 856,574		662	from 30/06/2014 to 31/01/2018	30/06/2014	1.10			129
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES		2014			stock grant 150,000		116	from 30/06/2014 to 31/01/2018	30/06/2014	1.10			23
							778					765	1,598

(5) This is the notional cost for the Company determined at the grant date, using special actuarial models, multiplied by the number of Units exercisable in the period.

(10) Time units vested and exercised.

(12) This is the notional cost for the Company recognized to the Income Statement in personnel costs with an offset in the special equity reserve.

**SCHEDULE 7-TER – TABLE 1-2 – SHARES OWNED BY MEMBERS OF THE ADMINISTRATIVE AND CONTROL BODIES, GENERAL MANAGERS AND OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES**

<i>Last name &amp; first name</i>	<i>Position</i>	<i>Company in which shares are owned</i>	<i>No. of shares owned at end of last year</i>	<i>No. of shares acquired</i>	<i>No. of shares transferred</i>	<i>No. of shares owned at end of this year</i>	<i>Notes</i>
DE BENEDETTI CARLO	Honorary Chairman and Director	CIR S.p.A.	--	559,115	--	559,115	(1)
DE BENEDETTI CARLO	Chairman	GRUPPO EDITORIALE L'ESPRESSO S.p.A.	1,000	--	--	1,000	(2)
DE BENEDETTI CARLO	Honorary Charirman	SOGEFI S.p.A.	--	--	--	--	
DE BENEDETTI RODOLFO	Presidente	CIR S.p.A.	12,065,562	504,112	297,812	12,271,862	(3)
MONDARDINI MONICA	Chief Executive Officer & General Manager	CIR S.p.A.	--	--	--	--	
BOTTICINI MARISTELLA	Director	CIR S.p.A.	--	--	--	--	
BRACCHI GIAMPIO	Director	CIR S.p.A.	--	--	--	--	
DEBENEDETTI FRANCO	Director	CIR S.p.A.	375,000	--	--	375,000	
DE BENEDETTI EDOARDO	Director	CIR S.p.A.	--	--	--	--	
DE BENEDETTI MARCO	Director	CIR S.p.A.	--	--	--	--	
GIANNINI SILVIA	Director	CIR S.p.A.	--	--	--	--	
GIRARD FRANCO	Director	CIR S.p.A.	228,000	--	--	228,000	
GIRARD FRANCO	--	SOGEFI S.p.A.	10,000	--	--	10,000	
GIRARD FRANCO	--	GRUPPO EDITORIALE L'ESPRESSO S.p.A.	10,000	--	--	10,000	
MICOSSI STEFANO	Director	CIR S.p.A.	--	--	--	--	
PISTAUER MICHAEL	Director	CIR S.p.A.	--	--	--	--	
RECCHI CLAUDIO	Director	CIR S.p.A.	--	--	--	--	
SENEQUIER DOMINIQUE	Director	CIR S.p.A.	--	--	--	--	
TABELLINI GUIDO	Director	CIR S.p.A.	--	--	--	--	
MANZONETTO PIETRO	Chairman of the Board of Statutory Auditors	CIR S.p.A.	--	--	--	--	
ALLIEVI ANNA MARIA	Statutory Auditor	CIR S.p.A.	--	--	--	--	
NANI LUIGI	Statutory Auditor	CIR S.p.A.	--	--	--	--	
ZINGALES RICCARDO	Statutory Auditor	CIR S.p.A.	--	--	--	--	
		SOGEFI S.p.A.	--	--	--	--	
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES		CIR S.p.A.	193,687	36,051	--	229,738	

(1) The 559,115 CIR shares are owned by Mr Carlo DE BENEDETTI indirectly through the subsidiary ROMED S.p.A.

(2) The 1,000 GRUPPO EDITORIALE L'ESPRESSO shares are owned by Mr Carlo De Benedetti indirectly through the subsidiary ROMED S.p.A.

(3) The 12,271,862 shares in CIR S.p.A. are owned, 719,362 directly and 11,552,500 indirectly through Rodolfo De Benedetti Società Semplice.

## **PROPOSED RESOLUTION**

### **Consultative vote on Section I of the Compensation Report as per Art. 123 *ter* of the TUF**

Dear Shareholders,

In accordance with the terms of Art. 123-*ter*, paragraph 6, of the T.U.F., you are being called upon to approve Section I of the Compensation Report prepared according to the provisions of Art. 84-*quater* of Consob's Rules for Issuers, in conformity with Annex 3 A, Schedule 7-*bis* of the above-cited Rules.

Given the above, drawing your attention to the content of the above-mentioned Report, your Board of Directors hereby submits to you the following

Proposed resolution

The Annual General Meeting of the Shareholders of CIR S.p.A. - COMPAGNIE INDUSTRIALI RIUNITE:

- Having seen the terms of current regulations
- Acknowledging that the Compensation Report has been filed and made available within the time limits required by law

ADOPTS A RESOLUTION

in favour of the content of Section I of the Compensation Report approved by the Board of Directors at the meeting held on March 9 2015.