"CIR S.p.A. - COMPAGNIE INDUSTRIALI RIUNITE"

Headquarters in Milan, Via Ciovassino 1,

Share Capital Euro 397,146,183.50

Registration no. on the Milan Register of Companies 00519120018

Company subject to management and coordination by "COFIDE"

* * * * *

MINUTES OF THE ORDINARY ANNUAL GENERAL MEETING

In the year 2015 on the 27th day of the month of April at 10.45 a.m.

In Milan, at the Palazzo delle Stelline Congress Centre in Corso Magenta 61, the Annual General Meeting of the Shareholders was held.

The Chairman, Mr Rodolfo De Benedetti, takes the chair in accordance with the terms of Art. 17 of the Company Bylaws and with the unanimous consent of those present calls upon the Notary Public, Ms Francesca Gasparro, to act as Secretary.

The Chairman informs those present that today's meeting was called for April 24 2015 at the first call and for today at the second call with a notice published on March 25 2015 in full on the website of the Company and with an extract of the same published in the newspaper "La Repubblica", on the authorized storage system 1INFO and through the SDIR NIS system, to pass resolution on the following

AGENDA

1. Financial Statements for the year ended December 31 2014. Resolutions on the same.

2. Proposal to cancel the resolution of June 30 2014 regarding the authorization to buy back and dispose of own shares and proposal for a new authorization.

3. Compensation Report.

4. Proposal regarding the approval of Incentive Plans.

Since nobody attended the first call, as per the separate minutes, the Chairman reminds those present that a notice of postponement until the second call was published on the Company website, on the authorized storage system 1INFO and through SDIR NIS system.

As well as the Chairman, the following Director are present, namely: Ms Monica Mondardini - Chief Executive Officer, Mr Giampio Bracchi, Mr Edoardo De Benedetti, Mr Marco De Benedetti, Mr Franco Debenedetti, Ms Silvia Giannini, Mr Franco Girard, Mr Michael Pistauer and Mr Claudio Recchi as well as all of the Statutory Auditors in office: Mr Pietro Manzonetto - Chairman of the Board of Statutory Auditors, Ms Anna Maria Allievi and Mr Riccardo Zingales.

Directors Maristella Botticini, Stefano Micossi and Guido Tabellini have sent apologies for absence.

The Chairman announces that at the start of the meeting Shareholders representing 432,054,206 shares with voting rights are present either in person or by proxy, equal to 54,394% of the 794,292,367 shares making up the share capital and he therefore declares the meeting to be validly constituted at the second call and qualified to pass resolution on the items on the Agenda.
He states that the right of those present at the meeting to exercise their votes has been verified as per the terms of the law.
He goes on to say that:
- a recording system is in operation;
- in compliance with the rules set out in Consob Resolution no. 11971, the list of the names of those attending the meeting is attached to these minutes under the letter "A" to form an essential and integral part of the same; this list gives the details of the Shareholder, the name of any proxy authorized to take part in the proceedings, and the name of anyone attending as a lienor, or as a person with the right of usufruct;
- the list of those who have voted against, abstained or left the room before each individual vote is attached to these minutes under the letter "B".
He requests that anyone wishing to have their absence from the meeting acknowledged should notify the staff at the entrance to the hall.
He also says that:
- some staff are present in the hall for reasons of duty and that some experts, financial analysts and qualified journalists have been allowed to attend the meeting. Their names are contained in the list attached to these minutes under the letter “C”;
- no audio or video recording devices may be used.
He notes that the personal information of the persons taking part in the meeting will be collected and used by the Company in accordance with the terms of Legislative Decree no. 196/2003.
The list of the Shareholders with percentages of ownership of more than 2% of the capital, resulting from the Shareholders’ Book on April 15 2015, together with the communications received as per the terms of Art. 120 of the Finance Consolidation Act (T.U.F.) and any other information available to the Company as of April 24 2015, is as follows:
- F.lli De Benedetti S.a.p.A. which indirectly, through COFIDE - Gruppo De Benedetti S.p.A. owns 363,771,164 ordinary shares equal to 45.798% of the share capital;
- Bestinver Gestion SGIIC SA which indirectly owns a total of 120,656,609 shares equal to 15.190% of the share capital of which:
* 37,480,367 ordinary shares equal to 4.719% of the share capital through Bestinver International F.I.;
* 31,542,347 ordinary shares equal to 3.971% of the share capital through Bestin Fond F.I.;

* 51,633,895 ordinary shares through other Funds, which do not individually own more than 2% of the share capital;

- Government of Norway, which owns 20,533,262 ordinary shares equal to 2.585% of the share capital.

There were 13,590 shareholders recorded in the Shareholders' Book at April 14 2015.

The own shares held by the Company as of today's date total 72,192,979 equal to 9.09% of the share capital.

Lastly, he informs the meeting that a summary of the interventions and of the replies given and any declarations commenting on the same will be included in the minutes and thus it will not be necessary to prepare a special annex to the same.

He says that Mr Marco Miccoli and Ms Rosella Cazzulani are present representing the firm of Auditors Deloitte & Touche S.p.A.

For fulfilling the obligations in relation to the audit mandate and ongoing check that the accounts are being held correctly, he informs those present that Deloitte & Touche S.p.A. billed a total fee of euro 154,974 of which:

- euro 72,262 for 615 hours of audit work on the separate financial statements of the Company;
- euro 29,825 for 300 hours of audit work on the consolidated financial statements of the Group;
- euro 32,255 for 308 hours of audit work on the semi-annual financial report as of June 30 2014;
- euro 9,177 for 90 hours of audit work on the ongoing accounting checks;
- euro 11,455 for expenses.

He points out that the booklet handed out at the entrance to the hall contains on page 65 onwards the "Annual Report on the System of Corporate Governance and on compliance with the Code of Conduct for Listed Companies" as per the terms of Art. 123-*bis*, paragraph 2, of the T.U.F..

He reminds those present that the Annual Report booklet distributed containing the Annual Report and the Financial Statements of the Company, also includes the consolidated Financial Statements of the Group for financial year 2014 which, although not the subject of discussion and approval by the Shareholders, do give the Shareholders broader and more significant information.

He states that the share capital of CIR S.p.A., which is fully paid up, amounts to euro 397,146,183.50 and consists of 794,292,367 ordinary shares each with a nominal value of euro 0.50.

He invites anyone who may not have the right to vote as per the terms of the law to make the fact known.
The Chairman also reminds the attendees that, in accordance with the terms of Art. 135-*undecies*, of D.Lgs. 58/98, the Company had designated Studio Segre S.r.l. as the entity that those with voting rights could contact and appoint as proxy giving voting instructions on all or some of the motions on the Agenda. However, no such instructions were received.
Since the documentation on all the items on the Agenda was made available to the public well before the date of the meeting, with the unanimous consent of those present at the meeting the Chairman proposes that a reading of the same be omitted.
Moving on to deal with the **first item on the Agenda** the Chairman passes the floor to the **Chief Executive Officer** who with the aid of some slides, which are attached to these minutes under the letter "D", illustrates the general performance of the Group in 2014, a year that was crucial for the re-equilibration of the group's capital and assets and for the strategic repositioning that began in 2013.
During the year the problem of Sorgenia was dealt with. Sorgenia, a subsidiary that following the economic and sectorial crisis found itself if a position of imbalance between its income-generating capacity and the debt resulting from the investments it had made. In July 2014 a debt restructuring agreement was signed with Sorgenia's lending banks, in November the company submitted to the Milan Court of Law application for ratification of the restructuring plan as per Art. 182 *bis* of the Bankruptcy Law, in February 2015 the Court issued its ratification of the restructuring plan and, lastly, in March, through the conversion of receivables, the lending banks subscribed to a capital increase of approximately 400 million euro and a *convertendo* loan of approximately 200 million euro. At this point CIR ceded its remaining interest in Sorgenia and today no longer owns any shares in the company.
CIR's financial statements for 2014 still include the interest in Sorgenia, because it finally left the consolidation perimeter in the first quarter of 2015, but in accordance with IFRS5 it was no longer consolidated on a line-by-line basis and thus its debt was not included in the net financial position.
During 2014, moreover, CIR bought back its 2024 Bond in order to optimize its financial structure, while guaranteeing the bondholders an adequate return. In the year there were no significant changes in the statement of financial position or in the perimeter of the group.
She then goes on to illustrate the consolidated results for 2014:

- Revenues were stable at approximately 2.4 billion euro;
- Operating income (EBITDA) increased slightly (+4%) to almost 200 million euro;

- The net result was a loss of approximately 23 million euro (versus a loss of 269.2 million 2013); the loss for 2014 was due exclusively to non-recurring charges, caused partly by the write-down of the portfolio of non-performing loans to bring their value into line with the market with a view to realization, and partly by costs relating to the repayment of the 2024 bond. In the absence of any extraordinary charges, the group would have reported net income of 12 million euro (compared to a loss of 33 million euro in 2013 net of extraordinary items).

The evolution of the group’s net debt was particularly significant as it went down from 1,845 million euro at the end of 2013 to 113 million euro at December 31 2014 mainly as an effect of the transfer of Sorgenia.

The parent company of the group maintained a solid financial position with a positive balance at year-end of around 380 million euro, while the aggregate debt of the three industrial subsidiaries decreased slightly.

As for the three industrial subsidiaries of the CIR group – Espresso in media, Sogefi in automotive components and KOS in healthcare – the **Chief Executive Officer** notes that they closed the year 2014 with a positive net result, albeit with varying performances, but anyway increasing their overall contribution to the results of the group.

Espresso, despite the still critical trend of its revenues (-6.7%) due to the economic recession and the crisis in the media sector, obtained higher margins and earnings than in 2013 thanks to an efficient cost management and to the development of digital. The group also reported a significant reduction in its debt. As far as the well-known tax dispute is concerned, no developments took place during the year. Espresso confirmed its position as the only listed newspaper publishing group in Italy to have reported a profit.

By contrast, Sogefi reported lower margins and earnings than expected because of the difficult situation in the South American market and the delays in the implementation of the company’s plans to increase efficiency in European markets. Its results were also negatively impacted, as they were in 2013, by significant restructuring costs.

KOS continued to develop its businesses, both in Italy and abroad, reporting revenues close to 400 million in 2014 and posting higher net income than in the previous year. The company confirms its ability to maintain its profitability levels for its existing businesses despite the difficult environment while at the same time extending its perimeter with development initiatives.

At the end of 2014 the consolidated equity of the CIR group amounted to 1,105 million euro and comprised the following:

- 573 million euro relating to the industrial subsidiaries, with significantly lower values for the interests in Sogefi and KOS than the stock exchange value of Sogefi or a valuation based on market criteria for KOS;
- 170 million of other capital assets mainly in private equity funds, non-performing loans and non-strategic equity investments;

  And lastly
- 380 million of positive net financial position at parent company level.

Lastly, the Chief Executive Officer goes on to summarize the first-quarter results from the Interim Financial Report as of March 31 2015 approved by the Board of Directors at the meeting held before the Annual General Meeting, which show a definite improvement compared to those of the previous year:

- Revenues are up by 6.7% to 628 million;
- EBITDA is up by 33.5% to 61.4 million (46 million in 2014);
- The net result is a positive 21.2 million compared to a loss of 2.6 million in 2014.

This extremely positive performance was due to the realization of a capital gain by the Espresso group on the sale of the subsidiary All Music, to the absence in the period of restructuring costs for Sogefi (which had affected the results of first quarter 2014), together with the positive financial management result of the parent company, especially the gains on the partial redemption of the hedge fund portfolio. Even net of these items, however, there was still a significant improvement (e.g. EBITDA would have increased by 10%) because of various factors such as the fact that Espresso held up well, the considerable increase in the volumes of Sogefi which, in this first quarter, reported higher growth than expected especially in Europe, in spite of the fact that the trend towards a gradual decline in contribution margins is continuing.

Even the growth of KOS, which in the first four months of 2015 acquired four new facilities in Northern Italy giving total annual sales revenues of approximately 35 million euro, contributed to this improvement as did the the parent company which reported a higher operating result thanks to the reduction in financial expense after the bond buyback effected in 2014 and to the better performance of the financial markets.

The figures just given are evidence of the validity of the refocusing process undertaken by the group, which is based on the following principles:

- The concentration of management action on the three important industrial shareholdings that the group has;
- The rationalization of non-core investments with the gradual disposal of non-significant interests;

- The use of available resources giving priority to opportunities to grow and strengthen the three industrial businesses of the group.

Regarding the important industrial interests, the **Chief Executive Officer** says that Sogefi deserves particular attention. This company, which has a strong international projection and solid positions in the markets in which it operates, has for some years been reporting results that are below potential, taking into account the positive phase that the world car market is experiencing. Despite this fact, the management of the parent company is convinced that there is ample room for improvement.

The renewal of Sogefi's management and the adoption of an incisive recovery plan are the priorities for the year 2015. On this subject, the **Chief Executive Officer** announces that the selection process for the new chief executive officer has been completed: the new CEO will be Laurent Hebenstreit, a French manager with extensive international experience, who has developed his entire professional career in the car sector, working in important positions in big companies but also in smaller businesses but with significant complexities to be managed. Mr Hebenstreit should be joining the group in June.

As far as the non-core investments are concerned, these consist of a private equity portfolio, non-performing loans and some interests particularly in the education sector. It is thought that the current portfolio of non-strategic equity investments does not contain any businesses destined to become core and therefore every opportunity will be taken to realize their value.

Lastly, regarding the use of available resources, the idea is that it is best to develop the potential of the current portfolio of industrial interests. However if no interesting opportunities arise for the creation of value in the sectors in which the subsidiaries operate, possible initiatives even outside the current perimeter of the CIR group will be evaluated.

A difficult phase in the history of the group can be considered to have been dealt with satisfactorily and foundations have been laid for group's re-launch. The industrial businesses in the portfolio are of a very high quality, despite the critical issues facing some of the sectors in which they operate. The group also has a solid capital and financial structure and significant liquidity at parent company level.

In conclusion, the **Chief Executive Officer** expresses the hope that the financial statements for 2014 will merit the approval of the Shareholders, as she is confident that the actions undertaken will generate lasting value for them.

The **Chairman** then passes the floor to the **Chairman of the Board of Statutory Auditors,** Mr Pietro Manzonetto**,** who reminds everyone that the Report of the Board of Statutory Auditors starts on page 245 of the Annual Report booklet. With the consent of those present he skips reading out the report.

Before opening the debate, the **Chairman** informs the meeting that Shareholders Marco Bava and Tommaso Marino have sent in a list of questions and that, as per the terms of Art. 127-*ter*, paragraph 3, of the T.U.F., the answers have been made available in booklet form to those present at the meeting and are attached to these minutes under the letter "E".

He then opens the debate.

**Riccardo Moletti** says that the Financial Statements for 2014 signal a change as the energy sector issue is now closed despite the world crisis the intensity and duration of which had not been expected. He appreciates the fact that the non-strategic investment portfolio has been restructured but, given certain specific critical aspects of the sectors of the three industrial businesses in which the Group is active, he wonders whether management thinks it a good idea to evaluate the development of investments in non-cyclical sectors.

The **Chief Executive Officer** reiterates that management considers it appropriate to give priority to the other subsidiaries, particularly Sogefi, which has an extremely interesting profile because it is strongly projected internationally, but whose plan needs to be reformulated. Despite this, any investment opportunities that should arise and be of interest to the Group will be taken into consideration.

As nobody else has asked for the floor, the **Chairman** notes that there have not been any changes in the number of presences and puts the Financial Statements for the year ended December 31 2014 to the vote together with the following proposed allocation of the result for the year 2014 on page 34 of the Annual Report booklet that was given out to all those present.

"Dear Shareholders,

The Financial Statements for the year ended December 31 2014, which we are submitting to your approval, closed with a net loss of euro 27,376,456.30 which we propose covering entirely by withdrawing the same amount from the availability under the item “Retained earnings”.”

The proposal to approve the financial statements for the year ended December 31 2014 and the proposed allocation of the result for the year are put to the vote and are approved unanimously without any abstentions.

Moving on to deal with the **second item on the Agenda**, the Chairman reminds those present that on page 9 onwards of the slimmer booklet given to them at the entrance to the hall they will find the report of the Board of Directors and the following proposed resolution, which is the same as that of last year, and which with a duration of 18 months is put forward every year at the Annual General Meeting:

“The Meeting of the Shareholders of CIR S.p.A. - COMPAGNIE INDUSTRIALI RIUNITE”:

- having seen the report of the Board of Directors
- bearing in mind the provisions of Art. 2357 and following articles of the Civil Code, of Art.

132 of D.Lgs. 58/1998, of Art. 144-bis of Consob Resolution 11971/1999 and of EC Regulation 2273/2003

RESOLVES

1. To cancel for the part not utilized and for the period between the day of this Meeting and the natural expiry date, the resolution authorizing the buyback of own shares adopted by the Ordinary Meeting of the Shareholders on June 30 2014 and, as a consequence of the above, the related authorization to dispose of the same;

2. To authorize, in accordance with and as an effect of the terms of Art. 2357 of the Civil Code, for eighteen months from today, the buyback of CIR shares as follows:

- A maximum of 80,000,000 shares may be bought back (in addition to the shares already held as treasury stock) for a nominal value of euro 40,000,000, which may not in any case exceed one fifth of the share capital of CIR and with a maximum disbursement limit of euro 120,000,000. The Company will increase its current non-available reserve, entitled “reserve for own shares held”, by the amount of the own shares bought back, by withdrawing a corresponding amount from the reserve “retained earnings” resulting from the financial statements as of December 31 2014, the most recently approved. The unit price of each individual purchase of shares shall not be more than 10% higher or lower than the official price recorded in trading on the Stock Exchange on the day before the purchase is made or the price is fixed;
- The buyback may take place:
  a) Through a public offer to acquire or exchange shares;
  b) On regulated markets according to operating procedures set out in the rules for organizing and managing those same markets, which do not permit bids to be matched directly with predetermined offers and in any case in such a way as to ensure the equal treatment of all the Shareholders in accordance with the provisions of Art. 132 of D.Lgs. no. 58/98 and with the terms of the law or of regulations in force when the transaction takes place;
  c) Through the purchase and sale of derivative instruments traded on regulated markets which involve the physical delivery of the underlying shares complying with the further provisions contained in Art. 144-*bis* of Consob resolution 11971 and its subsequent amendments and additions;
  d) Through the proportional assignment to the Shareholders of put options to be awarded within a period of 15 months and exercisable within a period of 18 months from this resolution;

3. To authorize, in accordance with and as an effect of the terms of Art. 2357-*ter* of the Civil Code, the Board of Directors and for the Board, the Chief Executive Officer, to carry out, within the limits of the law, any subsequent purchase or sale transactions and also to arrange, with-

out any time limit or constraint, the shares bought back for sale – even before completing the buybacks as authorized above – once or more than once through authorized intermediaries, at prices no lower than the last purchase price paid or recorded in the books, with a specific exception for directors and executives of the Company, and for executives and directors of its subsidiaries and parent company to whom the shares may be transferred or assigned even free of charge, in observance of the limits laid down by law, in execution of specific existing or future compensation plans based on the shares of the Company;

4. To authorize the Board of Directors again, and for the Board the Chief Executive Officer, in accordance with and as a result of the terms of Art. 2357-*ter* of the Civil Code, without any time limit or constraint, to arrange for the own shares bought back to be used **–** once or more than once **–** as payment in exchange for equity, or for sale through offer to the public and/or to the Shareholders, or even through a placement of warrants and depositary receipts representing shares (American Depositary Receipts and similar certificates);

5. To establish that in the event of alienation of the own shares, the non-available reserve set up as per the provisions of Art. 2357-*ter*, third paragraph of the Civil Code "reserve for own shares held" shall be transferred with priority to the "share premium reserve" until its balance is fully made up and for any remaining amount to the reserve "retained earnings". The Chairman then opens the debate and, as nobody has asked for the floor, he announces that for the moment there have not been any changes in the number of presences and therefore puts to the vote the resolution reproduced above which is approved with a majority vote with 20,739,826 votes against by certain funds represented by Mr Nicola Frattolillo and with votes in favour by all the other shareholders, without any abstentions, as can be seen from the list attached under the letter B.

Moving on to deal with the **third item on the Agenda** the Chairman says that the slimmer booklet given out at the entrance to the meeting room contains on page 13 onwards the Compensation Report and on page 30 the following proposed resolution:

"The Meeting of the Shareholders of CIR S.p.A. – COMPAGNIE INDUSTRIALI RIUNITE":

- having seen the terms of current regulations
- acknowledging that the Compensation Report was filed and made available within the time limits laid down 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."

**The Chairman** reminds those present that the meeting is called upon to express a consultative vote on the first Section of the Report. He then opens the discussion and, nobody having asked for the floor, notes that there have been no changes in the number of persons present and therefore puts the above-cited resolution to the vote, whereupon it is approved by a majority of the votes, with 30,661,075 votes against by certain funds represented by Mr Nicola Frattolillo and with the votes in favour of all the other shareholders, without any abstentions, as can be seen from the list attached to these minutes under the letter B.

Moving on to deal with the **fourth item on the Agenda** the Chairman says that in the slimmer booklet given to them when they entered the hall contains on page 31 onwards the Report of the Board of Directors on Stock Grant Plan 2015 and the following proposed resolution:

"The Ordinary General Meeting of the Shareholders of CIR S.p.A. – COMPAGNIE INDUSTRIALI RIUNITE, acknowledging the proposal made by the Board of Directors,

RESOLVES

1) To approve Stock Grant Plan 2015 aimed at executives and/or directors of the Company, its subsidiaries and its parent company, through the issuance of a maximum of 2,800,000 Units, each of which will give the beneficiaries the right to be assigned free of charge 1 share of the Company, all as illustrated in the Information Document prepared in accordance with D.Lgs. no. 58/98
2) To approve Stock Grant Plan 2015 for the General Manager of CIR S.p.A., Ms Monica Mondardini, through the assignment of a maximum of 1,100,000 Units, each of which will give the right to be assigned free of charge 1 share of the Company, all as illustrated in the Information document prepared in accordance with the terms of D.Lgs. no. 58/98;
3) To give the Board of Directors the broadest powers to implement the Plan and, more specifically, just for the purposes of exemplification and not exhaustively:

    a) To identify the beneficiaries of the Plan, define the number of Units to assign to each beneficiary of both Plans in respect of the maximum number approved by the Shareholders' Meeting;

    b) To draw up and approve the Regulations of the Plans and carry out any obligation, formality, notification (including those required by regulations applicable at any one time in relation to the Plans) that may be necessary or appropriate for the purpose of managing and/or implementing the Plans, in accordance with the terms and conditions described in the Information Documents;

All of the above with the right to delegate, wholly or in part, the above-mentioned powers to the Chairman and/or to the Chief Executive Officer as regards Stock Grant Plan 2015, and to the Chairman as regards the GM Plan DG."

The Chairman then opens the debate and, nobody having asked for the floor, notes that there has not been any change in the number of presences and therefore puts the resolution cited above to the vote, whereupon it is approved by a majority of the votes with 29,226,851 votes against by certain funds represented by Mr Nicola Frattolillo and with the vote in favour of all the other Shareholders, without any abstentions, as can be seen from the list attached to these minutes under the letter B.

After which, there being nothing further requiring a vote, the Chairman thanks everyone for coming and declares the meeting closed at 11.20 a.m..

| | |
|---|---|
| THE CHAIRMAN | THE SECRETARY |
| (Rodolfo De Benedetti) | (Francesca Gasparro) |