



**NOTICE OF ORDINARY GENERAL MEETING**

**1st CALL – APRIL 28 2016 - at 11.00 a.m.**

**2nd CALL – APRIL 29 2016 - at 11.00 a.m.**

**PALAZZO DELLE STELLINE CONGRESS CENTRE**

**CORSO MAGENTA 61 - MILANO**

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

**PROPOSAL TO CANCEL THE RESOLUTION OF APRIL 27 2015  
RELATING TO THE AUTHORIZATION TO BUY BACK AND DISPOSE OF OWN  
SHARES AND PROPOSAL FOR A NEW AUTHORIZATION.**

CIR S.p.A. – Capitale sociale €397.146.183,50 – Sede legale : Via Ciovassino 1, 20121 Milano – [www.cirgroup.it](http://www.cirgroup.it)  
R.E.A. n. 1950112 – Iscrizione Registro Imprese di Milano / Codice Fiscale / Partita IVA n. 00519120018  
Società soggetta all'attività di direzione e coordinamento di COFIDE S.p.A.

Sede di Roma: Via del Tritone, 169 – 00187 Roma – Tel. +39 06 692055.1

**PROPOSAL TO CANCEL THE RESOLUTION OF APRIL 27 2015 RELATING TO  
THE AUTHORIZATION TO BUY BACK AND DISPOSE OF OWN SHARES AND  
PROPOSAL FOR A NEW AUTHORIZATION**

Dear Shareholders,

On October 27 of this year the right assigned to the Board of Directors by the Annual General Meeting of the Shareholders on April 27 2015 to buy back a maximum of 80,000,000 own shares will expire.

In the interests of the Company, we consider it opportune to propose cancelling the existing authorization for the period still to come and adopting a new resolution authorizing the buyback of the Company's own shares in the market, in accordance with and as an effect of Articles 2357 and 2357-ter of the Civil Code, with the resulting right to dispose of the same shares.

In the opinion of the Board the reasons originally adopted for the buyback of the Company's own shares remain valid, and these are the following:

- The possibility of acquiring shares of the Company at prices below their actual value based on the real economic value of its equity and its income generating prospects, thus raising the value of the Company;
- The possibility of reducing the average cost of capital of the Company.

The proposal also has the aim of enabling the Company to buy its own shares for allocation without any time limits or constraints to servicing its existing and future share-based compensation plans.

The authorization to buy back own shares, in accordance with and as an effect of Art. 2357 of the Civil Code, is requested for a period of eighteen months, starting from the date of the Shareholders' Meeting (AGM), and is for the buyback of a maximum of 40,000,000 CIR shares, as follows:

- A) A maximum of 40,000,000 shares may be bought back (in addition to the own shares already being held as treasury stock) and with a maximum disbursement limit of euro 40,000,000. 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 2015, 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 maximum quantity of shares

that can be bought back in the market on any one day has been specified explicitly, in compliance with the limit imposed by EC Regulation no. 2273/2003;

- B) 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 at the time of the transaction;
  - 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 the Rules for Issuers published by Consob;
  - 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.

The buyback of own shares, for which the Board is requesting your authorization, is not intended to reduce the capital of the company although this cannot be ruled out in absolute terms and will be evaluated when such a transaction may represent an opportunity for the creation of value.

Concerning the authorization to dispose of the own shares bought back, the resolution being submitted to you involves authorization to carry out the same acts of disposal as those in the resolution currently in force. It is proposed that the Board of Directors be given the right to dispose of the own shares bought back, without any time limits or constraints, even in relation to existing or future compensation plans based on the shares of the Company.

We would point out in particular that this right has been maintained as such in order to ensure the maximum operating flexibility, but at present no exchanges or sales to the public through the issue of American Depositary Receipts or similar certificates are envisaged. Moreover the aforesaid resolution refers to all of the own shares of the Company, i.e. even those currently owned.

Given all of the above, we propose that the existing authorization be cancelled for the period until its expiry and that the following new resolution be adopted:

“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 own shares adopted by the Ordinary General Meeting of the Shareholders on April 27 2015 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 as from today, the buyback of CIR shares as follows:
  - A maximum of 40,000,000 shares may be bought back (in addition to the shares already held as treasury stock) and with a maximum disbursement limit of euro 40,000,000. 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 2015, 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 at the time of the transaction;
  
    - 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, without 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 an effect 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 into the reserve “retained earnings”.