

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

Headquarters in Milan, Via Ciovassino 1

Share Capital Euro 397,146,183.50

Registration number 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 2017 on the 28th day of the month of April at 11.00 a.m.

At the Palazzo delle Stelline Congress Centre in Corso Magenta 61 Milan, the Annual General Meeting of the Shareholders is being 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 27 2017 at the first call and for today at the second call, with a notice published on March 17 2017 in full on the website of the Company and with an extract of the same published in the newspaper "La Repubblica" and through the eMarket STORAGE system, to pass resolution on the following

#### AGENDA

1. Financial Statements for the year ended December 31 2016. Resolutions on the same. Presentation of the Consolidated Financial Statements for the year ended December 31 2016.
2. Decision as to the number of Directors, appointment of the members of the Board of Directors for the years 2017-2019 and decision as to their fees.
3. Appointment of the Board of Statutory Auditors for the years 2017-2019 and decision as to their fees.
4. Proposal to cancel the resolution of April 29 2016 regarding the authorization to buy back and dispose of own shares and proposal for a new authorization.
5. Compensation Report.
6. Proposal to approve Stock Grant Plan 2017.

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 and through eMarket STORAGE.

As well as the Chairman, the following Directors are present, namely: Ms Monica Mondardini – Chief Executive Officer, Mr Edoardo De Benedetti, Mr Marco De Benedetti, Mr Franco Debenedetti, Ms Silvia Giannini and Mr Claudio Recchi.

The Statutory Auditors in office are also present, namely: Mr Pietro Manzonetto – Chairman of the Board of Statutory Auditors, Ms Anna Maria Allievi and Mr Riccardo Zingales.

Directors Stefano Micossi, Maristella Botticini, Giampio Bracchi, Michael Pistaeur and Guido Tabellini have sent apologies for absence.

The Chairman announces that as at the start of the meeting Shareholders representing 529,195,904 shares with voting rights are present either in person or by proxy, equal to 66.624 % of the 794,292,367 shares making up the share capital, 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 system is in operation to record the proceedings of the meeting in order to facilitate the preparation of the minutes of the meeting;
- 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;
- a list of those who voted in favour or against the motions, and those who abstained or left the room before each individual vote is attached to these minutes under the letter "B" to form an integral and essential part of the same.

He requests that anyone wishing to have their absence from the meeting acknowledged should notify the staff at the entrance to the hall and if a vote is imminent they should also inform the Chairman and the Notary Public.

He also says that:

- some staff are present in the hall for reasons of duty and some experts, financial analysts and qualified journalists have been allowed to attend the meeting; the names of the latter and the news title that they represent are shown 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 3% of the capital, resulting from the Shareholders' Book on April 11 2017, together with the communications re-

ceived 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 27 2017 is as follows:

- F.lli De Benedetti S.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 holds a total of 110,294,424 shares equal to 13.886% 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 Bestifond F.I.;
  - \* 41,271,710 ordinary shares through other Funds, which do not individually own more than 3% of the share capital;

There were 8,993 shareholders recorded in the Shareholders Book on April 11 2017.

The own shares held by the Company total 132,145,615 equal to 16.64% of the share capital.

He says that Mr Marco Miccoli and Mr Omar Cavalli 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 161,967 of which:

- euro 72,262 for 630 hours of audit work on the separate financial statements of the Company;
- euro 29,825 for 330 hours of audit work on the consolidated financial statements of the Group;
- euro 32,255 for 320 hours of audit work on the semi-annual financial report as of June 30 2016;
- euro 9,178 for 90 hours of audit work on the ongoing accounting checks;
- euro 18,447 for expenses (of which euro 11,271 for the Consob supervisory fee).

He reminds the meeting that with the approval of the financial statements for the year ended December 31 2016 the legal audit mandate awarded to Deloitte & Touche S.p.A. came to an end. He thanks Deloitte & Touche S.p.A. for the professionalism and collaboration that they have shown.

He says that Mr Giovanni Rebay of KPMG S.p.A. is present in the meeting hall as the legal audit mandate for the years 2017-2015 was awarded to KPMG S.p.A. by the Annual General Meeting of the Shareholders held on April 29 2016, one year earlier than the start of the mandate in order to be able to better manage the transition to the new auditor.

He points out that the booklet handed out at the entrance to the hall contains on page 62 onwards the “Report on Corporate Governance and the ownership structure” 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 2016 which, although not the subject of discussion and approval by the Shareholders, do nonetheless 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.

The Chairman also reminds the attendees that, in accordance with the terms of Art. 135-*undecies*, of D.Lgs. 58/98, the Company 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.

Before passing the floor to the Chief Executive Officer to deal with the first item on the Agenda, the Chairman expresses his satisfaction with the positive results achieved by the CIR Group in 2016, thanks to the hard work of the Chief Executive and all the management of the Companies of the Group, results which were the fruit of long-term initiatives undertaken: (i) the merger of Gruppo Editoriale L'Espresso S.p.A. (Espresso) and ITEDI made it possible to create one of the most important news Groups in daily and multimedia news at European level, (ii) with the KOS ownership changes, CIR increased its interest in KOS to almost 60%, (iii) Sogefi S.p.A. obtained excellent results unlike what it reported in recent years. These results were made possible partly by an efficient corporate governance and on this subject he thanks the three outgoing Directors Messrs Giampio Bracchi, Michael Pistauer and Stefano Micossi, who was also Chairman of the Company for a few years, for their constructive and constant contribution to the Company during their mandate. He also thanks Patrizia Grieco and Philippe Bertherat, who are professionally qualified and have significant international experience, for having agreed to join the Board of Directors that today's Annual General Meeting is called upon to appoint. He points out that the majority shareholder believes that streamlined Boards of Directors are more efficient and for this reason he proposed that the number of Board members be reduced to 11. He concludes by remembering Mr Franco Girard who died at the beginning

of this year, a top level Director and executive for a long period, a person who was a point of reference for the Company and who possessed great intelligence and wisdom.

He then passes the floor to the **Chief Executive Officer** who, with the aid of some slides that are attached to these minutes under the letter "D", deals with the **first item on the Agenda** illustrating the general performance of the Group during 2016, including among other things the quarterly results approved by the Board of Directors at the meeting held before the beginning of today's Annual General Meeting.

The year 2016 was an interesting one for the CIR group, both because of the positive economic results reported and the long-term development initiatives undertaken during the year.

She then summarizes the consolidated results for 2016:

- revenues rose by 3% to over 2.6 billion euro;
- the gross operating margin increased by 19% to euro 260 million;
- net income came to euro 33.8 million compared to euro 42 million in 2015, which included euro 11 million of non-recurring gains;
- the three industrial subsidiaries (Espresso in media, Sogefi in automotive components and KOS in healthcare) made a positive contribution that, considered overall, was higher than in 2015 (euro 25.1 million up from euro 20.4 million), demonstrating the effectiveness of CIR's focusing on its main equity interests and strengthening its coordination and control activities;
- the parent company and the non-industrial subsidiaries made a positive contribution of euro 8.7 million, which was less than in the previous year because of the already mentioned non-recurring gains in 2015 (it should be noted that in that year CIR realized a substantial capital gain on the sale of its holding in SEG-Swiss Education Group, a company active in the field of hotel management training);
- the capital and equity structure of the group is solid with consolidated net debt of just euro 144 million at the end of 2016, after investments of approximately euro 85 million to increase the holding in KOS (from 51% to 60%) and to buy back own shares as well as to distribute dividends of approximately euro 30 million;
- at parent company level (including the non-industrial subsidiaries), the net financial position was significantly positive for around euro 335 million at year end 2016.

She then describes the performance of the industrial subsidiaries: (i) Espresso, on the Italian publishing scene, once again achieved a satisfactory performance despite a climate that is increasingly difficult, reporting less of decline in revenues than in previous years, a positive net result and a significant financial surplus. Espresso closed 2016 with a positive net financial position of approximately 30 million euro; (ii) Sogefi, in the automotive components sector, posted an increase in sales revenues of 5%, thanks to development in North America and Asia, con-

siderable growth in its gross operating margin and net income and also reported significant progress in terms of quality and productivity. The results for 2016 confirm the validity of the process undertaken as from the previous year, a process that should in future lead the company from 2017 onwards to have a much more substantial performance both in terms of operating income and earnings; (iii) KOS, in the healthcare sector continued to roll out its development plan, reporting an increase in results thanks to organic growth and to the new acquisitions made in 2015. The company is characterized not only for its economic performance but also for the high quality of the service that it offers in its facilities and for the attention it pays to the needs of the individual. As is known, in 2016, CIR decided to make a further investment in KOS (with an investment of euro 64,3 million) as part of the reorganization of the shareholding structure of the company, increasing its controlling interest to around 60% of the capital (from 51% held previously). Alongside CIR, with an interest of just over 40% of the capital of KOS is the F2i Healthcare fund, controlled by the infrastructure fund F2i and in which international investors also have interests.

At the end of 2016 the consolidated equity of the CIR group stood at euro 1,052 million with the following breakdown:

- euro 600 million relating the industrial subsidiaries, with a value that for KOS (euro 161.9 million) corresponds to less than half of the valuation given to it within the sphere of the capital reorganization that took place last year;
- euro 115 million of further capital assets mainly consisting of properties, private equity funds, non-performing loans and non-strategic equity investments;
- euro 335 million of positive net financial position at parent company level.

She then goes on to illustrate the interim financial report as of March 31 2017 approved by the Board of Directors Meeting held this morning, summarizing the results, which confirm the Group's growth trajectory:

- revenues came to euro 693 million, up by 7.6%;
- the gross operating margin came to euro 72.4 million, up by 16.8%;
- net income totalled euro 14 million, in line with the result of last year of €14.7 million, which did however include a capital gain of euro 6.5 million on the sale of a non-strategic equity investment; more specifically, she draws attention to the increased contribution of the three industrial subsidiaries to net income particularly thanks to the growth of Sogefi, which had a very positive quarter;

- consolidated net debt was just euro 145 million, in line with the figure at December 31 2016. As regards the performance of the main subsidiaries, again for the first quarter of 2017, Espresso, despite a still difficult climate in the publishing sector, reported a positive net result of euro

5 million (slightly lower than the result of first quarter 2016 which was euro 5.5 million). Sogefi obtained a rise in sales revenues of 12.6% thanks to significant development in Europe, North America and Asia and to the recovery in South America. EBITDA rose by 30.2% to euro 45.1 million. Net income was up from euro 3 million in 2016 to euro 12 million in 2017.

Lastly, KOS posted a rise in revenues of 3.6% while EBITDA was in line with last year. The net result came in at €4.6 million (€4.4 million in 2016).

She then says that she is confident about the results for the whole year, given the performance of the CIR group in the first quarter there is expected to be growth in consolidated revenues and net income compared to 2016, unless there are any extraordinary events that cannot at the moment be predicted.

She believes that the positive results obtained by the CIR group in the last two years, together with the growing attention that Italian medium cap companies are receiving, affected the good performance of the stock in the last few months. In fact, since last year prices of CIR shares have risen by 48% whereas the FTSE/Mid Cap index rose by 23.8% and the main FTSE/MIB index rose by 7.3%.

Lastly, she spends some time on the prospects for 2017, which is an important year in the development path of the CIR group in the medium-long term:

- in the media sector, yesterday the shareholders' meeting of Espresso approved the capital increase needed for the merger of Espresso and ITEDI, the company that publishes the newspapers La Stampa and Il Secolo XIX, with the establishment of the new company GEDI Gruppo Editoriale. With the completion of the capital increase, this deal will give rise to the top group in Italy and one of the main groups in Europe in printed newspapers and digital news, with revenues totaling euro 700 million, around 740 thousand copies circulated each day (in hard copy and digitally), almost 6 million readers and 2.5 million digital unique users per day. This combination, which maintains the identity of the various editorial products, aims to further strengthen the tradition for quality and innovation that characterizes the two companies and to create a more competitive player in a very difficult domestic market, which in the last ten years has suffered a contraction of almost 50% in the circulation of newspapers and of over 60% in advertising investment.

CIR will remain the controlling shareholder of the new GEDI Gruppo Editoriale (with an interest of 43.4%) and will be joined by partners with a long tradition in the sector, namely the EX-OR holding headed by John Elkann and Carlo Perrone's Ital Press. This is an initiative of great business value, which was made possible by the positive management of l'Espresso in these years and which confirms the long-term commitment of CIR to the publishing sector.

As well as paving the way for significant revenue and cost synergies, in terms of editorial development, advertising orders and means of production, with a benefit for the new group in the region of euro 15 million, the new GEDI Gruppo Editoriale will be a player in the publishing sector with everything it takes to counter the great challenges of the sector;

- in the automotive components sector: the priority is still to increase profitability.

In this perspective, the new investment in filtration in Morocco, announced in the early months of 2017, aims to further strengthen Sogefi's position in Europe by giving it a competitive production site for supplying the Western European market as well as developing business in North Africa. This initiative shows the will of the company to explore new growth opportunities and consolidate its position among the leaders in the business sectors in which it operates.

Although it has no negotiations of any kind in the pipeline, the company is ready to evaluate any extraordinary new initiatives to develop its three business areas (filtration, suspension components, air and cooling), even after a possible change in the industrial perimeter of the company once it has reached satisfactory levels of profitability:

- in the healthcare sector: the deal that reorganized the shareholding structure of KOS in 2016 was evidence of the great interest that the market has for the company, the significant value already created and the further margins for growth of the same in a sector that is still very fragmented. CIR set up KOS more than ten years ago and continues to believe in its development, as can be seen from the investment made in 2016 to increase its controlling interest. In this sector growth will continue both organically and through small acquisitions, but we are ready to take advantage of any new significant opportunities to grow in size should they present themselves, particularly in Italy.

She reminds those present that in the year 2016 CIR continued with its plan to buy back its own shares, which proved to be a good investment as the price of the shares has risen, and confirmed that a dividend would be paid out for the second year running.

Going back to the words of the Chairman, she reminds everyone that today's Annual General Meeting is called upon, among other things, to appoint a new Board of Directors for the three years 2017-2019; she then thanks the directors who are today ending their mandate both for their deep commitment and for their support of management in a difficult period for the company and devotes a special thought to Mr Franco Girard, who was for many years a manager of CIR and then a member of the Board of Directors, and who passed away in January of this year.

She concludes by saying that the results obtained and the initiatives undertaken in 2016 confirm CIR's total commitment to developing its three main industrial investments in a market context that is extremely challenging. The work that management and all the staff have done shows that



the group is following the rapid changes taking place in the economic scenario and in the sectors in which it operates and is always prepared to support the develop of its businesses with a view to creating value that is sustainable over time. She hopes therefore that the financial statements for the year 2016 of the CIR Group will be approved by the Shareholders.

**The Chairman** then takes back the floor and reminds everyone that the proposed allocation of the result for the year 2016 is on page 37 of the Annual Report booklet distributed to all those who are present.

**The Chairman** also reminds the meeting that the Report of the Board of Statutory Auditors is on page 222 onwards in the Annual Report booklet and then passes the floor to the **Chairman of the Board of Statutory Auditors** who, with the consent of the Shareholders, omits reading out their report.

Before opening the debate, **Chairman Rodolfo De Benedetti** informs the meeting that Shareholders Tommaso Marino and Marco Bava sent in a list of questions and that, as per the terms of Article 127-ter, paragraph 3, of the Finance Consolidation Act (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.

Shareholder **Francesco Rimbotti** takes the floor and asks that his intervention be reported precisely in the minutes. He comments favourably on the recent establishment of GEDI Gruppo Editoriale and hopes that the merger between the two publishing groups will lead to an improvement in circulation and as a result of this and indirectly at the same time to an increase in advertising results and revenues, asking management to make a commitment to ensuring that this is the case.

**Chief Executive Officer Monica Mondardini** answers the Shareholder guaranteeing that the priority of the Espresso Group is to defend revenues in a very difficult market and that every effort possible will be made by management to reach such a result both in terms of copies sold and in terms of advertising orders.

Shareholder **Riccardo Moretti** then takes the floor to ask for clarification about the dividend distribution policy followed by the Companies of the Group, pointing out that the industrial subsidiaries that reported positive earnings (Espresso and Sogefi) did not distribute dividends while KOS, which in its financial statements reported a loss for the year, approved a dividend payout.

**The Chairman** points out that the loss mentioned by Shareholder Moretti was in the separate financial statements of KOS S.p.A. not in the consolidated financial statements of KOS, which in 2016 reported a profit as was the case in recent years; this is why a dividend distribution was

proposed. Espresso operates in a difficult sector and has a tax dispute outstanding that could have a negative impact. Therefore, prudentially it was decided not to distribute dividends until the said dispute has been settled.

Sogefi had in the past reported unsatisfactory results, which was why a new business plan was formulated by the new management with investment plans that are starting to be put in place now; however, it still has significant debt outstanding and prudentially the Board of Directors decided not to propose the distribution of dividends.

As nobody else has asked for the floor, the **Chairman** notes that shareholders are present either in person or by proxy representing 529,775,904 shares with voting rights, equal to 66.697% of the 794,292,367 shares making up the share capital.

He then puts to the vote the Financial Statements for the year ended December 31 2016 with the following proposal for the allocation of the result for the year 2016, which is on page 37 of the Annual Report booklet that was given out to all those present.

"Dear Shareholders,

The Financial Statements for the year ended December 31 2016, which we are submitting to your approval, closed with net income of euro 14,230,577.11.

We therefore propose distributing a unit dividend of euro 0.038 to each of the shares with voting rights as of January 1 2017 in circulation (except for the own shares in the treasury share portfolio), withdrawing the amount of euro 14,230,577.11 as the distributable part of the net income for the year and the remaining part from the "Retained earnings" reserve.

The proposed allocation:

- takes into account the terms of Art. 2357-ter, 2nd paragraph, of the Civil Code, which requires that the dividend rights of treasury shares be assigned pro-rata to the other shares;
- will take into account the dividend pertaining to the 4,941 shares servicing 810 former Sasib privileged shares for which conversion has not yet been requested.

It should be noted that the actual amounts to be allocated to the dividend and the withdrawal from the "Retained earnings" reserve will take into account the treasury share portfolio and the ordinary shares actually in circulation on the date of the Shareholders' Meeting, because further purchases of own shares may have been made and stock options may have been exercised on treasury stock by the beneficiaries of the existing stock grant plans, and new shares may have been issued in execution of the exercise of options by the beneficiaries of existing stock option plans."

The proposal to approve the Financial Statements for the year ended December 31 2016 and the proposed allocation of the result for the year, including the distribution of the dividend, are put to the vote and are approved unanimously by those voting, with the abstention of Carlo Broglia

with 50 shares, and the 290,331 abstentions of certain funds represented by Mr Andrea Schettino, as can be seen from the list attached under the letter B.

The Chairman thanks everyone and informs them that the dividend of euro 0.038 will be paid out on May 24 2017 with detachment of the coupon in the Stock Exchange on May 22 2017.

Moving on to deal with the **second item on the Agenda**, the Chairman reminds those present that with the approval of the Financial Statements for the year ended December 31 2016 the mandate of the current Board of Directors, appointed by the Annual General Meeting of the Shareholders of CIR S.P.A. on June 30 2014, comes to an end.

It is therefore necessary to go ahead and appoint a Board of Directors for the years 2017-2019 and to decide on the fees to which the members of the said Board will be entitled.

He reminds those present that on page 11 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 proposed resolution.

He also reminds them that, as per the terms of Art. 8 of the Company Bylaws, the Board of Directors is appointed on the basis of lists presented by the shareholders, in which the candidates must be listed in numerical order. The lists of candidates, endorsed by the shareholders who are presenting them, must be filed at the Company headquarters by the end of the twenty-fifth day preceding the date fixed for the first call of the Annual General Meeting of the Shareholders.

He informs the meeting that only one list of candidates for the election of the Board of Directors for the years 2017-2019 was filed at the Company headquarters.

He then gives the following information regarding the list presented:

• Shareholder COFIDE S.P.A., owner of 363,771,164 ordinary CIR shares, corresponding to 45.798% of the share capital with voting rights, on March 31 2017 filed the following list of candidates for the position of member of the Board of Directors of CIR S.P.A.:

1. DE BENEDETTI RODOLFO
2. MONDARDINI MONICA
3. DE BENEDETTI EDOARDO
4. DE BENEDETTI MARCO
5. DEBENEDETTI FRANCO
6. BOTTICINI MARISTELLA Independent
7. GIANNINI SILVIA Independent
8. GRIECO PATRIZIA Independent
9. BERTHERAT PHILIPPE Independent
10. RECCHI CLAUDIO Independent
11. TABELLINI GUIDO Independent

He also says that the candidates:

- have accepted their candidature;
- have attested that there are no reasons why they should not be elected or why they would be incompatible according to the law, and also that they possess the requisites of integrity and professionalism required by law and by current regulations;
- have provided a list of the positions of director or statutory auditor that they hold in other Companies;
- have sent in their CVs.

These documents were filed at the Company's registered office, were published on the website and through the emarket STORAGE service and were then passed on for filing in the Company records.

He then says that the following candidates:

- BOTTICINI MARISTELLA
- GIANNINI SILVIA
- GRIECO PATRIZIA
- BERTHERAT PHILIPPE
- RECCHI CLAUDIO
- TABELLINI GUIDO

have declared that they can be qualified as Independent Directors in accordance with the terms of current rules and regulations.

Given that only one list was presented, Shareholder COFIDE S.P.A. has also proposed that:

- the number of members of the Board of Directors be set at 11;
- the mandate of the Board of Directors should last until the Annual General Meeting that will discuss the financial statements for the year ended December 31 2019;
- the Board members appointed may hold other positions, pursuant to the terms of Art. 2390 of the Civil Code;
- the sum of euro 20,000.00 *pro-rata temporis* be established as the annual fee to be assigned to each member of the Board of Directors, pursuant to the terms of Art. 2389, paragraph 1, of the Civil Code.

Before opening the debate, the Chairman also on behalf of his brothers, thanks the outgoing Directors: Messrs Giampio Bracchi, Stefano Micossi and Michael Pistauer for the precious contribution they have made to the Company.

The Chairman then opens the debate.

Shareholder **Francesco Rimbotti** asks how many members the previous Board of Directors had.

**The Chairman** says that the previous Board had 13 members, reduced to 12 by the death of Mr Franco Girard.

As nobody else has asked for the floor, **the Chairman** notes that there have been no changes in the number of persons present. He therefore puts to the vote the proposal regarding the decision as to the number of members of the Board of Directors, the duration of the mandate of the newly appointed Directors and the possibility for them to hold other positions in accordance with the terms of Art. 2390 of the Civil Code.

These proposals are approved with a majority vote, with 2,822,904 votes against by certain funds represented by Mr Andrea Schettino, without any abstentions and with the vote in favour of all the other Shareholders, as can be seen in detail in the list attached to these minutes under the letter B.

The Chairman then puts to the vote the proposed resolution regarding the fees to be assigned to each member of the Board of Directors, which is approved unanimously, with 475,000 abstentions by certain funds represented by Mr Andrea Schettino, as can be seen in detail in the list attached to these minutes under the letter B.

He then puts to the vote the sole list presented by the majority Shareholder, whereupon it is approved by a majority of those voting, with 26,415,469 votes against by certain funds represented by Mr Andrea Schettino, without any abstentions and with the vote in favour of all the other Shareholders, as can be seen in detail in the list attached to these minutes under the letter B.

He then duly acknowledges that the Shareholders' Meeting has:

- established that the Board of Directors will consist of 11 members;
- appointed the following persons as members of the Board of Directors, namely:
  1. DE BENEDETTI RODOLFO
  2. MONDARDINI MONICA
  3. DE BENEDETTI EDOARDO
  4. DE BENEDETTI MARCO
  5. DEBENEDETTI FRANCO
  6. BOTTICINI MARISTELLA Independent
  7. GIANNINI SILVIA Independent
  8. GRIECO PATRIZIA Independent
  9. BERTHERAT PHILIPPE Independent
  10. RECCHI CLAUDIO Independent
  11. TABELLINI GUIDO Independent
- fixed the duration of the mandate of the Board of Directors until the AGM that will approve the financial statements for the year ended December 31 2019;

- allowed the Directors to take on other positions as per the terms of Art. 2390, paragraph 1, of the Civil Code;
- established an annual fee of euro 20,000.00 *pro-rata temporis* for each Director.

The Chairman thanks those present and moves on to deal with **the third item on the Agenda**, With the approval of the Financial Statements for the year ended December 31 2016 the mandate of the current Board of Statutory Auditors, appointed by the Annual General Meeting of the Shareholders of CIR S.P.A. on June 30 2014, has now come to an end as the third year has now elapsed.

It is therefore necessary to go ahead and appoint a Board of Statutory Auditors for the years 2017-2019 and to set the fees to which the members in office of the said Board will be entitled. He reminds those present that on page 15 onwards of the slimmer booklet that they were given at the entrance to the hall they will find the report of the Board of Directors and the proposed resolution for the decision as to the fees.

He also reminds them that, in accordance with the terms of Art. 19 of the Company Bylaws, the Board of Statutory Auditors is appointed on the basis of lists, presented by the Shareholders, consisting of two sections: one for the candidates for the position of Statutory Auditor in office, the other for the candidates for the position of Alternate Auditor and in each section the candidates are listed in numerical order.

He informs the meeting that only one list of candidates for the election of the Board of Statutory Auditors for the years 2017-2019 was filed at the registered office of the Company.

He then gives information on the list presented:

- The Shareholder COFIDE S.P.A., owner of 363,771,164 ordinary CIR shares, corresponding to 45.798% of the share capital with voting rights, on March 31 2017 filed the following list of candidates:

*Candidates for the position of Statutory Auditor in office:*

1. MANZONETTO PIETRO
2. ALLIEVI ANNA MARIA
3. ZINGALES RICCARDO

*Candidates for the position of Alternate Auditor:*

1. ZAMBON PAOLA
2. VALDAMERI LUCA
3. MACCHIORLATTI VIGNAT LUIGI

He also says that the candidates:

- have accepted their candidature;

- have attested that there are no reasons why they should not be elected or why they would be incompatible according to the law, and also that they possess the requisites of integrity, professionalism and independence required by law and current regulations;
- have provided a list of the positions of director or statutory auditor that they hold in other Companies;
- have sent in their CVs.

These documents have been filed at the Company's registered office, have been published on the website and through the eMarket STORAGE service and were then passed on for filing in the Company records.

**The Chairman** then opens the debate.

Nobody having asked for the floor, **the Chairman** notes that there have been no changes in the number of persons present. He therefore puts to the vote the proposed resolution regarding the decision as to the fees of the Statutory Auditors, as stated on pages 17 and 18 of the booklet, and the resolution is approved by a majority vote, with 1,194,780 votes against by certain funds represented by Mr Andrea Schettino, and with 2,901,188 abstentions by certain funds again represented by Mr Andrea Schettino, as can be seen from the list attached to these minutes under the letter B.

He puts to the vote the sole list presented by the majority Shareholder which is approved with a majority vote, with 2,523,405 votes against by certain funds represented by Mr Andrea Schettino, and with 475,000 abstentions by certain funds represented by the same proxy, as can be seen from the list attached to these minutes under the letter B.

The **Chairman** declares that the Shareholders' Meeting has appointed as members of the Board of Statutory Auditors for the years 2017-2019 the following persons:

Statutory Auditors in office:

1. Manzonetto Pietro Chairman
2. Allievi Anna Maria
3. Zingales Riccardo

Alternate Auditors:

1. Zambon Paola
2. Valdameri Luca
3. Macchiorlatti Vignat Luigi

and established an annual fee *pro-rata temporis* of euro 75,000 for the Chairman and of euro 50,000 for each of the Statutory Auditors in office.

He then proffers his thanks and moves on to deal with **item 4) on the Agenda**.

He reminds the attendees that on page 19 onwards of the slimmer booklet that they were given 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 the one adopted last year as it has a duration of 18 months and is put forward each year at the Annual General Meeting:

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

- Having acknowledged the proposals of the Board of Directors
- Having acknowledged the favourable opinion of the Board of Statutory Auditors
- Being aware of the rules contained in Articles 2357 and following articles of the Civil Code, in Art. 132 of D.Lgs no. 58/98, in Art. 144-*bis* of Consob resolution 11971/1999 and in EU Delegated Regulation no. 2016/1052

#### 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 Annual General Meeting of the Shareholders on April 29 2016 and, as a consequence of the above, the related authorization to dispose of the same;
2. To authorize the Board of Directors, and for the Board the Chairman and the Chief Executive Officer, severally and with the right to sub-delegate, to buy back CIR S.p.A. shares as per the terms and as an effect of Art. 2357 of the Civil Code, as from the day after this AGM and for a period of eighteen months. The buyback shall be effected as follows:
  - A maximum of 40,000,000 shares each with a nominal value of euro 0.5 may be bought back taking into account that, including in the calculation the own shares already held even through subsidiaries, the nominal value of the shares bought back must not in any way exceed one fifth of the share capital of CIR S.p.A.
  - The unit price of each individual share buyback transaction must not be more than 10% higher or lower than the benchmark price recorded by the shares in the Stock Exchange trading session prior to each individual buyback deal or the date on which the price is fixed. When the shares are bought back in the regulated market, the price must not be higher than the higher of the price of the last independent transaction and the highest current independent bid price on the same market;
  - The buyback must take place in the market in accordance with what is laid down in Art. 132 of D.Lgs no. 58/98 and in the rules or law or of regulations in force at the moment of the transaction and more precisely:
    - a) through a public offer to buy or exchange shares;



- b) on regulated markets following operating procedures set out in the rules for organizing and managing the same markets, which do not allow bid prices to be matched directly with predetermined offer prices;
- c) through pro-rata assignation to the shareholders of put options to be assigned within 15 months of the date of the AGM resolution authorizing it and exercisable within 18 months of the same date;
- (d) through the purchase and sale of derivative instruments traded on regulated markets that involve the physical delivery of the underlying shares in accordance with the further provisions contained in Art. 144-bis of the Rules for Issuers published by Consob.
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 Chairman and the Chief Executive Officer, severally and each with the right to sub-delegate, 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 or than the current price quoted on the Stock Exchange, with a specific exception for directors and employees of the Company and/or 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 compensation plans based on the shares of the Company;
4. To authorize the Board of Directors again, and for the Board the Chairman and the Chief Executive Officer, severally and with the power to sub-delegate, in accordance with and as an effect of the terms of Art. 2357-ter of the Civil Code, to arrange, without any time limit or constraint, 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), to fulfil any requirements that could derive from debt instruments convertible into or exchangeable with equity instruments, and also for assigning to employees and Directors of the Company, its subsidiaries and its parent company, in relation to the execution of stock option plans, at a price no lower than the nominal value;
5. To give the Board of Directors, and for the Board the Chairman and the Chief Executive Officer, a mandate to see that the appropriate accounting entries are made to the “reserve for own shares held”, after transactions involving the purchase, sale or exchange of own shares, in compliance with the rules of law and with the accounting principles applicable at any one

time, withdrawing from and crediting the available reserves used for own share transactions as appropriate.”

The **Chairman** then opens the debate.

To a question asked by Shareholder **Francesco Rimbotti**, the **Chief Executive Officer Ms Monica Mondardini** replies that the Company during the last year increased its portfolio of own shares, buying them back at a price that, given the good performance of the stock, has proved to be below their current market value.

Nobody else having asked for the floor, the **Chairman**, noting that there have not been any changes in the number of presences, therefore puts the resolution reproduced above to the vote whereupon it is approved by a majority of votes, with 10,249,030 votes against by certain funds represented by Mr Andrea Schettino, without any abstentions and with the votes in favour of all the other Shareholders, as can be seen from the list attached to these minutes under the letter B. Moving on to deal with the **fifth item on the Agenda**, the **Chairman** reminds everyone that on page 23 onwards of the slimmer booklet that they were given at the entrance to the hall they will find the Compensation Report and on page 35 the following proposed resolution:

"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 13 2017.”

The **Chairman** then opens the debate.

Nobody else having asked for the floor, the **Chairman**, noting that there have not been any changes in the number of presences, therefore puts the resolution reproduced above to the vote whereupon it is approved by a majority of votes, with 20,704,636 votes against by certain funds

represented by Mr Andrea Schettino, without any abstentions and with the votes in favour of all the other Shareholders, as can be seen from the list attached to these minutes under the letter B. Moving on to deal with the **sixth item on the Agenda**, the **Chairman** informs the attendees that on page 41 onwards of the slimmer booklet that they were given at the entrance to the hall they will find the Report of the Board of Directors on Stock Grant Plan 2017 and the following proposed resolution:

“The Ordinary Annual 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 2017 aimed at executives and/or directors of the Company, its subsidiaries and its parent company, through the assignment of a maximum number of 2,000,000 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 the terms of D.Lgs. no. 58/98;
- 2) To give the Board of Directors full powers to execute the Plan and in particular, merely by way of an example but not exhaustively, to:
  - a) Identify the beneficiaries and define the number of Units to be assigned to each of them in relation to the maximum number approved by the Shareholders’ Meeting;
  - b) Draw up and approve the Regulations of the Plan and carry out any obligation, formality, notification (including those prescribed by regulations applicable at any one time in relation to the Plan) that may be necessary or appropriate for the purposes of managing and/or implementing the Plan, in accordance with the terms and conditions described in the Information Document;

All of the above with the right to delegate all or part of the above-mentioned powers to the Chairman and/or the Chief Executive Officer.”

**The Chairman** then opens the debate.

As nobody has requested the floor he says that at the moment there have been no changes in the number of persons present and therefore puts to the vote the resolution reproduced above, which is approved by a majority of the votes, with 20,877,274 votes against by certain funds represented by Mr Andrea Schettino, without any abstentions and with the votes in favour of all the other Shareholders, as can be seen in the list attached to these minutes under the letter B. After which, there being nothing else requiring a resolution to be adopted, the Chairman thanks everybody for coming and declares the meeting closed at 12.00 noon.

THE CHAIRMAN  
(Rodolfo De Benedetti)

THE SECRETARY  
(Francesca Gasparro)