

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

Headquarters in Milan, Via Ciovassino 1

Share Capital Euro 397,146,183.50

Registration no. 00519120018 on the Register of Companies of Milan, Monza Brianza and Lodi

Company subject to management and coordination by "COFIDE"

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MINUTES OF THE ORDINARY ANNUAL GENERAL MEETING

In the year 2018 on the 27th day of the month of April at 11.00 a.m.

At the Palazzo delle Stelline Congress Centre in Corso Magenta 61 Milan, the ordinary and extraordinary sessions of the Annual General Meeting of the Shareholders are 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 for the ordinary part of the meeting and to take the minutes of the extraordinary part.

The Chairman informs those present that today's meeting was called for April 26 2018 at the first call and for today at the second call, with a notice published on March 26 2018 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

Ordinary Part

1. Financial Statements for the year ended December 31 2017. Resolutions on the same. Presentation of the Consolidated Financial Statements for the year ended December 31 2017.
2. Proposal to cancel the resolution of April 28 2017 regarding the authorization to buy back and dispose of own shares and proposal for a new authorization.
3. Compensation Report.
4. Proposal to approve Stock Grant Plan 2018.

Extraordinary part

5. Amendment of Art. 8 of the Company Bylaws. Resolutions pertaining to and resulting from the same.

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 made in a press release published through eMarket STORAGE and on the Company's website.

Apart from the Chairman, the following Directors are present, namely: Mr Philippe Bertherat, Ms Maristella Botticini, Mr Franco Debenedetti, Mr Edoardo De Benedetti, Mr Marco De Benedetti, Ms Silvia Giannini, Mr Claudio Recchi and all the Statutory Auditors in office,

namely: Mr Pietro Manzonetto, Chairman of the Board of Statutory Auditors, Ms Anna Maria Allievi and Mr Riccardo Zingales.

Directors Patrizia Grieco and Guido Tabellini have sent apologies for absence.

The Chairman notes that the totally paid up share capital of CIR S.p.A. amounts to euro 397,146,183.50 formed of 794,292,367 ordinary shares each with a nominal value of euro 0.50. He invites anyone not having the right to vote as per the terms of the law to make this fact known.

The Chairman then reminds those present that as per the terms of Art. 135-undecies of D.Lgs 58/98 the Company has designated Studio Segre S.r.l. as the entity to whom those entitled may give a proxy with voting instructions on all or some of the proposals on the Agenda and goes on to say that no such proxies have been received.

The Chairman announces that at the start of the meeting Shareholders representing 423,842,455 shares with voting rights are present either in person or by proxy, equal to 53.361% of the 794,292,367 shares making up the share capital, and 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;
- 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**; 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 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 before a vote should notify the Chairman and the Notary.

He also says that:

- some staff are present in the hall for reasons of duty and some experts and financial analysts have been allowed to attend the meeting; the following journalists are also present: Massimo Lapenda for Ansa, Corrado Poggi for Il Sole 24 Ore, Daniel Dal Zennaro for Ansa fotografica, Sergio Olivieri for Imagoeconomica, Corradini for Tam Tam, and Andrea Montanari for MF;
- 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 19 2018, 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 26 2018 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 90,752,155 shares equal to 11.426% 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.;
 - * 21,729,441 ordinary shares through other Funds, which do not individually own more than 3% of the share capital;

There were 8,425 shareholders recorded in the Shareholders Book on April 19 2018.

The own shares held by the Company today total 141,719,035 equal to 17.84% of the share capital.

He says that Mr Giovanni Rebay is present representing the firm of KPMG 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 KPMG S.p.A. billed a total fee of euro 138,179 of which:

- euro 55,400 for 646 hours of audit work on the separate financial statements of the Company and for the ongoing checks;
- euro 34,100 for 386 hours of audit work on the consolidated financial statements of the Group;
- euro 31,700 for 392 hours of audit work on the semi-annual financial report as of June 30 2017;
- euro 16,979 for expenses (of which euro 10,919 for the Consob supervisory fee).

He then says that the booklet handed out at the entrance to the hall contains on page 56 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 2017 which, although not the subject of discussion

and approval by the Shareholders, do nonetheless give the Shareholders broader and more significant information.

He reminds the attendees that in compliance with the terms of D.Lgs 254/2016 they have been given a copy of the Consolidated Declaration of a Non-Financial Nature for the year 2017. 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.

The Chairman informs the meeting that Shareholders Tommaso Marino and Marco Bava have sent in a list of questions and that, as per the terms of Art. 127-ter, paragraph 3, of the Finance Consolidation Act (T.U.F.) the answers are being given at the AGM by giving all attendees a booklet containing the questions and the answers, which is attached to these minutes under the **letter C**.

The Chairman expresses his satisfaction with the results obtained in 2017 by the CIR Group, which reported a positive performance by all its industrial subsidiaries – both in terms of growth in revenues and in increased profitability – as well as an extremely good result from financial management.

The net result was impacted by a significant extraordinary charge incurred by GEDI for the settlement of a long-standing tax dispute that made it possible to eliminate a risk weighing on the company.

He takes the opportunity to thank Ms Monica Mondardini for the results she has obtained and more specifically, even on behalf of the whole Board of Directors, for what she has achieved in her 9 years at the helm of Gruppo Editoriale L'Espresso, now GEDI.

Ms Mondardini took over the management of GEDI in 2009 precisely when both the economic crisis and the digital transformation were beginning to have a considerable impact on the revenues of publishers.

Under her management the Group reacted extremely effectively, distinguishing itself on the Italian publishing scene for its positive financial results that were always positive, for its digital development initiatives, which made it market leader in the sector, and for the huge merger deal with ITEDI, which gave rise to the number one Italian group in daily and multimedia news, and one of the most significant players in Europe.

He understands and agrees with the decision of Ms Mondardini to end her mandate as Chief Executive Officer of GEDI and to continue to focus on her role as Chief Executive Officer of the CIR Group and Deputy Chairman of GEDI, a decision that will enable CIR to see her managerial talent focused totally on the development of the Group.

Over the years the CIR Group has seen its profitability continue to increase.

Lastly the Chairman expresses his satisfaction with the progress made so far and says that he is convinced that, together with Monica Mondardini, they must continue to create value in the three subsidiaries; but that as from today they must also commit to developing the CIR Group with new initiatives and new projects.

He then passes the floor to the **Chief Executive Officer** who, after thanking the Chairman for his speech, goes on to illustrate the general performance of the Group in 2017, with the aid of some slides that are attached to these minutes under the **letter D**.

The year 2017 was a good year for the CIR group with positive results from the industrial subsidiaries and from financial management.

Consolidated revenues came to 2.8 billion euro and were up by 6.7% on 2016.

The consolidated gross operating margin (EBITDA) increased by 12.2% to 290.4 million euro (258.8 million euro in 2016).

The consolidated operating result (EBIT) rose by 19.1% to 154.3 million euro and amounted to 5.5% of revenues, up from 4.9% in 2016.

The consolidated net result of the Group was a loss of euro 5.9 million as an effect of the significant tax charge of an extraordinary nature incurred by the subsidiary GEDI, of which ample disclosure has been made to the market; without this charge the net result would have been net income of euro 59.6 million.

All of the subsidiaries reported a rise in revenues and an increase in their results.

For **GEDI**, 2017 was the year of the merger of ITEDI (publishers of the daily newspapers *La Stampa* and *Il Secolo XIX*), which finally completed halfway through the year, giving rise to the top Italian group in daily and multimedia news publishing, as well as one of the main players in Europe.

In just six months the initial stage of the business plan was put in place, with the creation of *GEDI News Network*, the company of the GEDI Group that combined *La Stampa* and *Il Secolo XIX* with all the local titles of Gruppo Editoriale L'Espresso.

In 2017, in the presence of a scenario still difficult for the publishing sector, GEDI reported growth in revenues of 8.2% thanks to the merger of ITEDI with revenues substantially unchanged on a like-for-like basis; EBITDA came to 53.2 million euro, up by 21.7% compared to the previous year, even on a like-for-like basis (+ 15.4%) and before the tax charge the net result was 19.9 million euro.

As is known, in 2017 the Company took the decision to settle a tax dispute pending in the Court of Cassation relating to corporate transactions that took place in 1991. The charge was extremely substantial, 175 million euro, but it released the Company from a potential risk that

could have had a much greater impact in the future if the decision had gone against the Company.

SOGEFI reported revenue growth of 6.2%, outperforming the market in Europe, North American and Asia. EBITDA rose by 8.6% to euro 165.8 million and net income went up from euro 9.3 million in 2016 to euro 26.6 million in 2017.

In the last two years Sogefi, which as is known is a components group consisting of three product Divisions: Suspensions, Filtration and Air & Cooling, achieved a turnaround of the Air & Cooling Division and thanks especially to increased volumes, significantly improved its profitability in the “Filtration” and “Suspensions” businesses.

KOS reported a rise in revenues of 6.4%, due to the organic growth of all areas of the business and to the acquisitions of five facilities completed during the year. EBITDA was up by 6.4% at euro 87.9 million and net income rose from 23.4 million euro to 29 million euro.

The contribution of the Parent company resulting from its own financial management and that of its subsidiaries CIR Investimenti and CIR International was positive for 18.1 million euro compared to 8.7 million euro in 2016.

The consolidated debt figure stood at 272.5 million euro at December 31 2017, up from 143.6 million at December 31 2016, because of the disbursement made by GEDI to settle its tax dispute.

The total net debt of the industrial subsidiaries amounted to 615.5 million euro at December 31 2017, 2.12 times EBITDA, and was higher than at December 31 2016 (euro 477.9 million), following the disbursements made: for 140.2 million euro by GEDI to settle its tax dispute, for the significant investments made by KOS in development (euro 42.9 million) and in dividends (euro 13 million) paid out.

The net financial position of the Parent Company and its non-industrial subsidiaries was positive for 343 million euro, versus 334.3 million euro at the end of 2016.

The Board of Directors meeting held this morning has approved the Interim Financial Report as of March 31 2018 which is substantially in line with the first quarter of 2017, a year in which results made strong progress:

- Revenues came in at euro 710.1 million, up by 4.5%;
- EBITDA came to euro 84.8 million, up by 5.3%;
- Net income was euro 9.9 million;
- Net debt stood at euro 274.7 million.

As regards GEDI, the trends of the sector remain unchanged with a decline in the copies of newspapers circulated and in advertising investment. GEDI has reported a 20.7% rise in reve-

nues thanks to its expansion with the business combination with ITEDI. It has reported a net income figure of euro 3 million.

SOGEFI's first quarter results were affected significantly by three factors: the performance of world car production that declined in the United States and China, the rise in steel prices and, lastly, the strengthening of the euro against the other currencies in which the Group operates. Revenues posted a decline of 2.7%, but an increase at constant exchange rates of 2.8%, EBITDA was stable with net income totalling euro 12 million.

Lastly, KOS reported a rise in revenues of 13.4% due to the growth of all areas of the business and to the full contribution of the acquisitions made in 2017.

EBITDA was up by 33.3% at euro 23.8 million and the net result came in at euro 7.5 million (euro 4.6 million in the first quarter of 2017).

Lastly, she says that she hopes that the Financial Statements for 2017 of the CIR Group will be approved by the Shareholders.

The Chairman reminds the meeting that the proposed allocation of the result for the year 2017 can be found on page 141 of the Annual Report booklet.

The Chairman also reminds those present that the Report of the Board of Statutory Auditors can be found on page 227 onwards of the Annual Report booklet and then passes the floor to the **Chairman of the Board of Statutory Auditors** who, with the consent of those present, waives a reading out of the same.

He then opens the debate.

As nobody asks for the floor, the **Chairman** announces that there have not been any changes in the number of presences and thus puts to the vote the Financial Statements for the year ended December 31 2017 and the following proposed allocation of the result for the year, including the distribution of the dividend as stated on page 141 of the Annual Report booklet distributed to all those present:

Shareholders,

The separate financial statements for the year ended 31 December 2017, which we submit for your approval, closed with a loss of €49,033,888.03 which we propose to cover in full through the use of retained earnings.

We also propose to distribute a dividend of €0.038 to each of the outstanding shares with rights from 1 January 2018 (excluding treasury shares), taking the entire amount from "Retained earnings".

The proposed allocation:

- takes into account the provisions of art. 2357 ter, paragraph 2, of the Italian Civil Code, which says that the earnings due to treasury shares are to be allocated proportionally to the other shares;
- will take account of the dividend of 4,941 shares for 810 former Sasib preferred shares for which conversion has not yet been requested.

Please note that the actual amounts to be allocated to dividends and the use of "Retained earnings" will take into account the treasury shares held in portfolio and the ordinary shares outstanding on the date of the Shareholders' Meeting, on the basis of additional purchases of treasury shares and the possible exercise of options on treasury shares by the beneficiaries of current stock option plans and the possible issue of new shares following the exercise of options by the beneficiaries of current stock option plans."

The proposal to approve the Financial Statements for the year ended December 31 2017 and the proposed allocation of the result for the year, including the distribution of the dividend, are put to the vote and are approved by a majority of those voting, with the abstention of 1,002,723 shares owned by certain funds represented by Adriana Romito for the first motion and unani- mously as for the latter motion, 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 23 2018 with detachment of the coupon in the Stock Exchange on May 21 2018 and record date May 22 2018.

He then moves on to deal with **the second item on the Agenda**, reminding those present that on page 9 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 INDUS- TRIALI RIUNITE”:

- Having acknowledged the proposals of the Board of Directors
- 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, in EU Regulation 596/2014 and in EU Delegated Regulation no. 2016/1052

RESOLVES

1. To cancel for the part not utilized and for the period between the day after 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 28 2017 and, as a conse- quence 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 20,000,000 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 case 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 of 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 and with the terms of Articles 5 and 13 of EU Regulation 596/2014.
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.

Nobody 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 13,995,176 votes against by certain funds represented by Adriana Romito, as can be seen from the list attached to these minutes under the letter B.

Moving on to deal with the **third item on the Agenda**, the **Chairman** reminds everyone that on page 13 onwards of the slimmer booklet that they were given at the entrance to the hall they will find the Compensation Report and on page 30 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 12 2018.”

The **Chairman** then opens the debate.

Nobody having asked for the floor, the **Chairman**, noting that there have not been any changes in the number of presences and reminding everyone that the vote expressed will not be binding, then puts the resolution reproduced above to the vote whereupon it is approved by a majority of votes, with 28,384,251 votes against by certain funds represented by Adriana Romito, 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 informs the attendees that on page 31 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 2018 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 2018 aimed at executives and/or directors of the Company, its subsidiaries and its parent company, through the assignment of a maximum number of 2,200,000 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 28,382,488 votes against by certain Funds represented by Adriana Romito, as can be seen from the list attached to these minutes under the letter B.

After which, there being nothing else requiring a resolution to be adopted in the ordinary part of the meeting, at 11.33 a.m. the extraordinary part of the meeting begins and the minutes of this part are the subject of separate minutes drawn up by the Notary.

THE CHAIRMAN
(Rodolfo De Benedetti)

THE SECRETARY
(Francesca Gasparro)