



ORDINARY AND EXTRAORDINARY GENERAL MEETING
OF THE SHAREHOLDERS

Single call – April 29 2019 – at 11.00 a.m.

PALAZZO DELLE STELLINE CONGRESS CENTRE
CORSO MAGENTA 61 - MILANO

* * *

Report on Item 3) on the Agenda

COMPENSATION REPORT

COMPENSATION REPORT

FOREWORD

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

The Annual General Meeting of the Shareholders, convened to approve the Financial Statements for the year ended December 31 2018, as per the terms of Art. 123-*ter* of the T.U.F., is called upon to express a non-binding vote on the Compensation Report. The result of the vote will be disclosed to the public.

List of definitions

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

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

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

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

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

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

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

“**Company**”: CIR S.p.A.

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

SECTION I

This section describes the policy of the Company on the subject of compensation of the Members of the Board of Directors and the Executives with strategic responsibilities with reference to the year 2019 together with the procedures used for the adoption and implementation of the policy. The policy establishes the principles and guidelines on the basis of which compensation is determined.

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

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

The Policy is structured as follows:

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

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

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

The Committee is made up of Independent Directors Philippe, Bertherat, Francesca Pasinelli, Claudio Recchi and Guido Tabellini.

The Appointments and Compensation Committee:

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

c) Possible intervention of independent experts

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

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

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

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

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

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

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

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

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

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

Just for the General Manager, the cash part includes variable items calculated according to performance parameters identified by the Board of Directors at the proposal of the Appointments and Compensation Committee

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

More specifically:

- The Units that are the subject of the Plan vest every three months as from the first day of the second year after the grant date and for a period of almost two years, thus having an average vesting period that is substantially in line with the one recommended in the Code of Conduct (three years);
- Exercise of part of the units assigned is subject to reaching the performance objectives linked to the performance of the share;
- A period of unavailability of part of the shares granted (10% of the total) is established for 5 years from the grant date.

f) Policy followed in relation to non-monetary benefits

The Chairman of the Company is the beneficiary of insurance policies. There are no (non-monetary) benefits in favour of the Directors.

In line with market practice, the compensation package of Executives with strategic responsibilities also has certain benefits which include insurance schemes and private healthcare. The Executive responsible for the preparation of the financial statements and corporate documents has been assigned a company car for business and private use.

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

Share-based compensation plans are one of the instruments used to supplement the compensation package with loyalty-rewarding benefits which are deferred over an adequate time frame and are partly linked to the achievement of certain performance targets. The aim is to create value for the Shareholders in the medium-long term. More specifically, Stock Grant Plan 2018 - submitted to the approval of the Shareholders' Meeting convened to approve, among other things, the Financial Statements as of December 31 2018 - involves the assignation of Units, that are free of charge and not transferable between living persons, each of which gives the right to be assigned free of charge one Share when certain circumstances come to pass. The Units are subdivided into two categories:

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

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

For a more detailed description of the features of Stock Grant Plan 2018, see the Information Document prepared as per the terms of Art. 84-*bis* of the Rules for Issuers, made available to the Shareholders' Meeting convened to approve the Financial Statements as of December 31 2018, which can be consulted on the Company website www.cirgroup.it, in the section Governance.

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

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

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

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

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

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

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

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

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

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

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

As stated in the previous point e), Stock Grant Plan 2019 stipulates that the Units assigned to the beneficiaries will vest as from two years after they are assigned, according to the following timing:

- Up to a maximum of 12.5% of the total Time-based Units assigned as from April 30 2021;
- Up to a maximum of 25% of the total Time-based Units assigned as from July 31 2021;
- Up to a maximum of 37.5% of the total Time-based Units assigned as from October 31 2021;
- Up to a maximum of 50% of the total Time-based Units assigned as from January 31 2022;
- Up to a maximum of 62.5% of the total Time-based Units assigned as from April 30 2022;
- Up to a maximum of 75% of the total Time-based Units assigned as from July 31 2022;
- Up to a maximum of 87.5% of the total Time-based Units assigned as from October 31 2022;
- Up to a maximum of 100% of the total Time-based Units assigned as from January 31 2023.

The Units that have vested must in any case be exercised by the final maturity of April 29 2029.

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

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

Stock Grant Plan 2019, which will be submitted to the approval of the Shareholders’ Meeting, includes a minimum holding requirement for the Shares assigned: in the event that the Units have vested and the relative Shares have been assigned, each beneficiary irrevocably undertakes to hold at least 10% of the

Shares assigned until the fifth anniversary of the Grant Date. During this period, the Shares will be subject to a bond of inalienability, except when the Board of Directors should authorize otherwise.

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

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

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

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

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

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

Regarding Executives with strategic responsibilities, bound to the Company by an employment relationship, the rules of law and the agreements of the National Contract for Industry Executives apply on the subject of termination of employment.

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

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

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

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

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

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

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

SECTION II

1.1 Part One

1.1 Items making up compensation

Board of Directors

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

Directors holding special positions

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

Non-executive Directors

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

Board of Statutory Auditors

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

Executives with strategic responsibilities

The compensation package is made up of the following: fixed fee plus share-based compensation plans. In addition, there are insurance schemes and private healthcare in line with the terms of the applicable National Contract for Industry Executives and as from 2016 a company car for business and private use.

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

1.2.1 Existence of such agreements

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

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

1.2.2 Criteria for determining the compensation entitlement of each individual

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

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

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

1.2.4 Possible effects of the termination of the relationship on the Units assigned within the scope of the share-based incentive plans or cash settlement thereof

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

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

1.2.5 Cases in which the right to compensation exists

See point 1.2.1. above.

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

No agreements of this kind have been signed.

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

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

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

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

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

Not applicable.

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

During the year 2018 no leaving indemnity was paid out.

Part Two

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

Equity investments

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

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

(in euro)	Last name and first name	Position	Period in which position was held 2016	Expiry of mandate	Company preparing the financial statements and subsidiaries and associates	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	Notes
								Fees for being on Committees	Variable non-equity compensation						
	DE BENEDETTI RODOLFO	Chairman	1.1 - 31.12	Approval Fin. Stat. 2019	CIR S.p.A.	1,680,000			22,296			1,702,296	0		Ia, Ib, 3
					Subsidiaries	45,000						45,000			4
					Total	1,725,000			22,296			1,747,296	0		
	MONDARDINI MONICA	Chief Executive Officer and General Manager	1.1 - 31.12	Approval Fin. Stat. 2019	CIR S.p.A.	1,153,331		376,000				1,529,331	1,116,659		Ia, Ib, Ic, Id, 2
					Subsidiaries	290,052						290,052			5, 6
					Total	1,443,383		376,000				1,819,383	1,116,659		
	BERTHERAT PHILIPPE	Director	1.1 - 31.12	Approval Fin. Stat. 2019	CIR S.p.A.	20,000	14,000					34,000			Ia, Jf
	BOTTICINI MARISTELLA	Director	1.1 - 31.12	Approval Fin. Stat. 2019	CIR S.p.A.	20,000	15,000					35,000			Ia, Ie
	DE BENEDETTI EDOARDO	Director	1.1 - 31.12	Approval Fin. Stat. 2019	CIR S.p.A.	20,000						20,000			Ia
	DEBENEDETTI FRANCO	Director	1.1 - 31.12	Approval Fin. Stat. 2019	CIR S.p.A.	20,000						20,000			Ia
	DE BENEDETTI MARCO	Director	1.1 - 31.12	Approval Fin. Stat. 2019	CIR S.p.A.	20,000						20,000			Ia
					Subsidiaries	225,000						225,000			7
					Total	245,000						245,000			
	GIANNINI SILVIA	Director	1.1 - 31.12	Approval Fin. Stat. 2019	CIR S.p.A.	20,000	15,000					35,000			Ia, Ie
	GRIECO PATRIZIA	Director	1.1 - 28.04	Approval Fin. Stat. 2019	CIR S.p.A.	6,667	4,333					11,000			Ia, Jf
	PASINELLI FRANCESCA	Director	4.6 - 31.12	Approval Fin. Stat. 2019	CIR S.p.A.	11,507	6,753					18,260			Ia, Ie
	RECCHI CLAUDIO	Director	1.1 - 31.12	Approval Fin. Stat. 2019	CIR S.p.A.	20,000	28,000					48,000			Ia, Ie, If
	TABELLINI GUIDO	Director	1.1 - 31.12	Approval Fin. Stat. 2019	CIR S.p.A.	20,000	14,000					34,000			Ia, Jf

(in euro)	Last name and first name	Position	Period in which position was held 2016	Expiry of mandate	Company preparing the financial statements and subsidiaries and associates	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	Notes
								Bonuses and other incentives	Profit sharing						
	MANZONETTO PIETRO	Chairman Board of Statutory Auditors	1.1 - 31.12	Approval Fin. Stat. 2019	CIR S.p.A.	75,200						75,200			
		Subsidiaries					11,167						11,167		8
		Total				86,367						86,367			
	ALLIEVI ANNA MARIA	Statutory Auditor	1.1 - 31.12	Approval Fin. Stat. 2019	CIR S.p.A.	50,000						50,000			
		Statutory Auditor					50,000						50,000		
	ZINGALES RICCARDO					45,050						45,050			8
		Total					95,050						95,050		
	EXECUTIVE WITH STRATEGIC RESPONSIBILITIES					195,261						198,435	163,656		1c, 2, 9
							30,000					3,174	30,000	163,656	
		Total				195,261	30,000					228,435	163,656		

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

- fees of € 20,000 approved by the AGM
- special positions as per Art. 2389 paragraph 3 approved by the Board of Directors in favour of De Benedetti Rodolfo and Mondardini Monica
- employee salary
- performance-related bonus of € 376,000 for reaching profit objectives
- Appointments and Compensation Committee
- Control and Risk Committee

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

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

(4) Fixed fees for the position of Director of the subsidiaries GEDI S.p.A. (€ 25,000) and Sogefi S.p.A. (€ 20,000)

(5) The amount includes fees for the positions of Director (€ 25,000), Deputy Chairman (€ 68,219) and Chief Executive Officer (€ 128,888) of GEDI S.p.A.

(6) The item "Fixed fees" does not include the amounts for the position of Director (€ 32,055) of Sogefi S.p.A. paid into CIR S.p.A. and that of Director (€ 10,000) of KOS S.p.A. because the fee has been waived.

(7) Fixed fees in the subsidiary GEDI S.p.A. for the position of Director (€ 25,000) and Chairman (€ 200,000)

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

(9) Value of company car.

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

Last name & first name	Position held	Plan	Options held at the beginning of the year			Options assigned during the year						Options exercised during the year			Options that expired in the year	Options held at end of year (15) = (2)+(5)-(1)-(14)	Options for the year (16)
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)			
			Number of options	Strike price	Period of possible exercise (from - to)	Number of options	Strike price	Period of possible exercise (from-to)	Fair value at grant date (in thousands of euro)	Grant date	Market price of underlying shares at grant date of options	Number of options	Strike price	Market price of underlying shares at exercise date	Number of options	Fair value (theoretical value - see table) (in thousands of euro)	
DE BENEDETTI RODOLFO	CHAIRMAN	2009 2a tranche (*)	1,750,000	2.7344	from 31/03/2008 to 31/03/2018											0	
Extraordinary stock option plan		2009 3a tranche (*)	1,750,000	1.6806	from 30/09/2008 to 30/09/2018											0	
Extraordinary stock option plan		2009 4a tranche (*)	1,750,000	1.0718	from 31/03/2009 to 31/03/2019											0	
Stock option plan		2009 1a tranche	1,750,000	0.9907	from 30/09/2009 to 30/09/2019											0	
Stock option plan		2009 2a tranche	1,750,000	1.5449	from 28/02/2010 to 28/02/2020											0	
Stock option plan		2010 1a tranche	1,750,000	1.6208	from 30/09/2010 to 30/09/2020											0	
Stock option plan		2010 2a tranche	1,750,000	1.4982	from 28/02/2011 to 28/02/2021											0	
TOTAL			12,250,000	1.5916											8,750,000	0	
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES																	
Extraordinary stock option plan		2009 2a tranche (*)	105,000	2.7344	from 31/03/2008 to 31/03/2018											0	
Extraordinary stock option plan		2009 3a tranche (*)	115,000	1.6806	from 30/09/2008 to 30/09/2018											0	
Extraordinary stock option plan		2009 4a tranche (*)	115,000	1.0718	from 31/03/2009 to 31/03/2019											0	
Stock option plan		2009 1a tranche	115,000	0.9907	from 30/09/2009 to 30/09/2019											0	
Stock option plan		2009 2a tranche	115,000	1.5449	from 28/02/2010 to 28/02/2020											0	
Stock option plan		2010 1a tranche	125,000	1.6208	from 30/09/2010 to 30/09/2020											0	
Stock option plan		2010 2a tranche	125,000	1.4982	from 28/02/2011 to 28/02/2021											0	
TOTAL			815,000	1.5768											220,000	0	

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

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

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

Last name & first name	Position held	Financial instruments assigned in prior periods and not vested in the year				Financial instruments assigned in the year				Financial instruments that vested in the year & were not assigned			Financial instruments that vested in the year and are assignable		Financial instruments for the year			
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)					
MONDARDINI MONICA	CEO & GM	2014	stock grant 856,574	from 30/06/2014 to 31/01/2018	stock grant 11,890													
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES		2014	stock grant 150,000	from 30/06/2014 to 31/01/2018	stock grant 34,923													
MONDARDINI MONICA	CEO & GM	2015	stock grant 902,946	from 27/04/2015 to 31/01/2019	stock grant 1,310													
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES		2015	stock grant 150,000	from 27/04/2015 to 31/01/2019	stock grant 1,310													
MONDARDINI MONICA	CEO & GM	2016	stock grant 1,000,000	from 29/04/2016 to 31/01/2020	stock grant 2,183													
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES		2016	stock grant 155,100	from 29/04/2016 to 31/01/2020	stock grant 338													
MONDARDINI MONICA	CEO & GM	2017	stock grant 888,914	from 28/04/2017 to 31/01/2021														
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES		2017	stock grant 137,870	from 28/04/2017 to 31/01/2021														
MONDARDINI MONICA	CEO & GM	2018			stock grant 1,265,730													
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES		2018			stock grant 196,008													
					0													

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

(10) Time units vested.

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

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

<i>Last name & first name</i>	<i>Position</i>	<i>Company in which shares are owned</i>	<i>No. of shares owned at end of last year</i>	<i>No. of shares acquired</i>	<i>No. of shares transferred</i>	<i>No. of shares owned at end of this year</i>	<i>Notes</i>
DE BENEDETTI RODOLFO	Chairman	CIR S.p.A.	8,207,746	--	--	8,207,746	(1)
MONDARDINI MONICA	Chief Executive Officer & General Manager	CIR S.p.A.	--	--	--	--	
	Chief Executive Officer	GEDI S.p.A.	373,125	---	--	373,125	
BERTHERAT PHILIPPE	Director	CIR S.p.A.	--	--	--	--	
BOTTICINI MARISTELLA	Director	CIR S.p.A.	--	--	--	--	
BRACCHI GIAMPIO	Director	CIR S.p.A.	--	--	--	--	
DEBENEDETTI FRANCO	Director	CIR S.p.A.	375,000	--	--	375,000	
DE BENEDETTI EDOARDO	Director	CIR S.p.A.	--	--	--	--	
DE BENEDETTI MARCO	Director	CIR S.p.A.	--	--	--	--	
GIANNINI SILVIA	Director	CIR S.p.A.	--	--	--	--	
GRIECO PATRIZIA	Director	CIR S.p.A.	--	--	--	--	
MICOSSI STEFANO	Director	CIR S.p.A.	--	--	--	--	
PISTAUER MICHAEL	Director	CIR S.p.A.	--	--	--	--	
RECCHI CLAUDIO	Director	CIR S.p.A.	--	--	--	--	
TABELLINI GUIDO	Director	CIR S.p.A.	--	--	--	--	
MANZONETTO PIETRO	Chairman of the Board of Statutory Auditors	CIR S.p.A.	--	--	--	--	
ALLIEVI ANNA MARIA	Statutory Auditor	CIR S.p.A.	--	--	--	--	
ZINGALES RICCARDO	Statutory Auditor	CIR S.p.A.	--	--	--	--	
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES		CIR S.p.A.	242,739	--	--	242,793	

(1) Shares that are all owned: of which 1,007,746 owned directly, 5,200,00 owned indirectly through the company Rodolfo De Benedetti Società Semplice and 2,000,000 indirectly through the company Rodolfo De Benedetti S.r.l..

PROPOSED RESOLUTION

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

Dear Shareholders,

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

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

Proposed resolution

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

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

ADOPTS A RESOLUTION

in favour of the content of Section I of the Compensation Report approved by the Board of Directors at the meeting held on March 11 2019.