



**ORDINARY AND EXTRAORDINARY GENERAL MEETING
OF THE SHAREHOLDERS**

Single call – April 24 2020 - at 11.00 a.m.

CIR S.p.A.

Via Ciovassino n. 1 - Milan

Report on the Item 3) on the Agenda

**DETERMINATION OF THE NUMBER OF DIRECTORS, APPOINTMENT OF THE MEMBERS OF THE
BOARD OF DIRECTORS FOR THE YEARS 2020-2022 AND DECISION AS TO THEIR FEES**

CIR S.p.A.

Via Ciovassino, 1 – 20121 Milano – **T** + 39 02 722701

Capitale sociale € 638.603.657 – R.E.A. n 1950090

Iscrizione R.I. di Milano Monza Brianza Lodi / C.F. / P.I. n. 01792930016

Società soggetta all'attività di direzione e coordinamento della F.LLI DE BENEDETTI S.p.A.

Via del Tritone, 169 – 00187 Roma – **T** +39 06 692055.1



DETERMINATION OF THE NUMBER OF DIRECTORS, APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS FOR THE YEARS 2020-2022 AND DECISION AS TO THEIR FEES

Dear Shareholders,

On March 11 2019, CIR and COFIDE signed the Merger Agreement that regulates and governs, among other things, the preparatory and/or functional activities necessary to implement the Merger, the provisional management of the Participant Companies and the corporate governance of the company resulting from the Merger.

In particular, on the subject of corporate governance, the parties agreed on a transitional clause in the Company Bylaws on the strength of which the Board of Directors of the incorporating company Cofide will lapse automatically on the date on which the merger is completed, with the obligation to call without delay an Ordinary General Meeting of the Shareholders to elect a new Board of Directors, with the aim of benefiting from the experience and professional competences present in the administrative bodies of the two companies.

On February 3 2020 the deed of merger was signed and will take effect as from February 19 2020.

The Shareholders' Meeting of your company is called upon to:

- a) Determine the number of board members
- b) Establish their fees
- c) Appoint the Directors using the list vote method.

We would remind you of the terms of Art. 11 of the Company Bylaws, which for ease of reference we have reproduced below:

"1. The Company is administered by a Board of Directors comprising from five to twenty-one members, who need not necessarily be shareholders, the length of whose mandate shall be determined by the Meeting of the Shareholders but shall not in any case be more than three years, and the said members can be re-elected.

2. The Shareholders' Meeting shall decide on the number of Board Members and this number shall remain the same until a resolution changing the number has been adopted.

3. Minority Shareholders are entitled to elect one member of the Board of Directors.

4. The Board of Directors is elected by the Shareholders' Meeting on the basis of lists presented by the Shareholders which list the candidates in numerical order. The lists, signed by the Shareholders who have presented them, must be filed within the terms and following the procedures prescribed by applicable legislation.

5. Only Shareholders who alone or together with other shareholders represent at least a fortieth part of the share capital or any different percentage that may be decided upon in accordance with the law or with regulations, can present lists of candidates. They must be able to prove that they own the number of shares required within the terms and following the procedures laid down in legislation applicable.

6. Lists which include a number of candidates equal to or higher than three must include candidates belonging to both genders, in at least the proportion specified in current legislation on the subject of gender



balancing.

7. Any lists presented that do not comply with these instructions shall be considered as not having been presented.

8. No Shareholder can present or contribute to the presentation of more than one list, even indirectly through a third party or a fiduciary company. Shareholders subject to the same control, in accordance with Art. 93 of the Financial Intermediation Consolidation Act, or those taking part in the same shareholder pact for voting purposes may present or contribute to the presentation of just one list.

9. Each Shareholder can vote for just one list.

10. Each candidate can stand only in one list otherwise he or she cannot be elected.

11. Together with the presentation of the list, and with the same time frame as the latter, declarations shall be presented in which the candidates accept their candidature and certify under their own responsibility that there are no reasons why they should not be elected nor is there any incompatibility prescribed by law and by current regulations for Members of Boards of Directors. A curriculum vitae must also be submitted with the personal and professional details of the candidate and details of any other positions of director or auditor held in other companies and whether he or she has the necessary requisites to be an independent Director in accordance with the terms of the law and with regulations.

12. Any incompleteness or irregularity regarding individual candidates will lead to the elimination of their names from the list that will be put to the vote.

13. In order to be able to appoint the candidates indicated, the lists presented and put to the vote must obtain a percentage of the votes that is at least half of the percentage required by the terms of this article for presenting the same lists. If this is not the case, any such list will not be taken into consideration.

14. To elect the members of the Board of Directors the following procedure will be used:

a. From the list which obtains most votes at the Shareholders' Meeting all of the board members shall be drawn except for one and this shall be on the basis of the order in which the names appear on the list;

b. The other director will be the first name on the list that obtains the second most votes and must not be connected in any way, not even indirectly, to the Shareholders who presented and voted for the first list that received the most votes.

When application of the procedure described in a) and b) above does not give the gender balance required by current legislation, the last director elected from the list that obtained the most votes belonging to the most represented gender shall lapse and shall be replaced by the first candidate not elected from the same list belonging to the least represented gender, in compliance with the requirements of the law. Otherwise, the Shareholders' Meeting shall make up the number of the administrative body with the majorities required by law, ensuring compliance with the terms of the law.

15. All the Directors elected must possess the requisites of integrity and professionalism required by current rules. If they do not have these qualities appointment will lapse.

16. In the event that only one list is presented for the vote, all the Directors shall be drawn from that list.

17. In the event that no lists are presented or that fewer Directors are elected than the number determined by the Shareholders' meeting, then the same Shareholders must be reconvened in order to appoint the full Board of Directors.

18. When one or more Directors needs to be replaced due to a resignation or some other reason, the procedure as per Art. 2386 of the Civil Code will be followed, ensuring that all the requisites applicable are complied with."



With reference to paragraph 5 of Art. 11 of the Company Bylaws, we should inform you that Consob, with its Executive Decision no. 30 of March 06 2020, specified 2.50% of the share capital as the minimum percentage for presenting a list of candidates.

We would remind you that on January 1 2020 Law no. 160 of 27/12/2019 took effect. This has, among other things, changed Art. 147-ter paragraph 1-ter of D.Lgs. no. 58 of 24/2/1998 to the effect that the proportions of the directors to be elected must be calculated in such a way as to ensure that the least represented gender obtains at least two fifths of the directors elected.

We would like to remind you that the lists must be filed with the registered office or be sent to the certified email address segre@legalmail.it by March 30 2020. The said lists will be published through the eMarket STORAGE service and on the website www.cirgroup.com by April 2 2020.

Shareholders other than the controlling shareholder who intend to present a list are asked to consult the recommendations given by Consob in its Communiqué no. DEM/9017893 of 26/2/2009 that can be found on the website www.consob.it.

In consideration of the terms of Art. 125-ter of D.Lgs. 58/1998 and subsequent amendments and additions to the same (T.U.F.) on the subject of the need to make the proposed resolutions available, your Board took it upon itself to ask the controlling Shareholder of its intentions on the subject of fees and the number of the members for the Board of Directors.

The controlling Shareholder informed the Board of its intention to reserve the right to subsequently establish the number of members of the Board of Directors in a range of between ___ and ___, and to submit the following proposals to the approval of the Shareholders:

- To establish ___ (a number between ___ and ___)* as the number of members of the Board of Directors;
- To establish euro 20,000 per year gross *pro-rata-temporis* as the fee to which each Member of the Board of Directors is entitled, as per the terms of Art. 2389, paragraph 1, of the Civil Code;
- To allow the Directors thus appointed to hold other positions, as per the terms of Art. 2390, paragraph 1, of the Civil Code.

Given the above, your Board is submitting to your approval the following two draft resolutions:

1) In relation to the determination of the number of members of the Board of Directors

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

- having acknowledged the report of the Board of Directors
- having taken due note of the proposal made by the Shareholder F.LLI DE BENEDETTI S.p.A.
- bearing in mind the terms of the law and of the Bylaws

RESOLVES

- To establish ___ (a number between ___ and ___)* as the number of members of the Board of Directors for the years 2020-2022, i.e. until the AGM that will examine the Financial Statements for the year ended December 31 2022;
- To allow the Directors thus appointed to take on other positions, as per the terms of Art. 2390 of the Civil Code.”



2) In relation to the fees of the Directors:

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

- having acknowledged the report of the Board of Directors
- having taken due note of the proposal made by the Shareholder F.LLI DE BENEDETTI S.p.A.
- bearing in mind the terms of the law and of the Bylaws

RESOLVES

- to assign to each member of the Board of Directors a gross annual fee of Euro 20,000 on a *pro-rata-temporis* basis, as per the terms of Art. 2389, paragraph 1, of the Civil Code”.

Lastly, we should remind you that you must either vote for one of the lists presented or abstain, say that you are against all the lists or else not take part in the vote at all.

* the number that will be set by the Shareholders based on the lists presented, taking into account that the Company Bylaws allow a minimum of 5 and a maximum of 21 Board members.