

**PROPOSAL TO SUPPLEMENT  
THE POWER TO ISSUE CONVERTIBLE BONDS OR BONDS WITH  
WARRANTS ATTACHED ASSIGNED TO THE BOARD OF DIRECTORS BY  
THE EXTRAORDINARY MEETING OF THE SHAREHOLDERS HELD ON  
APRIL 30 2009 AS PER THE TERMS OF ART. 2420-TER OF THE CIVIL CODE**

Dear Shareholders,

On April 30 2009 a proposal was made to you, among other things, that the Board of Directors be given the power – for a period of 5 years - to issue convertible bonds or bonds with warrants attached, either once or more than once, for a period of five years, the amount of which shall not at the issuance date exceed the limits established by current legislation.

The very positive performance of the equity markets in 2009 generated strong demand by institutional investors for equity linked issues, i.e. issues having a fixed-rate bond component combined with a convertibility option correlated with the forward prices of the stock that they are combined with.

2009 was in fact the year that saw the best ever performance in the history of this asset class, with average gains for investors in the region of 40% and the strategy of investing in convertible instruments was the most profitable one last year.

The extreme liquidity of the market makes this kind of investment very popular and there is a lot of demand this year too, which enables issuers to benefit from significant forward premiums in the region of 30-35% of current market prices.

On the other hand, the interest rate curve, still at all-time lows for maturities of up to 5 years, and the credit spreads of corporate issuers, which have narrowed considerably in recent months, make it possible to take advantage of funding at extremely interesting conditions, benefiting from the equity component contained in the instrument.

The fact that the issuance of convertible bonds approved by the Board of Directors may take place even with the exclusion of the option right is therefore justified on the one hand by the above-mentioned opportunities offered by the financial markets and on the other hand by the Company's need to be equipped with all the juridical instruments that the law allows to meet any financial needs arising by having timely access to forms of funding that are particularly advantageous.

We therefore propose that the powers assigned by the cited Extraordinary Meeting of the Shareholders held on April 30 2009 be supplemented so that the Board of Directors may approve the issuance of convertible bonds and bonds with warrants attached even with the exclusion of the option right in favour of the Shareholders, thus in favour of institutional investors and on the condition that the share capital increase reserved for the conversion of the bonds does not exceed the limit of ten percent of the share capital on the date of the resolution.

The other terms and conditions contained in the above-mentioned resolution adopted by the Extraordinary Meeting of the Shareholders on April 30 2009 remain unchanged and in particular the term of five years for the exercise of this power, starting from the same date of April 30 2009.

On the basis of the above, we would ask you to approve the following resolution:

“The Extraordinary Meeting of the Shareholders of CIR S.p.A:

- having seen the proposals of the Board of Directors
- duly acknowledging that the current share capital of Euro 395,058,633.50 is fully paid up, as is confirmed by the Board of Statutory Auditors
- having recalled the resolution of the Extraordinary Meeting of the Shareholders of April 30 2009

#### RESOLVES

- 1) To supplement the power assigned to the Board of Directors, in accordance with the terms of Art. 2420-ter of the Civil Code, by the Extraordinary Meeting of the Shareholders on April 30 2009 – as per the minutes drawn up on that date by Notary Public Giancarlo Grassi Reverdini of Turin no. 95029/26777 – in order to give the Board the right to issue, either once or more than once, even without the option right, in which case in favour of institutional investors, convertible bonds or bonds with warrants attached, even in foreign currencies, where the law permits, with the related share capital increase – within the limit of ten per cent of the existing share capital if the option right is not included – up to an amount which, taking into account the bonds in circulation on the date the issue is approved, shall not exceed the limits established by regulations in force at the moment the board resolution is adopted.
- 2) To amend Article 4 letter d) of the Company Bylaws as follows:

<i>Current text</i>	<i>Proposed text</i>
SHARE CAPITAL – SHARES	SHARE CAPITAL – SHARES
Article 4	Article 4
a) <i>(unchanged)</i>	a) <i>(unchanged)</i>
b) <i>(unchanged)</i>	b) <i>(unchanged)</i>
c) <i>(unchanged)</i>	c) <i>(unchanged)</i>

d) For a period of five years starting from April 30 2009 the Board of Directors has the right to issue, once or more than once, convertible bonds or bonds with warrants attached, which may also be in a foreign currency, if permitted by law, with a corresponding increase in share capital up to an amount which, taking into account the bonds in circulation at the date on which the issuance is approved, shall not exceed the limits established by regulations in force at that time.

And more in general the Board also has the right to define the procedures, terms and conditions of the bond issuance and the rules governing such issuance.

d) For a period of five years starting from April 30 2009 the Board of Directors has the right to issue, once or more than once, even without the option right, and in this case in favour of institutional investors, convertible bonds or bonds with warrants attached, which may also be in a foreign currency, if permitted by law, with a corresponding increase in share capital – within the limit of ten per cent of the existing share capital if the option right is not included – up to an amount which, taking into account the bonds in circulation at the date on which the issuance is approved, shall not exceed the limits established by regulations in force at that time.

And more in general the Board also has the right to define the procedures, terms and conditions of the bond issuance and the rules governing such issuance.

- 3) To give the Board of Directors and for the Board the Chairman and the Chief Executive Officer in office, severally, the broadest powers to implement the resolutions adopted.
- 4) To give the Chairman of the Shareholders' Meeting and the Chief Executive Officer, severally, the broadest powers to make any changes to this resolution that may be required by the competent Authorities, provided that they are only of a formal nature”.