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**Proposal to renew the Directors' powers, under Art. 2443 of the Italian Civil Code, to increase the share capital against consideration, in once or more times, pursuant to Art. 2441, clause 8 of the Italian Civil Code, for a maximum nominal amount of Euros 910,000 by issuing 350,000 ordinary and/or savings shares to be reserved to Company employees and to the employees of the subsidiaries, under current laws and regulations. Related and consequent resolutions. Assignment of relevant powers.**

Dear Shareholders,

By today's shareholders' meeting expires the authorization granted on April 28<sup>th</sup> 2006, pursuant to Art. 2443 of the Italian Civil Code, empowering the Board of Directors to increase the share capital against consideration, in once or more times, within the period of 5 years of the resolution, up to a maximum amount of Euros 910,000, by issuing shares reserved, pursuant to Art. 2441, clause 8 of the Italian Civil Code, to the Stock option plan for company employees and employees of the subsidiaries.

To execute the foregoing "Stock option plan", 390,294 options were assigned, overall, up to December 31<sup>st</sup> 2010. In 2011, 34,200 options were assigned with reference to the net income achieved in 2010, bringing the total number of options assigned to 424,494.

As of today, 39,720 options have been exercised.

The main features of the "Stock Option Plan for Managers" are detailed in the "Directors' Report" in the paragraph: "Bonus plans for Directors and Managers".

In order to allow the exercise the assigned stock options, it is appropriate for the Extraordinary Shareholders' Meeting to grant to the Board of Directors the power to increase the share capital, authorization to be exercised within a five-year period, to serve exclusively the stock option Plan, corresponding to a maximum amount of Euros 910,000 by issuing 350,000 ordinary and/or savings shares with a face value of Euros 2.60 each, corresponding to approximately 0.908% of the share capital.

As indicated in the Plan, the new shares to be issued will have the features of the outstanding shares and will have a regular dividend entitlement. Accordingly, the Extraordinary Shareholders' Meeting will be called to amend Art. 5 of the Company Bylaws related to the share capital.

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Dear Shareholders,

If you agree with our proposal, we invite you to resolve upon the following resolution:

"The Extraordinary Shareholders' Meeting of Italmobiliare S.p.A. held on May ..... 2011,

- duly acknowledged the proposal presented by the Board of Directors,
- having considered that this proposal is of interest to the Company,
- having examined and approved the project of the Stock Option Plan for Managers with the characteristics described above
- having acknowledged the statement issued by the Board of Statutory Auditors that the current share capital amounting to Euros 100,166,937 is fully subscribed and paid-up

**resolves**

1) to grant to the Board of Directors

- the right, pursuant to Art. 2443 of the Italian Civil Code, to increase the share capital against consideration, in once or more times, within five years from the date of this

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resolution and for a maximum amount of Euros 910,000, by issuing a maximum of 350,000 Italmobiliare ordinary and/or savings shares, with a face value of Euros 2.60 each, to be reserved to the employees of Italmobiliare S.p.A. and the employees of its subsidiaries in Italy and abroad, pursuant to Art. 2441, clause 8 of the Italian Civil Code and under current laws and regulations in the countries where the beneficiaries are located;

- consequently, the right to establish the shares' entitlement rights, to determine the corresponding time periods, the methods, features and the terms and conditions of the offer to the employees and to establish the issue price of the shares, all in compliance with the terms and conditions envisaged in the "Stock Option Plan for Managers", including the premium, if any.
- 2) to substitute Art. 5 of the Company Bylaws (Share Capital), penultimate clause, with the following:
- "With the resolution made on May .... 2011, the Extraordinary Shareholders' Meeting granted to the Board of Directors,
- the right, pursuant to Art. 2443 of the Italian Civil Code, to increase the share capital against consideration, in once or more times, within five years from the date of this resolution for a maximum amount of Euros 910,000, by issuing a maximum of 350,000 Italmobiliare ordinary and/or savings shares, with a face value of Euros 2.60 each, to be reserved to the employees of Italmobiliare S.p.A. and to the employees of its subsidiaries in Italy and abroad, pursuant to Art. 2441, clause 8 of the Italian Civil Code and under current laws and regulations in force in the countries where the beneficiaries are located;
  - consequently, the right to establish the shares' entitlement rights, to determine the respective time periods, the methods, the features and the terms and conditions of the offer to the employees and to establish the issue price of the shares, all in compliance with the terms and conditions envisaged in the "Stock Option Plan for Managers", including the premium, if any;
- 3) to severally grant to the Chairman-Chief Executive Officer, Deputy Chairman and Director-Chief Operating Officer, *pro-tempore* in office, the right to amend the numerical details expressed under Art. 5 of the Company Bylaws concerning the share capital, with full legal effect;
- 4) to severally grant to the Chairman-Chief Executive Officer, on the Deputy Chairman and on the Director-Chief Operating Officer, *pro-tempore* in office, the broadest powers to introduce, to the resolution passed, all the amendments, adjustments, integrations which may be necessary or which may be requested by the competent Authorities, if any.

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Accordingly, the new text of Art. 5 of the Company Bylaws will be as follows:

## **Article 5** **(Share capital)**

The share capital is Euros 100,166,937 (in words: one hundred million, one hundred and sixty-six thousand nine hundred and thirty-seven), broken down into 22,182,583 (in words: twenty-two million, one hundred eighty-two thousand five hundred eighty-three) ordinary shares and 16,343,162 (in words: sixteen million, three hundred forty-three thousand one hundred and sixty-two) non-convertible savings shares, with a face value of Euros 2.60 each.

Implementing the decision taken by the Extraordinary Meeting dated June 18<sup>th</sup> 2007, Directors have the power so that they can, in once or more times, within the period of five years from the decision:

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- a) under art. 2443 of the Italian Civil Code, increase share capital in once or more times by a maximum amount of Euros 260 million, free-of-charge or against consideration, by issuing ordinary and/or savings shares, also to serve debenture loans issued by other institutions with the power to be converted into ordinary and/or savings shares of the company or that are combined with warrants for the subscription of ordinary and/or savings shares of the company;
- b) under art. 2420-ter of the Italian Civil Code, issue in once or more times bonds to be converted into ordinary and/or savings shares or with warrants to purchase ordinary and/or savings shares, up to a maximum overall amount of Euros 260 million, within the limits from time to time allowed by law with a subsequent share capital increase to serve the conversion or the exercise of the warrants.

All with the broadest powers connected to it, including those of offering the shares and convertible bonds or with a warrant under the form as per the penultimate clause of art. 2441 of the Italian Civil Code; reserve up to a quarter of them under art. 2441 of the Italian Civil Code, last clause; define the provisions and reserves to enter as capital in the event of free-of-charge increase; define issue price, conversion rates, terms and modes for the execution of the operations.

With the resolution made on May .... 2011, the Extraordinary Shareholders' Meeting granted to the Board of Directors,

- the right, pursuant to Art. 2443 of the Italian Civil Code, to increase the share capital against consideration, in once or more times, within five years from the date of this resolution for a maximum amount of Euros 910,000, by issuing a maximum of 350,000 Italmobiliare ordinary and/or savings shares, with a face value of Euros 2.60 each, to be reserved to the employees of Italmobiliare S.p.A. and to the employees of its subsidiaries in Italy and abroad, pursuant to Art. 2441, clause 8 of the Italian Civil Code and under current laws and regulations in force in the countries where the beneficiaries are located;
- consequently, the right to establish the shares' entitlement rights, to determine the respective time periods, the methods, the features and the terms and conditions of the offer to the employees and to establish the issue price of the shares, all in compliance with the terms and conditions envisaged in the "Stock Option Plan for Managers", including the premium, if any.

By means of a resolution dated June 18<sup>th</sup> 2007, the Extraordinary Shareholders' Meeting assigned to the Board of Directors:

- the right, under art. 2443 of the Italian Civil Code, to increase the share capital against consideration, in once or more times within the period of five years from the above resolution, for a maximum amount of Euros 910,000 (in words: nine hundred and ten thousand) by issuing a maximum of 350,000 (in words: three hundred and fifty thousand) Italmobiliare ordinary and/or savings shares, with a face value of Euros 2.60 (two point sixty) each, with the exclusion of the pre-emption right under art. 2441 of the Italian Civil Code, 5th clause, to serve the bonus plan reserved to the directors of the company and of subsidiaries vested with special powers in accordance with the articles of association or that have specific operative duties;
- the right, as a consequence, to establish the due date of the shares, to determine times, modes, features and terms of the offer and to establish the issue price of the shares, all in line with that envisaged in the "Stock option plan for directors", including the relevant premium, if any.

Milan, March 30<sup>th</sup> 2011

On behalf of the Board of Directors  
The Chairman  
(Giampiero Pesenti)