

# ITALMOBILIARE

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## **Proposal to repeal the powers granted to the directors, under article 2443 of the Italian Civil code, to increase the share capital in favor of Directors and Officers of the Company and its subsidiaries. Ensuing and consequent resolutions.**

Dear Shareholders,

The shareholders' meeting of June 18, 2007 granted to the Board of Directors the power, pursuant to article 2443 of the Italian civil code, to increase, in once or more times within five years of such resolution, the share capital against consideration up to a maximum amount of Euros 910,000 excluding the right of first refusal according to art. 2441, fifth paragraph of the Italian civil code, to serve the incentive plan for directors of the Company and the Company's subsidiaries who are vested with special offices in compliance with the Articles of association or who perform specific operating duties.

Moreover, the shareholders' meeting of May 25, 2011, renewed the Board of Directors power to increase the share capital against consideration, pursuant to art. 2443 of the Italian civil code, in once or more times within five years of such resolution for a maximum amount of Euros 910,000 to be reserved, according to art. 2441, eighth paragraph of the Italian civil code, to Italmobiliare S.p.A. employees or employees of the latter's subsidiaries, both in Italy and abroad.

The Company Board of Directors, in its meeting of March 25, 2011, resolved to do not proceed anymore with the granting of rights according to stock option plans for Directors and Officers and that, therefore, such plans should have been deemed closed except for the terms provided for each beneficiary to exercise the already granted options.

Thus, currently there's no more outstanding stock option plan, neither for Directors nor for Officers while as of today, according to the rights granted during the effective period of each Plan, repealed for the non executed part, no. 442,500 options on the Stock options plan for Directors and no. 384,774 options on the Stock options plan for Officers are exercisable.

Considering that the Company hold no. 871,411 ordinary treasury shares, which are sufficient to entirely satisfy any exercise of the options granted to both Directors and Officers, the repealed of the last two paragraph of art. 5 of the Company By-laws, is proposed; the text of art. 5 of the Company By-laws is reported below and takes into account also the resolution proposed according the previous item on the agenda of the extraordinary session.

<b>Current text</b>	<b>Proposed text</b>
<p style="text-align: center;"><b>Article 5</b> <b>Share capital</b></p> <p>The share capital is EUR 100,166,937 (one-hundred million one hundred sixty-six thousand nine hundred and thirty-seven), broken down into 22,182,583 (twenty-two million one hundred eightytwo thousand five hundred eighty-three) ordinary shares and 16,343,162 (sixteen million three hundred forty-three thousand one hundred sixty-two) non-convertible savings shares, with a face value of EUR 2.60 each.</p> <p>Implementing the decision taken by the Extraordinary Meeting dated June 18th 2007, Directors have the power so that they can, once or in various times, within the period of five years from the decision:</p> <p>a) under art. 2443 of the Italian Civil Code, increase share capital once or in various times by a maximum amount of EUR 260 million, free-of-charge or under a payment, by</p>	<p style="text-align: center;"><b>Article 5</b> <b>Share capital</b></p> <p>The share capital is EUR 100,166,937 (one-hundred million one hundred sixty-six thousand nine hundred and thirty-seven), broken down into 22,182,583 (twenty-two million one hundred eighty two thousand five hundred eighty-three) ordinary shares and 16,343,162 (sixteen million three hundred forty-three thousand one hundred sixty-two) non-convertible savings shares, with a face value of EUR 2.60 each.</p> <p>In execution of the extraordinary shareholders' resolutions of May _____, 2012, the Directors are granted with the powers, in once or more times within the period of 5 years of the resolution:</p> <p>a) under art. 2443 of the Italian Civil Code, to increase share capital once or in various times up to a maximum amount of Euros 260 million, free-of-charge or against</p>

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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 once or in various 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 EUR 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 widest powers connected to it, including those of offering the shares and convertible bonds or with a warrant according to 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 transactions.

With the resolution made on May 25 2011, the Extraordinary Meeting granted to the Board of Directors,

- the right, pursuant to Art. 2443 of the Italian Civil Code, to increase the share capital against payment, once or more times, within five years from the date of the 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 in compliance with the laws and regulations in force in the countries where the beneficiaries are located;
- consequently, the right to establish the dividend entitlement of the shares, to determine 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 Executives", including the premium, if any.

By means of a resolution dated June 18 2007, the Extraordinary Meeting assigned to the Board of Directors:

- the right, under art. 2443 of the Italian Civil Code, to increase the share capital against consideration, once or in various times within the period of five years from the above resolution, for a maximum amount of EUR 910,000 (nine hundred and ten thousand) by issuing a maximum of 350,000 (three hundred and fifty thousand) Italmobiliare ordinary and/or savings shares, with a face value of EUR 2.60 (two point sixty) each, with the exclusion of the right of first refusal under art. 2441 of the Italian Civil Code, 5th clause, to serve the incentive plan reserved to the

consideration, by issuing ordinary and/or savings shares, also to serve bonds issued by other entities convertible 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, to issue once or in various 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, in compliance with the terms and conditions established by the laws and regulations in force from time to time, with the consequent share capital increase to serve such conversion or the exercise of the captioned warrant.

All with the widest powers connected to it, including those of offering the shares and convertible bonds or with a warrant according to 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 transactions.

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directors of the company and of subsidiaries that hold specific positions in line with the by laws 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.

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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. of May\_\_\_\_\_, 2012,

- having acknowledged the proposal of the Board of Directors,

**hereby resolves**

- 1) to repeal the fourth and fifth paragraph of art. 5 of the Company By-laws;
- 2) to grant the Chairman-Chief Executive Officer, the Deputy Chairman and on the Director-Chief Operating Officer, in office, even severally, the broadest powers to make to the adopted resolutions any amendments, adjustments, supplements and additions that might be necessary or that might be requested by the competent Authorities.

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