

**2010**  
ANNUAL REPORT  
ON  
CORPORATE GOVERNANCE

(Translation into English of the original Italian version)



**ANNUAL REPORT ON THE SYSTEM OF  
“CORPORATE GOVERNANCE” AND COMPLIANCE  
WITH THE CODE OF CONDUCT OF LISTED COMPANIES**

– YEAR 2010 –

**Report on Corporate Governance and on the ownership structure**  
*(in accordance with art. 123-bis of the Consolidated Law on Finance –T.U.F.)*

The purpose of this report is to illustrate the model of corporate governance that SOGEFI S.p.A. (hereinafter the “Company”) adopted during the year 2010.

The company’s governance structure is based on the model of traditional administration and control. The system of corporate governance is pursuant to the advices included in the Code of Conduct (March 2006) arranged from the Committee for the Corporate Governance of the Listed Companies and promoted by Borsa Italiana S.p.A.

On October 19, 2010, the Board of Directors made some amendments to the Company’s By-laws in order to update them to the new irrevocable regulatory provisions introduced by Legislative Decree 27/2010 about the exercise of some rights by Shareholders in listed companies. Further updating of the Company’s By-laws to ensure compliance with the above-mentioned decree has been submitted by the Board of Directors for approval by the Extraordinary Meeting currently being called.

The report approved by the Board of Directors on February 24, 2011 is made available to Shareholders as part of the documents provided for the Shareholders’ Meeting called to approve the 2010 Financial Statements.

At the same time the report will be sent to Borsa Italiana for general publication and will also be available, together with other documents of interest to the market, on the Company’s web site [www.sogefi.it](http://www.sogefi.it), in the section “Investor Relations – Corporate Governance”.

**Information on ownership structure (ex art. 123-bis, paragraph 1, T.U.F.) as of December 31, 2010**

**a) Structure of share capital (ex art. 123-bis, paragraph 1, letter a), T.U.F.)**

The share capital of Sogefi S.p.A. is fully paid in and at December 31, 2010 amounts to € 60,546,195.84 split into 116,434,992 ordinary shares listed at Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. of Milan – STAR segment.

All the ordinary shares have the same rights and obligations.

Attached to the notes to the financial statement of the company and in the document published pursuant to art. 84-bis of the Consob Issuers’ Regulations it is possible to find the information related to the stock option plans that involve share capital increases.

These documents are available on the Company website in the sections “Investor relations” and “Press area”.

**b) Restrictions on the transfer of shares (ex art. 123-bis, paragraph 1, letter f), T.U.F.)**

The company’s shares are freely transferable, with the exception of some restrictions applicable to determined group of people for limited periods of time, as per Code of Conduct concerning Internal Dealing published on the company’s website in the section “Investor relations – Corporate Governance”.

**c) Relevant shareholding (ex art. 123-bis, paragraph 1, letter c), T.U.F.)**

The shareholders, that in the last resort, hold directly or indirectly more than 2% of the capital with the right of voting, fully paid at December 31, 2010, are:

Carlo De Benedetti (through CIR S.p.A.): 56.46%

Bestinver Gestion SA SGIIC (as manager of some funds): 7.15%

Bosio Emanuele: 3.06%

Germano Giovanni: 2.59% (of which 0.86% through Siria S.r.l.)

**d) Shares granting special rights (ex art. 123 bis, paragraph 1, letter d), T.U.F.)**

The Company has not issued shares with special rights.

**e) Shareholding of employees: mechanism to exercise the voting right (ex art. 123-bis, paragraph 1, letter e), T.U.F.)**

No specific particular mechanisms to exercise of the voting right are in place concerning the participations from employees.

**f) Restrictions on the voting right (ex art. 123-bis, paragraph 1, letter f) T.U.F.)**

The Company’s By-laws doesn’t provide limits to the voting right.

**g) Agreement between Shareholders (ex art. 123-bis, paragraph 1, letter g) T.U.F.)**

The Company is unaware of agreements between shareholders in accordance with art. 122 T.U.F.

**h) Change of control clauses (ex art. 123-bis, paragraph 1, letter h) T.U.F.)**

In the below mentioned financial agreements entered into by Sogefi S.p.A. “change of control” clauses are provided, whose effects are:

Financing with Intesa San Paolo S.p.A.: option of withdrawal for the issuing bank.

Financing with Unicredit Corporate Banking S.p.A.: obligation of early prepayment of the debt.

Syndicated loan 2008: check of the purposes for the prosecution of availability of the contract in relation to the rating of entity taking control.

Financing with Banca Europea per gli Investimenti (BEI): option of withdrawal for the issuing bank.

**i) Indemnity to Directors in the event of resignation, dismissal without good cause and interruption of work contract as a result of a public offer (ex art. 123-bis, paragraph 1, letter i) T.U.F.)**

No indemnities are in force for Directors in case of resignation, dismissal without good cause and interruption of work contract as a result of public offer.

**l) Appointment and replacement of Directors and by-laws amendments (ex art. 123-bis, paragraph 1, letter l) T.U.F.)**

See point 6) of the Report for the appointment and replacement of Directors.

For the amendments of the by-laws the provisions of the law are applied.

**m) Delegation of power to increase the share capital and authorizations to buy back of own shares (ex art. 123-bis, paragraph 1, letter m) T.U.F.)**

The Board of Directors may for a period of five years from the date of the registration in the Register of Enterprises (May 29, 2009) of the Shareholders' Meeting resolution of April 23, 2009 increase the share capital on one or more occasions by a maximum amount of € 250,000,000 nominal value by issuing shares with or without a share premium, including special categories of shares (preference, savings, with special benefits) to be offered for subscription and/or used for warrants or for the conversion of bonds, including those issued by third parties, both in Italy and abroad, or to be assigned free of charge to those so entitled via the transfer to capital of the distributable portion of equity reserves reported in the latest approved financial statements.

Furthermore, the Board of Directors may, for a period of five years from the same date increase the share capital on one or more occasions by a now residual maximum total of Euro 5,200,000 (five million two hundred thousand) nominal value by issuing up to 10,000,000 (ten million) shares with or without a share premium, reserved for subscription by the Directors and employees of the Company and its subsidiaries pursuant to art. 2441, V and last paragraph, of the Italian Civil Code; the Board also has the right to set the issue price, the subscription requirements and limits on the availability of the shares, as well as, in general, the terms and conditions of the subscription.

The Board of Directors may, for the same period, issue bonds convertible into shares or carrying rights for the assignment of shares, on one or more occasions, in any currency, up to an amount which, having regard for the bonds in circulation at the date of approving the issue, does not exceed the limits established by law.

The Ordinary Shareholders meeting on April 20, 2010 authorized the Board of Directors, according to art. 2357 of the Civil Code, for a period of 18 months starting from the day after the meeting deliberation, to buy back 4 million own shares for the amount of € 2,080,000 nominal value (including already owned shares) that cannot exceed the fifth part of the share capital.

The purchase should be at a price not lower than 10% and not higher than 10% of the listed price registered in Borsa before every operation.

At December 31, 2010 the Company had n.1,956,000 treasury shares equal to 1.68 % of the shares capital.

**n) Policy guidance and coordination (ex art. 2497 and thereafter of the Civil Code)**

The Company is subject to policy guidance and coordination by its parent company CIR S.p.A., pursuant to art. 2497 and thereafter of the Civil Code.

## **COMPLIANCE AND OTHER INFORMATION (ex art. 123-bis, paragraph 2, T.U.F.)**

### **a) Compliance with a code of conduct regarding the corporate governance (ex art. 123-bis, paragraph 2, letter a), T.U.F.)**

The Company complies with the Code of Conduct (March 2006 edition) prepared by the Committee for the Corporate Governance of the listed Companies promoted by Borsa Italiana S.p.A., available on the web site [www.borsaitaliana.it](http://www.borsaitaliana.it).

### **b) Main characteristics of the risks management and internal control systems existing in relation to the financial disclosure process (ex art. 123-bis, paragraph 2, letter b), T.U.F.)**

This information is shown at point 8) of the Report “Internal Control System”.

### **c) Working mechanisms of the Shareholders’ Meeting, main powers and rights of the Shareholders and procedures for their exercise (ex art. 123-bis, paragraph 2, letter c) T.U.F.)**

See explanation in point 12) of the Report “shareholders’ meetings”.

### **d) Composition and working of the administrative and control bodies and of their committees (ex art. 123-bis, paragraph 2, letter d), T.U.F.)**

See explanation in the sections of the Report relating to the Board of Directors (points 1 and 2), to the Statutory Auditors (point 10) and to the Committees (points 5, 7 and 8).

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## **1) ROLE OF THE BOARD OF DIRECTORS (ex art. 123-bis, paragraph 2, letter d), T.U.F.)**

The Company is administered by a Board of Directors comprised of between five and fifteen members. They are appointed by the General Meeting of Shareholders for a fixed term which may not exceed three years and are eligible for re-election. (art. 17 of the Company’s By-laws). According to article 23 of the Company’s By-laws, the Board of Directors exercises the widest powers of ordinary and extraordinary administration and has the power to perform all the acts deemed appropriate in carrying out all the activities comprising or instrumental to the achievement of the corporate objects, except for those powers which the law or these By-laws reserve specifically for the Shareholders in General Meeting.

Accordingly, the Board of Directors may resolve to reduce share capital in the case of withdrawal by Shareholders, to amend the By-laws in order to comply with compulsory legislation, to transfer the registered offices within Italy, and to absorb subsidiaries that are wholly owned or whose capital is at least 90% owned, in compliance with arts. 2505 and 2505 bis of the Italian Civil Code.

Therefore, in compliance with the provisions of art. 1 of the Code of Conduct, the Board of Directors:

- examines and approves the strategic, industrial and financial plans of the Company and the group it heads, the Company's system of corporate governance and the structure of the group itself;

- assesses the adequacy of the organizational, administrative and general accounting structures of the Company and strategic subsidiaries put in place by the Managing Directors, and in particular the system of internal control and management of conflicts of interest;
- grants and revokes powers to the Managing Director and defines the schedule (normally quarterly) by which the holding mandate should report to the Board on activities performed in the exercise of said powers;
- determines the remuneration of the Managing Director and those appointed to special positions, based on the proposals of the Remuneration Committee and after consulting the Board of Statutory Auditors;
- supervises the Company's operations, taking into account, in particular, information received from the Managing Director and the Internal Control Committee;
- examines and approves in advance operations by the Company and its subsidiaries of significant importance from an economic, financial or capital standpoint, taking the necessary decisions (with respect for the subsidiaries' operational independence).

Operations of significant importance means those of particular strategic impact for the Group's profits, balance sheet and consolidated financial situation and the medium/long term commitments ensuing from them.

- assesses, at least once a year, the size, composition and workings of the Board and its committees, making proposals where necessary on any professional figures whose presence on the Board might be valuable.

The Directors act and make decisions on an independent basis with full knowledge of the circumstances. They accept the office if they believe they can dedicate the time necessary for the diligent performance of their duties, taking into account any other positions they might hold as Directors or Statutory Auditors of other listed companies or in financial, banking, insurance or major companies. They are also required to inform the Board of Directors of any activity done by themselves in competition with the Company and any relevant changes to their offices.

The Board of Directors did not deem it appropriate to establish a maximum number of accumulable offices for each Director, reserving the right to assess each case.

On April 20, 2010, the Board of Directors of the Company, convened at the end of the Shareholders' Meeting, appointed as Chairman, Mr. Rodolfo De Benedetti and as Managing Director, Mr. Emanuele Bosio and granted:

- to the Chairman of the Company, Mr. Rodolfo De Benedetti: the company representation before third parties and in court and more power of ordinary and extraordinary administration to be exercised by single signature except for those by laws for the Shareholders' Meeting or the Board of Directors;
- to the Managing Director of the Company, Mr. Emanuele Bosio, the wider powers of management

and representation, in order that he might superintend the ordinary management of the Company, performing all those acts relating to operative management, necessary or useful for the proper carrying out of Company business and for the achievement of the corporate purposes, and represent the Company with separate signature, before any Authority, as well as before all public and private Offices and third parties in general, in all ordinary management business. Furthermore, the Managing Director has also been granted the special office of promoting, planning and addressing, on the basis of the strategies defined by the Board of Directors, studies and projects aimed at valorising the assets of the Company and identifying new business growth and development opportunities.

## 2) COMPOSITION OF THE BOARD OF DIRECTORS (ex art. 123-bis, paragraph 2, letter d) T.U.F.)

The Board of Directors in office, appointed by the Shareholders' meeting on April 20, 2010, is composed as follows:

Name	Office	In office from	In office until	List	Executive	Non executive	Independence Code of Conduct	Independence T.U.F.	% BoD	Other offices
De Benedetti Rodolfo	Chairman of the Board of Directors	20.4.2010	31.12.2012	M	X				100	6
Bosio Emanuele	Managing Director	20.4.2010	31.12.2012	M	X				100	-
Caprio Lorenzo	Director	20.4.2010	31.12.2012	M		X	X	X	100	7
Di Vieto Roberta	Director	20.4.2010	31.12.2012	M		X	X	X	100	-
Frigerio Dario	Director	20.4.2010	31.12.2012	M		X	X	X	100	1
Germano Giovanni	Director	20.4.2010	31.12.2012	M		X			60	1
Piaser Alberto	Director	20.4.2010	31.12.2012	M		X			100	3
Robotti Roberto	Director	20.4.2010	31.12.2012	M		X	X	X	100	4
Rocca Paolo Riccardo	Director	20.4.2010	31.12.2012	M		X	X	X	100	2

The Directors expired from the office on April 20, 2010 are:

De Benedetti Carlo	Honorary President and Director	20.04.2007	31.12.2009	M		X			40(*)	-
Brega Oliviero Maria	Director	20.4.2007	31.12.2009	M		X			100	-
Ferrero Pierluigi	Director	20.4.2007	31.12.2009	M		X			100	-
Girard Franco	Director	20.4.2007	31.12.2009	M		X			100	-
Ricci Renato	Director	20.4.2007	31.12.2009	M		X	X	X	100	-
Tesone Antonio	Director	20.4.2007	31.12.2009	M		X	X	X	50	-

(\*) Mr. De Benedetti attended the Board meetings as Director (until April 20, 2010) and as Honorary President.

Notes:

List: M/m: if the Director has been appointed from the list voted by the Majority or the minority.

Independent (Code and T.U.F.): indicates if the Director can be qualified as Independent according to the criteria stated in the Code of Conduct (March 2006 edition) and in the art. 148 paragraph 3 of the T.U.F.

% BoD: indicates the presence of the Director, in percentage, at the meetings of the Board of Directors held during the year.

Other offices: indicates the number of the offices held in other companies listed in market organized, in financial, bank, insurance or relevant dimension companies.

Mr. Carlo De Benedetti is Honorary President of the Company.

On April 18, 2000, the Board of Directors has appointed the Remuneration Committee and the Internal Control Committee and on October 19, 2010 the Committee for related party transactions, deciding that the members coincide with the members of the Internal Control Committee.

In the following chart there is the current composition of the above mentioned Committees with the indication, in percentage term, of the presence of each member at the relative meetings:

<i>Name</i>	<i>Office</i>	<i>Remuneration Committee</i>	<i>% RC</i>	<i>Internal Control Committee</i>	<i>% ICC</i>	<i>Committee for related party transactions</i>
Caprio Lorenzo	M			X	100	X
Di Vieto Roberta	M			X	100	X
Frigerio Dario	M	X	100			
Robotti Roberto	M	X	100	X	100	X
Rocca Paolo Riccardo	M	X	100	(*)	100	

(\*) the office of member of the Internal Control Committee has expired on April 20, 2010.

The Directors, members of the Internal Committees, expired from the office on April 20, 2010, are:

De Benedetti Carlo	M	X	-			
Tesone Antonio	M	X	100	X	100	

Notes:

Office in the Remuneration Committee, Internal Control Committee and in Committee for related party transactions: "P" means President, "M" other members.

% RC: indicates the presence of the Director, in percentage, at the meetings of the Remuneration Committee held during the year;

% ICC: indicates the presence of the Director, in percentage, at the meetings of the Internal Control Committee held during the year.

The Board of Directors, appointed by the Shareholders' meeting on April 20, 2010 is composed of nine Directors of whom two are executive (the Chairman and the Managing Director) and seven non-executive.

In terms of their number and prestige, the non-executive Directors are such as to guarantee a significant contribution to Board decision making; they bring their own specific skills to Board debates and helping make decisions in the interests of the company.

The number of "Independent Directors" is such as to permit the setting up of an Internal Control Committee made up exclusively of Independent Directors. The composition of the Company's Board of Directors is such as to ensure a sufficient level of operational autonomy and hence maximization of its economic and financial objectives.

The Chairman of the Board of Directors, supported by the Managing Director, has stated in the last years a process to involve the entire Board even more in the guidance of the Company's business, ensuring that each Director is supplied with all the information necessary to make his/her own personal contribution to the achievement of the Company's goals.

As part of this process, at board meetings throughout 2010 the Directors were kept abreast of the goals and strategies and of the main management choices pursued by Sogefi S.p.A. and Sogefi Group.

In compliance with the provisions of the Code of Conduct, on October 19, 2006 the Board of Directors appointed Mr. Paolo Riccardo Rocca as Lead independent Director to represent the non-executive Directors (and, in particular, the Independent Directors). This will allow them to make a greater contribution to the activity and workings of the Board itself.

The Lead independent Director will work with the Chairman to ensure that the Directors receive the necessary flows of information in a full and timely manner. The Lead independent Director also has the power to convene, either independently or on the request of the other Directors, specific meetings of Independent Directors to discuss issues of interest to the work of the Board of Directors or company management.

The Board of Directors discloses annually the positions as Director or Statutory auditor held by Directors in listed companies or in financial, banking, insurance or major companies holding office (attachment A).

In occasion of their nominee (April 2010) the Directors have deposited the declarations attesting the cause of ineligibility and incompatibility provided by the law, the possession of professional and honourableness qualifications required by the law in force and by the Company's By-laws.

The appointed Directors have been drawn from a single list deposited, presented by the Shareholder CIR S.p.A. owner, at the date of the Shareholders' meeting, of a participation equal to 56,59% of the share capital.

The main personal characteristic of each Director are in the curriculum vitae published in the Company web site and attached to this Report.

Under articles 19, 20 and 21 of the Company's By-laws, the Board meets at the registered offices or elsewhere when called by the Chairman or his deputy; meetings are usually held every three months and, in any event, whenever necessary in the interests of the Company or when requested by two Directors.

Board meetings may also be called by the Board of Statutory Auditors or by at least one of its members, after informing the Chairman of the Board of Directors. Meetings are called by registered letter, telegram, fax or e-mail received at least five days prior to the date fixed for the meeting or, in urgent cases, at least one day beforehand.

Board meetings and their resolutions remain valid when held by telephone or videoconference call, even without formal convocation, provided they are attended by a majority of the current Directors and Acting Statutory Auditors, all those having rights to participate having been informed in advance of the meeting and sufficiently informed on the matters for discussion.

Resolutions adopted by the Board of Directors are valid if a majority of the current members are present. Resolutions are adopted by a majority vote of those present; in the case of a tie, the vote of the Chairman or the chairman of the meeting shall prevail.

Meetings of the Board of Directors may be held by telephone conference call on condition that all the participants can be identified and that they are able to follow the proceedings, take part in real time in discussions about the matters on the agenda, and receive, transmit or examine documentation.

In such circumstances, the meeting is deemed to be held at the location where both the Chairman and the Secretary are present. The Secretary prepares the minutes which are then signed by both of them.

The Directors report to the Board of Directors and the Board of Statutory Auditors on a timely basis about their activities and the principal transactions carried out by the Company, as required by law.

Such reports are made verbally at least every quarter during Board or Executive Committee meetings, or by written and/or verbal and/or telephone communications to the Chairman of the Board of Statutory Auditors, if particular requirements for timeliness make this preferable.

The Directors must inform the other Directors and the Board of Statutory Auditors of all interests they may have in a given transaction, whether personally or on behalf of third parties, as required by current legislation.

In practice the recommendations of the Code of Conduct are applied:

- the Chairman calls Board meetings and makes sure all of its members are provided with the necessary documentation and information in good time before the meeting (except in an emergency) to gain a background knowledge of the issues on the agenda so that they can express an opinion and vote on them;
- the Chairman co-ordinates the activities of the Board and runs the meetings;
- the Board of Directors provides adequate information on the powers granted to the Chairman and to the other members of the Board of Directors.

In 2010 the Board of Directors met five times. The average duration of the meetings has been of about one hour. In 2011 five meetings have been scheduled, included the meeting of approval of this report. The Manager responsible for financial reports attends the meetings of the Board of Directors where it is necessary his presence.

In accordance with the Code of Conduct concerning the information that should be provided to the Board, the Managing Director is required to report periodically (at least quarterly) to the Board of Directors and Board of Statutory Auditors on activities performed in the exercise of the powers granted to him.

Furthermore, the Managing Director must regularly (at least quarterly) provide adequate information to the Board of Directors and Board of Statutory Auditors on singular or unusual operations.

### 3) INDEPENDENT DIRECTORS

The Code of Conduct foresees an adequate number of Independent Directors. Currently five of the Company's non-executive Directors have demonstrated quality as "Independent Directors".

On the basis of the criteria of paragraph 3.C.1 of the Code of Conduct, can be considered Independent Directors, the Directors who:

- a) do not control directly nor indirectly, even through its subsidiaries, fiduciaries or on behalf of third parties, the Issuer or do not exercise on it considerable influence or do not participate to a parasocial agreement through someone that could exercise the control or the main influence of the Issuer;
- b) are not nor have not been in the three previous years, exponent of the Issuer, of one subsidiary having strategic relevance or of a Company subjected to a common control with the Issuer or of a company or corporation that even with others through a parasocial agreement, controls the Issuer or can exercise on it a significant influence;
- c) have not or have not had in the last year directly nor indirectly (for example through subsidiaries or through companies where he is prominent exponent, or as a partner of a professional office or of a consultant company) a relevant commercial, financial or professional relationship;
  - with the Issuer or a subsidiary Company or with anyone related to the prominent exponents;
  - with someone who even together with others through a parasocial agreement, controls the Issuer or – being company or corporation – with the related prominent exponent;or have not or have not been in the previous three years, employees of one of the above mentioned subjects;
- d) do not receive or have not received in the previous three years, from the Issuer or from a subsidiary or parent company any relevant remuneration in addition to a fixed fee as non-executive Director of the Issuer, included the participation in performance-related incentive plans, even to a share basis;
- e) have not been Directors of the Issuer for more than 9 years in the last 12 years;
- f) they are not executive Directors in another company in which one executive Director of the Issuer is Director;
- g) they are not Shareholders or Directors of a company or of a corporation belonging to the net of the company responsible of the accounts auditing of the Issuer;
- h) they are not close family members of a person who are in the situations described in the above paragraph.

Where other circumstances foreseen by the Code of Conduct might preclude the independence of non-executive Directors, the Board of Directors in each case must assess whether or not the individual satisfies the minimum requisites for independent director.

On the basis of art. 147-ter, paragraph 4, of T.U.F., the Directors are independent if they have the same independent requisites of the statutory auditors as indicated in art. 148, paragraph 3, of T.U.F. and so defined in absence of the following relationships:

- a) the consort, the relatives within the fourth rank of the Directors of the Company, the Directors, the consort and the relatives within the fourth rank of the subsidiaries and of the companies under common control;
- b) the one who are related to the Company or to the companies controlled by the Company or to the companies that controls it or to the one subjected to common control or to the Company Director and to the persons as described in paragraph a) subjected to relationship of self employment work or subordinate work or from other relations of property which could threaten the independence.

Then for the companies listed at STAR segment, Borsa Italiana S.p.A. has defined in the Instructions to the Rules of the Markets organized and managed by Borsa Italiana S.p.A. the criteria for the evaluation of the adequacy of the number of the independent directors setting minimum three independent directors if the Board of Directors consists of 9 – 14 members.

The Board of Directors is asked to value periodically the independence of the Directors and the result of such evaluation is communicated to the market.

After the resolution of the Shareholders' Meeting for appointment of the Board of Directors, on April 20, 2010, the Board of Directors verified the existence of the independence requirements of the Independent Directors and the result of such an evaluation was the subject of communication to the market.

During 2010 the Statutory Auditors verified the right application of the criteria and of the procedures of assessment adopted by the Board of Directors in order to value the independence of the members, taking care that the results of such an examination were exposed in this report.

The Independent Directors meet at least once a year without the other Directors.

During the meeting of November 26, 2010 the Independent Directors, in absence of the other Directors, have valued the quality of the management and the transparency of the information given to the Board of Directors.

#### **4) TREATMENT OF COMPANY INFORMATION**

On October 17, 2002, the Board of Directors approved the internal procedure proposed by the Managing Director for the treatment of company information. It defines the role and responsibility of those in charge of handling such information and whoever has to decide to disclose it to the general public, according to the provisions governing the disclosure of "price sensitive" information:

- press releases relating to the so-called periodical information (financial statements, half yearly reports, quarterly reports, etc.) are approved by the Board of Directors;
- press releases relating to extraordinary transactions (mergers, acquisitions, capital increases etc.) are approved by the Board of Directors if these transactions require a resolution approved by the Board;

- in those cases where a Board resolution is not required, the Managing Director, in agreement with the Chairman, is in charge of disclosure to the public, having jointly considered the "importance" of the information to be disclosed;
- the diffusion of the press releases is entrusted to CIR Group Communication Department for the press releases while the Company's Financial and Administration Manager handles announcements to institutional investors;
- Directors, Statutory Auditors, the investor relation manager, the external relation manager and all employees in general must maintain the confidentiality of all "price sensitive" documents and information that they acquire in the performance of their duties (if not already published in the required form) and comply with the procedure for distribution of such documents and information outside the Company;
- it is absolutely forbidden to give interviews to the press or make announcements containing information on relevant events which can be considered as "price sensitive", and not included in press releases or documents already made available to the public;
- the Managing Director makes sure that the regulations on disclosure and the provisions of the procedure are complied with by the persons concerned. Furthermore, it is up to the Managing Director to make them aware of the legal requirements and of the procedure.

In addition, following adoption into Italian law of the European Market Abuse Directive, the obligations relating to internal dealing have been reformulated to define more precisely the concept of "inside information", the characteristics of "relevant people", the new terms and forms of communication of inside information to the market by the relevant people, as well as the creation of a list of persons with access to inside information.

Consequently, on February 28, 2006 the Board of Directors was able to comply with the new legal requirements and from April 1, 2006 apply a new "Code of conduct regarding internal dealing and the maintaining the register of persons authorized to access confidential information".

#### **5) INTERNAL COMMITTEES WITHIN THE BOARD OF DIRECTORS (ex art. 123-bis, paragraph 2, letter d), T.U.F.)**

In compliance with the Code of Conduct, the Board of Directors' meeting of April 18, 2000 set up the Internal Control Committee and Remuneration Committee. On October 19, 2010 the Board of Directors set up the Committee for related parties transactions, establishing that the members coincide with the members of the Internal Control Committee.

The Board of Directors has not proceeded to establish the Committee for the appointment of the Directors, as it believes that the mechanism of the voting of the list is suitable to ensure the right working of the phases of their designation and appointment, also considering the structure of the shareholding of the company.

**6) APPOINTMENT AND SUBSTITUTION OF DIRECTORS (ex art. 123-bis, paragraph 1, letter I), T.U.F.)**

Following the modification of art. 17 of the Company's by-law:

“The Company is administered by a Board of Directors comprised of between five and fifteen members, even not necessarily shareholders. They are appointed by the General Meeting of Shareholders for a fixed term which may not exceed three years, and are eligible for re-election.

The General Meeting also determines the number of Board members, which remains fixed unless altered by further deliberation of the Meeting.

Minority Shareholders have the right to appoint at least one member of the Board of Directors.

The Board members are appointed by the General Meeting from lists presented by the Shareholders. Candidates are listed in numerical order. The lists, signed by the presenting Shareholders, must be filed according to the terms and conditions required by the enforceable law.

List may only be presented by Shareholders who, either individually or jointly with others, hold shares that represent at least 1/40 of the share capital, or a different percentage laid down by the law or regulations. Proof of ownership of the required number of shares must be presented according to the terms and conditions required by the enforceable law. Shareholders who, individually or with others, hold voting shares representing at least 20% of the share capital may present lists of no more than 3 candidates.

Lists which fail to comply with the above rules shall be considered inadmissible.

No Shareholder, either individually or jointly, may present more than one list, even via an intermediary or trustee. Shareholders of controlled companies under the terms of art. 93 of the Consolidated Securities Act or belonging to the same voting syndicate may present, either individually or jointly, only one list.

No Shareholder may vote for more than one list.

No candidate may stand on more than one list, on pain of disqualification.

Each list filed by the required date must be accompanied by statements from each candidate accepting their nomination and declaring, under their own responsibility, that there are no reason of incompatibility or ineligibility regarding their candidature and that they meet the requirements laid down in the regulations and company by-laws for the position of Board member. Candidates must also provide a curriculum vitae describing their personal and professional qualifications specifying any administrative or management positions they might hold in other companies and where relevant that they satisfy the requirements for the position of independent director under the law or company by-laws.

Incompleteness or irregularity of any candidature shall mean disqualification of the candidate's name from the voting list.

For the nomination to go forward, the lists presented and submitted for voting must obtain at least half the percentage of votes required under this Article for the presentation of the lists themselves. Lists which do not meet this condition shall be considered null and void.

Members of the Board of Directors are elected as follows:

- a) from the list which obtained the highest number of votes during the Meeting, as many directors as required to make up the Board minus one are taken in the numerical order in which they were listed;
- b) from the list which obtained the second highest number of votes during the Meeting, and which is unconnected in any way, even indirectly, with the shareholders who presented or voted for the first list, the candidate at the top of this second list is nominated as the final board member. All elected Directors must meet the criteria of respectability, professional conduct and independence laid down in the applicable regulations. Failure to meet these criteria will mean disqualification from the position.

If only one list is presented or admitted, all Directors are appointed from that list.

If no list is presented or the number of Directors appointed is smaller than the minimum required by the Shareholders, the General Meeting must be reconvened to elect a full Board of Directors.

If as a result of resignations or for other reasons one or more Directors ceases to serve, they are replaced in accordance with art. 2386 of the Civil Code, in compliance with the applicable requisites.”

## **7) REMUNERATION OF DIRECTORS**

The Ordinary Shareholders’ meeting determines the compensation to the Directors.

The remuneration of Directors appointed to particular positions, in accordance with the Company’s By-laws, is decided by the Board of Directors on the proposal of the Remuneration Committee, after obtaining the opinion of the Board of Statutory Auditors.

The remuneration of each Director is highlighted in the “Prospect of the fees paid to the Directors, Statutory Auditors, General Managers and Directors with strategic responsibilities” attached to the notes to the financial statements.

No indemnities are in force for Directors in case of resignations, dismissal without good cause or termination of the work contract as a result of public offer.

In relation to the effects of the termination of the Director’s office on the rights assigned to Directors as part of the incentive plans based on Company shares, it must be pointed out that the Managing Director is beneficiary of stock option and phantom stock option plans which envisage, in case of termination of the Director’s office, the entitlement to exercise the options acquired within 12 months from termination of the agreement, without prejudice to the entitlement of the Board of Directors to allow the maintaining of the rights deriving from the plans even in the case of these no longer existing, including with the power to assign a specific term.

Until April 20, 2010 the Directors Mr. Carlo De Benedetti, Mr. Roberto Robotti and Mr. Antonio Tesone were members of the Remuneration Committee.

On that same date, at the end of the Meeting which appointed the current Board of Directors, the Board of Directors appointed as members of the Remuneration Committee the Independent Directors, Mr. Dario Frigerio, Mr. Roberto Robotti and Mr. Paolo Riccardo Rocca.

The Committee operated in compliance with the recommendations of the Code of Conduct for Listed Companies and met twice during 2010. Meetings are duly recorded.

The Committee has the task of preparing proposals for the Board, in absence of the persons concerned, with regard to:

- the remuneration of the Managing Director and those appointed to particular positions, even including remuneration in stock options or other incentives based on shares of the Company;
- general and individual pay scales for first level management personnel of the Company even through remuneration plans involving the allocation of stock option plans and incentive or other incentives based on shares of the Company;
- the criteria for the remuneration of the Company's top management, on the proposal of the Managing Director;
- the characteristics of the stock option plans that the Board of Directors submits to the Shareholders' Meeting approval, expressing proposals about the identification of the beneficiaries and the amount of the options to allocate to each one.

#### ***Remuneration Policy regarding the Directors and Managers with strategic responsibilities***

In March 2010, the Committee for Corporate Governance of Borsa Italiana approved the new version of article 7 of the Corporate of Conduct of 2006 regarding the remuneration of Directors and Managers with strategic responsibilities.

The Remuneration Committee and the Board of Directors of Sogefi will proceed to bring the remuneration system into line with the new regulatory requirements starting from the financial year 2011.

#### ***Objectives of the remuneration policy and composition of the retribution package***

The retribution polices are directed towards ensuring labour market competitiveness consistent with the human resources growth and loyalty objectives, as well as towards differentiating retribution instruments on the basis of individual professional skills, expertise and company position.

The remuneration policy is determined according to criteria suitable for attracting, retaining and motivating people with professional qualities suitable for successfully running the Group.

The Company keeps salaries in line with market benchmarks, applying rewarding retribution criteria and parameters in the case of special situations of merit.

The structure of the remuneration of the Managing Director and of the Managers with strategic responsibilities consists of a balanced package made up of fixed and variable monetary components and non-monetary components based on Company shares, determined so as to foster commitment and ensure best possible and active participation in the achievement of corporate goals.

The variable remuneration component – payable in cash - is tied to the achievement of specific performance objectives, determined in advance, measurable and tied to the creation of value for the shareholders. The performance objectives are based on quantity criteria (income and financial) and, for the Managers with strategic responsibilities, partially on quality criteria. The maximum limits of said variable component with respect to the total monetary retribution, are fixed at 50% for the Managing Director and, on average, at 26% for the Managers with strategic responsibilities.

The variable monetary component involves the differentiated payment of the consideration, with amounts keyed to the degree of successful accomplishment of the assigned goals.

For the Managing Director is envisaged: the payment of 100% of the variable retribution upon the achievement of 100% of the reference goals; the payment of 50% of the variable retribution upon the achievement of a minimum threshold of 80% of the reference goals and the payment of the maximum amount envisaged for such retribution component, equivalent to 150% of the variable retribution upon achieving or bettering 120% of the reference goals. No payment of the variable retribution is therefore envisaged unless the minimum threshold of 80% of the assigned goals is achieved.

The fixed remuneration component – payable in cash – is enough to remunerate the services of the Managing Director and of the Managers with strategic responsibilities in the case of the variable component not being paid due to failure to achieve the set performance objectives.

The Managing Director and the Managers with strategic responsibilities also benefit from remuneration plans based on Company shares approved by the Shareholders' Meeting.

The remuneration attributed to the Chairman of the Board of Directors, inasmuch as executive Director, and to the non-executive Directors, for their participation in one or more committees, is determined as a fixed sum based on the commitment which each of them is called upon to make.

#### *Governance structure*

The Shareholders' meeting establishes the fixed consideration of the Members of the Board of Directors, at the time of their appointment and for their entire term of office.

The Board of Directors, at the proposal of the Committee for Remuneration and after obtaining the opinion of the Board of Statutory Auditors, determines the remuneration of the Directors holding special positions (Chairman and Managing Director) .

The Board of Directors also determines the remuneration of the non-executive Directors for their participation in one or more committees.

With respect to the plans based on Company shares, the Remuneration Committee is called upon to make proposals to the Board of Directors regarding the characteristics of such plans, submitted for approval by the Shareholders' meeting. The latter approves the plan and delegates the Board of Directors to approve its Regulations, identifying the beneficiaries and the number of options to be assigned to each of them and determining the strike price of the relevant options. The Remuneration Committee draws up and submits the plan Regulations for approval by the Board of Directors and proposes the number of options to be assigned to the beneficiaries, taking into account, as regards the

managers, the proposals made by the Managing Director in agreement with the Chairman of the Board of Directors.

#### *Stock grant plans*

For the year 2011, a Stock Grant Plan has been presented for approval by the Shareholders' Meeting according to principles in compliance with the indications of art. 7 of the Code of Conduct the Borsa Italiana and, in particular:

- the rights object of the Plan begin to be exercised as and from the second year from the date of attribution and for a period of nearly 2 years;
- the exercising of the attributed rights is subject to the achievement of the performance goals correlated to stock market trends;
- a period of unavailability of a part of the assigned shares is established for a period of 5 years from the date of attribution of the rights.

Terms, conditions and implementation procedures of the Stock Grant Plan for 2011, intended for the Managing Director of the Company and the employees of the Company or subsidiaries, are contained in the "Informative Document" available on the Company's website in the section "Press Area – Press Releases".

### **8) INTERNAL CONTROL SYSTEM**

The Group's system of internal control is a set of rules, procedures and organizational structures designed to ensure, through the due identification, measurement, management and monitoring of the main risks, that the company is run properly and diligently and operates in line with its goals and objectives.

Such an internal control system serves to safeguard the Company's assets, ensure operational efficiency and effectiveness, reliable financial information and compliance with laws and regulations.

The Board of Directors is responsible for the system of internal control.

In its responsibility for this system the Board of Directors is assisted by the Internal Control Committee, the Executive Director with oversight of the internal control system and the Person in charge of internal control.

In accordance with the resolution passed by the Board of Directors on March 6, 2001, the Managing Director ensures the adequacy and good functioning of the internal control system, establishing suitable procedures to guarantee proper, efficient operations and to identify, foresee and manage - as far as possible - risks of a financial and operational nature and cases of fraud against the Company, making use of the "Person in charge of internal control" for these purposes.

On October 19, 1999, the Board of Directors appointed the Person in charge of internal control currently being Mr. Giuseppe Gianoglio CIR Internal Audit Manager.

Mr. Gianoglio, who was appointed by the Board of Directors on October 19, 2006 upon proposal of the Managing Director, having considered the opinion of the Internal Control Committee, is not responsible for operative areas and is not hierarchically subordinate to operative areas heads.

With a resolution passed on April 18, 2000, the Board of Directors set up the Internal Control Committee to give advice and make proposals in accordance with the Code of Conduct.

Meeting of the committee can also be attended by the Chairman of the Board of Statutory Auditors or another Statutory Auditor nominated by him.

In particular, the Internal Control Committee:

- a) helps the Board of Directors to carry out any tasks relating to internal control;
- b) evaluates the work plan prepared by the persons in charge of internal control and their periodic reports;
- c) evaluates, together with the Manager responsible for financial reports and Auditors, the proper application of the accounting principles and their adequacy for consolidation purposes;
- d) evaluates the plans and results prepared for the audit and the results presented in the audit report and management letter;
- e) reports to the Board on its activity and the adequacy of the internal control system at least every six months, at the time that the half-yearly and annual financial statements are approved;
- f) performs any other tasks assigned to the Committee by the Board of Directors, especially liaison with the independent auditors;
- g) has full access to all information and corporate officers necessary to carry out its duties. It may also call in external consultants when necessary.

The Company provides the Committee with all the financial resources it needs to fulfil its responsibilities.

The Committee is currently made up only of Independent Directors.

Until April 20, 2010, the Internal control Committee consisted of the Independent Directors, Mr. Roberto Robotti, Mr. Paolo Riccardo Rocca and Mr. Antonio Tesone.

On that same date, at the end of the Meeting which appointed the current Board of Directors, the Board of Directors appointed as members of the Internal control committee the Independent Directors, Mr. Lorenzo Caprio, Mrs. Roberta Di Vieto and Mr. Roberto Robotti.

During 2010, the Committee met four times and the person in charge of internal control reported two times about his activity. Meetings are regularly recorded.

The Committee's activity focused above all on checking the adequacy of the internal control system to cope with the typical risks of the Company's main activities and those of its subsidiaries, and to monitor the economic and financial situation of the individual companies and the Group as a whole.

In compliance with the Company's By-laws, the Board of Directors on July 26, 2007 nominated the Manager Responsible for financial reports pursuant to art. 154-bis of T.U.F.

Since March 1, 2009 the Manager Responsible for financial reports is the Chief Financial Officer Dr. Giancarlo Coppa, who has the requisites required by law having adequate experience in accounting and financial matters.

***The System for risk management and internal controls related to the financial disclosure process.***

Under applicable laws, the Manager Responsible for financial reports is responsible for internal controls over corporate reporting and for this purpose coordinates the administrative and accounting procedures for the preparation of periodic financial reports and any other kind of financial information, confirming in a certification, to be signed with the Managing Director, on the parent company's annual financial statements, and in the Group interim and annual consolidated financial statements their adequacy and effective application, during the periods of reference of the mentioned financial reports.

To support his certification, the Manager Responsible for financial reports makes use of the help provided by monitoring and internal control activities performed by the Corporate Internal Audit Division, and of the specific internal control methodology on financial disclosures developed by this Division.

For this purpose, the Corporate Internal Audit Division, together with the Manager Responsible for financial reports, has designed and implemented a System for risk management and internal controls related to the financial disclosure process (hereafter: "the System") structured as follows:

**Preliminary Remarks**

The risk management system must not be separately considered from the internal control system with reference to the financial disclosure process: both constitute in fact elements of the same System. The purpose of such System is to guarantee the fairness<sup>1</sup>, accuracy<sup>2</sup>, reliability<sup>3</sup> and timeliness<sup>4</sup> of financial reporting.

**Main characteristics of the System for risk management and internal controls related to the financial disclosure process**

The System for risk management and internal controls related to the financial disclosure process has been developed by the Corporate Internal Audit Division together with the Manager Responsible for financial reports with the aim to support the responsibility of the Manager responsible for financial reports for certification of the truthfulness, completeness and accuracy of all the information and

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<sup>1</sup> Fairness: the disclosure has the characteristics of correctness and conformity to the accounting principles generally accepted and to the requirements requested by laws and applied rules.

<sup>2</sup> Accuracy: the disclosure has the characteristics of neutrality and precision. The information is considered neutral if it's lacking in preconceived distortions aimed to influence the decisional process of its users in order to obtain a predetermined result.

<sup>3</sup> Reliability: the disclosure has the characteristics of clearness and completeness such as to induce informed investment decisions from the investors. The disclosure is considered clear if it facilitates the understanding of complex aspects of the Company, without becoming superfluous and excessive.

<sup>4</sup> Timeliness: the disclosure respects the expected deadlines for its publication.

financial data included in the Statutory Financial Statements and in the Consolidated Financial Statements of the Group.

The System is submitted to a continuous updating and improvement process performed by the Corporate Internal Audit Division, which monitors its effective, correct and constant application by the Subsidiaries of the Group.

From a methodological point of view, such control System was designed in accordance with two fundamental principles:

- to extend control to all the levels of the organizational structure, consistently with the operating task entrusted to each level;
- sustainability of controls in the long term, so as to ensure that the performance of controls is increasingly integrated and compatible with operating needs; for this purpose, specific controls have been selected in order to identify those that are decisive in risk mitigation.

The System has been designed and structured to be consistent with the reference best practices: in detail, the model adopted for the construction and evaluation of the internal control system is the “CoSO Framework<sup>5</sup>” and comprises five interrelated components: control environment, risk assessment, control activities, information and communication, and monitoring. Such components in relation to their own features operate at entity level (Group, Divisions, Subsidiary) and/or at process level, including both operational and financial administration processes (transaction, evaluation processes and closing the books).

Internal controls are designed and established based on a risk assessment process with a top-down approach whereby certain organizational departments, processes and activities are deemed to bear a risk of negligent errors or fraud which could have a material impact on financial statements.

With respect to the risks identified, the internal controls set up and operating consist of:

- “Entity level controls”, operating at Group and Division level;
- “Process controls”, locally identified and operating at each Subsidiary.

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<sup>5</sup> CoSO (1992) “Internal Control – Integrated Framework”, Committee of Sponsoring Organizations of the Tradeway Commission, May 1992

As regards the “Process controls”, the System has been implemented starting by identifying the perimeter of the companies<sup>6</sup> and processes<sup>7</sup> considered as relevant in relation to the potential impact on the financial disclosure of the Group.

After that, for each relevant process, risks and internal controls related to the financial disclosure have been identified. In detail:

Risks: non-observance of the financial assertions<sup>8</sup> related to Financial Statement accounts correlated to the corporate processes identified.

Internal Controls: every activity, procedure or organizational decision aimed to mitigate the above-mentioned risks (i.e. limits on authorizations, segregation of incompatible duties, tracking and documentation of operations, controls on safety and physical existence of goods, cross-checks, reconciliations, automatic locks and other automatic devices operating within the informative systems and so on).

Within each Subsidiary included in the scale of relevance related to the Group’s financial disclosure, the Managing Director (or the General Manager) and CFO/Administrative Manager are directly responsible for the existence, effectiveness and efficacy of controls prescribed by the System. In this regard, both of them sign and send to the Holding Company a specific “Representation Letter”, in which they ensure, under their own personal responsibility, the truthfulness, completeness and accuracy of all the information and financial data sent to the Holding Company for the preparation of the consolidated Financial Statements of the Group.

The evaluation of adequacy and effectiveness of controls and, more in general, the correct application of the Group’s administrative and accounting procedures is ensured by a specific audit plan carried out by the Corporate Internal Audit Division, aimed to ensure the constant respect and the correct application of the System.

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<sup>6</sup> The perimeter of the companies considered as relevant has been identified with the criterion of “contribution to consolidated revenues” (revenues  $\geq$  5% of consolidated revenues). Moreover, this perimeter has been further integrated with companies having a contribution to consolidated revenues < 5%, but considered as strategically relevant for Group’s objectives.

<sup>7</sup> The processes identified as relevant are the all operational and financial administration processes (transaction, evaluation processes and closing the books) having an impact on financial disclosure. More specifically:

1. Purchase-to-pay
2. Sales and credit collection
3. Inventory management
4. Fixed assets and intangibles
5. Payroll and personnel management
6. Tax management
7. Managing general ledger
8. Financial closing and reporting
9. Treasury Management

<sup>8</sup> Existence, Completeness, Ownership, Valuation, Accuracy and Presentation.

## **9) INTERESTS OF THE DIRECTORS AND PROCEDURE FOR RELATED PARTY TRANSACTIONS**

On October 19, 2010 the Board of Directors approved the “Rules for related party transactions”, following the favourable opinion of the Internal Control Committee, to which the Board of Directors of the Company had, with its resolution of July 22, 2010, entrusted the work relating to the valuation of the transparency and substantial and procedural correctness of transactions with related parties, in accordance with the terms of the Consob Resolution no. 17221 of March 12, 2010 and subsequent amendments.

The Procedure, which takes effect as from December 1, 2010, has the purpose of establishing principles of conduct that the Company is required to adopt in order to guarantee that transactions with related parties are managed correctly.

For this purpose, the Procedure:

- (1) sets out the criteria and the procedures for the identification the Company’s related parties and defines the criteria for updating the list of related parties;
- (2) sets out the principles for identifying related parties operations;
- (3) regulates the procedures for the Company to carry out related parties, even through subsidiaries, fiduciaries or an intermediary, identifying appropriate internal rules of conduct to ensure that these transactions are transparent and substantially and procedurally correct;
- (4) sets out the procedures for fulfilling disclosure obligations on related parties transactions.

The Procedure is available on the Company’s website in the section “Investor relations – Corporate Governance”.

## **10) STATUTORY AUDITORS (ex art. 123-bis, paragraph 2, letter d), TUF)**

We cite below art. 26 of the company by-laws:

“The Board of Statutory Auditors comprises three acting members and three alternate members who remain in office for three years and are eligible for re-election. The minority shareholders are entitled to elect one acting auditor and one alternate auditor.

Members of the Board of Statutory Auditors are appointed by the General Meeting from lists presented by the Shareholders. Each list comprises two sections: one for candidates for the position of acting auditor and the other for candidates for the position of alternate auditor. Candidates are listed in numerical order.

The lists, signed by the presenting Shareholders, must be filed according to the terms and conditions required by the enforceable law.

Lists may only be presented by Shareholders who, either individually or jointly with others, hold shares that represent at least 2.5% (two point five percent) of the share capital, or a different percentage laid down by the law or regulations. Proof of ownership of the required number of shares

must be presented according to the terms and conditions required by enforceable law.

Lists which do not comply with the above rules shall be considered null and void.

No Shareholder, either individually or jointly, may present more than one list, even via an intermediary or trustee; Shareholders of controlled companies under the terms of art. 93 of the Consolidated Securities Act or belonging to the same voting syndicate may present, either individually or jointly, only one list. No Shareholder may vote for more than one list.

Each candidate can only be present on one list, on pain of disqualification.

Lists cannot include candidates who already hold office as acting auditors in another five companies or entities listed on a regulated market registered pursuant to arts. 63 and 67 of Decree no. 58/1998, or candidates who do not meet the requirements of respectability, professional and independence or who exceed the limit to the number of positions held as laid down by law or regulations.

The lists presented must be filed at the Company's registered offices within the terms and the conditions of the law.

Each list filed by that date must be accompanied by statements from each candidate accepting their nomination and declaring, under their own responsibility, that there are no incompatibilities or reasons for which they cannot be elected and that they meet the requirements laid down by law and the applicable regulations for members of the Board of Statutory Auditors.

Candidates must also provide a curriculum vitae describing their personal and professional qualifications specifying any administrative or management positions they might hold in other companies.

Incompleteness or irregularity of any candidature shall mean disqualification of the candidate's name from the voting list.

Members of the Board of Statutory Auditors are elected as follows:

1. from the list which obtained the highest number of votes during the Meeting, two acting members and two alternate members are taken, in the numerical order in which they were listed in the sections concerned;
2. from the minority shareholders' list represented by the list which obtained the second highest number of votes during the Meeting, and which is unconnected in any way, even indirectly, with the shareholders who presented or voted for the first list, the remaining acting member and remaining alternate member are taken in the numerical order in which they were listed in the sections concerned;
3. If only one list is presented, all of the acting and alternate auditors are taken from that list.

The candidate on the minority shareholders' list which obtained the highest number of votes is appointed as Chairman of the Board of Statutory Auditors. If only one list is presented, the first candidate for Auditor on the list is appointed as Chairman of the Board of Statutory Auditors.

The appointment of auditors lapses if they no longer meet the requirements laid down in current regulations and the By-laws.

If an acting auditor is replaced, the alternate auditor is taken from the list of the person replaced.

The meetings of the Board of Statutory Auditors may by any means of telecommunication on the following conditions:

- a) the participants are able to examine, receive and transmit all the necessary documentation;
- b) the participants are able to take part in the discussions in real time, in accordance with normal board practice.

Meetings are held at the place where they are convened, where the Chairman must be present.

The Board of Statutory Auditors may, on prior communication to the Chairman, call a General Meeting, a meeting of the Board of Directors or of the Executive Committee. Powers to call a meeting of the Board of Directors or Executive Committee may be exercised individually by each member of the Board of Statutory Auditors; a General Meeting may be called by at least two members of the Board of Statutory Auditors.”

The Legislative Decree 39/2010 gives to the Board of Statutory Auditors the role of Internal Control and Audit Committee with the duty to supervise the process of financial information, on the effectiveness of the internal control system, of internal audit and of the risk management, on the annual statutory audit and of the consolidate accounts and on the independence of auditors.

Further, Statutory Auditors are qualified as "independent" under the same criteria as apply to Directors.

In 2010 the Board of Statutory Auditors verified compliance with the said criteria, ensuring that the results of this check were published in the present report.

The Board of Statutory Auditors met eight times during 2010. The meetings are regularly recorded.

The Board of Statutory Auditors in office expires with the approval of the Financial Statement as at December 31, 2011 and it is composed as follows:

<i>Name</i>	<i>Office</i>	<i>In office from</i>	<i>List</i>	<i>Indep. Code of Conduct</i>	<i>% SA</i>	<i>Other offices</i>
Girelli Angelo	Chairman	April 23, 2009	M	X	75	1
Leoni Giuseppe	Acting Auditor	April 23, 2009	M	X	100	1
Zingales Riccardo	Acting Auditor	April 23, 2009	M	X	87,5	2
Baulino Luigi	Alternate Auditor	April 23, 2009	M	X	-	-
Girelli Mauro	Alternate Auditor	April 23, 2009	M	X	-	1
Macchiorlatti Vignat Luigi	Alternate Auditor	April 23, 2009	M	X	-	3

Notes:

List: M/m: if the Statutory Auditor has been appointed from the list voted by the Majority or the minority.

Indep: indicates if the Statutory Auditor can be qualified as independent according to the criteria stated in the Code of Conduct (edition March 2006).

%SA: indicates the presence of the Statutory Auditor, in percentage term, to the meetings of the Board of Statutory Auditors' meetings.

Other offices: indicates the number of the offices as Director or as Statutory Auditor held in other companies listed in organized market. In attached (A) the list of these offices.

The members of the Board of the Statutory Auditors appointed on April 23, 2009 have been drawn from the single list presented by the Shareholder CIR S.p.A., holding 56.6% of the share capital at the same date.

The main personal characteristics of each Statutory Auditor in office are presented in the curriculum vitae published in the Company website.

## **11) RELATIONS WITH THE SHAREHOLDERS**

The Company has always taken concrete steps to create and maintain a positive dialogue with its Shareholders and the market through various types of communication. These include slide presentations of Company and Group results at Shareholders' meetings, meetings with financial analysts and institutional investors in Italy and abroad, publication of presentations and press releases on the Company web site.

To this end, the Managing Director, agreed with the Chairman, on October 8, 2003 appointed the Chief Financial Officer to be in charge of the Investor Relations function, to handle the flow of information prepared for shareholders, analysts and institutional investors, in compliance with the rules governing publication of the Company's documents and information.

The responsibility of the function "Investor relations" has been undertaken starting from February 26, 2009 by Mr. Giancarlo Coppa.

## **12) SHAREHOLDERS' MEETINGS (ex art. 123-bis, paragraph 2, letter c), T.U.F.)**

The Company's policy is to use the shareholders' meetings as an opportunity to inform the Shareholders about the Company and its prospects, in compliance with the regulations on "price sensitive" information.

All Directors and Statutory Auditors make every effort to attend shareholders' meetings, to the extent possible, especially those Directors who, because of their position, can make a particular contribution to the debate.

General Meetings may be convened in places other than the registered offices, on condition that they are held in Italy.

General Meetings are called by the publication of a notice on the Company's website and in the daily newspaper "La Repubblica", according to the terms and the conditions required by the law in force.

The right to attend the General Meeting and the right to delegate are ruled by the enforceable law. The proxy can be notified to the Company through PEC within the beginning of the General Meeting to the address that will be indicated in the notice of General Meeting.

The Chairman of the General Meeting is responsible for verifying the propriety of the proxy and the attendance rights of those present.

Ordinary and Extraordinary General Meetings are formed and voted in accordance with the provisions of the law.

The Shareholders' Meeting of April 19, 2001, in line with the Code of Conduct, approved the Regulations for Shareholders' Meeting published on the Company's web site under "Investor Relations- Corporate Governance".

The Board of Directors places a brochure, containing the proposals on the agenda of each Shareholders' Meeting, at the Shareholders' disposal, in the terms described by the law, available also on the Company's web site in the section "Investor relations – Shareholders meetings".

### **13) CODE OF ETHICS (ex art. 123-bis, paragraph 2, letter a), T.U.F.)**

On February 25, 2003, the Board of Directors approved the adoption of a Code of Ethics for Sogefi Group which defines, clearly and transparently, the values which the Group attains to in the pursuit of its goals and establishes principles of conduct binding upon the Directors, the employees and others persons having relations with the Group.

The "Code of Ethics" adopted by the Company may be viewed on the Company's web site under "Investor Relations – Corporate Governance".

### **14) CREATION OF THE SUPERVISORY BODY AND APPLICATION OF THE MODEL OF ORGANIZATION AS PER LEGISLATIVE DECREE No. 231/2001 (ex art. 123-bis, comma 2, letter a) T.U.F.)**

Legislative Decree 231/2001 on "the administrative responsibility of corporations, companies and non-incorporated associations, enacting art. 11 of Law no. 300 of September 29, 2000", introduces criminal liability for companies in the event of acts of fraud committed by persons holding positions of responsibility within the company in the interests, or to the benefit of the same.

The Decree provides that the company can be out of its responsibility if it proves to have adopted and efficiently carried out models of organization able to prevent penal illicit and to have entrusted a Supervisory Body in charge to supervise operating and observance of the model and to follow its updating.

To this end, the Board of Directors, further the adoption in 2003 of the Code of Ethics, provided on February 26, 2004 to create the Supervisory Body.

The members of the Supervisory Body are the Director Mrs. Roberta Di Vieto (who has substituted Mr. Roberto Robotti on April 20, 2010), the Director Mr. Roberto Robotti and the CIR Internal Audit Manager Mr. Giuseppe Gianoglio.

On February 26, 2004 the Board of Directors also approved the "Organization, Management and Control Model pursuant to Legislative Decree 231 of June 8, 2001" (Organizational Model), further integrated in 2006 by the new "Code of conduct on internal dealing and the maintenance of a list of persons with access to inside information." The Board of Directors has constantly updated the Organizational Model also for considering the further cases of offences included in the Legislative Decree 231/2001 following the adoption of the model itself.

During 2010 the Supervisory Body, which held 4 meetings duly recorded, supervised the working and compliance of the Organizational Model by verifying its effectiveness and expressing updating proposals to the Board of Directors.

#### **15) INDEPENDENT AUDITORS**

The Shareholders' Meeting of April 20, 2010 granted the appointment to audit the financial statements, the consolidated financial statements, the half yearly report and to ensure accounts were properly kept to the company Deloitte & Touche S.p.A., for the financial years 2010-2018.

Milan, February 24, 2011

## ANNEX A)

List of offices held by Directors Sogefi S.p.A. in other companies listed in the stock exchange, in financial, insurance, bank companies and in companies not listed but of relevant importance as at December 31, 2010.

Rodolfo De Benedetti	Chairman of Sorgenia S.p.A.(*) Managing Director of Cofide S.p.A.(*) and CIR S.p.A.(*) Director of Gruppo Editoriale L'Espresso S.p.A.(*), Allianz S.p.A.; Banque SYZ S.A.
Lorenzo Caprio	Director of Banca IMI S.p.A., ERG RENEW; Chairman of the Board of Statutory Auditors of Banca ITB S.p.A.; Acting Auditor of Aviva Assicurazioni S.p.A., Aviva Life S.p.A., Aviva Previdenza S.p.A., Aviva Italia S.p.A.
Dario Frigerio	Director of Fullsix S.p.A.
Giovanni Germano	Director of CIR S.p.A.(*)
Alberto Piaser	Chairman of EUVIS S.p.A.(*), Director of Sorgenia S.p.A.(*) and KOS S.p.A.(*)
Roberto Robotti	Director of Cofide S.p.A.(*), Aviva Italia Holding S.p.A., Aviva Assicurazioni Vita S.p.A., Eurovita Assicurazioni S.p.A.
Paolo Riccardo Rocca	Director of Cofide S.p.A.(*), Chairman of the Board of Statutory Auditors of BIM Fiduciaria S.p.A.

List of charges of Directors and Statutory Auditors held by Acting Auditors and Alternate Auditors of Sogefi S.p.A. in other listed companies listed in the Italian stock exchange as at December 31, 2010.

Angelo Girelli	Chairman of Board of Auditors of Caleffi S.p.A.
Giuseppe Leoni	Alternate Auditor of Gas Plus S.p.A.
Riccardo Zingales	Acting Auditor of Cofide S.p.A.(*), CIR S.p.A.(*)
Mauro Girelli	Acting Auditor of Caleffi S.p.A.
Luigi Marchiolatti Vignat	Alternate Auditor of Cofide S.p.A.(*), CIR S.p.A.(*), Acting Auditor of Gruppo Editoriale L'Espresso S.p.A.(*)

(\*) companies of the CIR/Cofide Group

ANNEX B)

## CURRICULUM VITAE OF DIRECTORS

### ***Rodolfo De Benedetti***

Rodolfo De Benedetti is the CEO of CIR since 1993 and COFIDE-De Benedetti Group since 1995. He is also Chairman of Sorgenia and Sogefi and member of the Board of Directors of Gruppo Editoriale L'Espresso, Finegil, Allianz Italia and Banque Syz.

Previously he held the position of General Manager of CIR (1990-1993) and of COFIDE (1989-1995).

From January 1988 to March 1989 he joined COFIDE as Director of International Business.

Since May 2006 Rodolfo De Benedetti is a member of the European Advisory Board of the Harvard Business School and since November 2006 he is a member of the European Round Table of Industrialists.

Prior to entering CIR and COFIDE, Mr. De Benedetti worked for Lombard Odier (Geneva) from September 1985 to December 1986 as Assistant to the CEO, and from January 1987 to January 1988 for Shearson Lehman Brothers (New York) as an associate in the Merchant Banking Group.

Rodolfo De Benedetti holds two university degrees, both from the University of Geneva, where he graduated in Political Economics in 1982 and in Law in 1985.

### ***Emanuele Bosio***

Born in Turin on May 17, 1947.

He is married and has a son.

High school leaving certificate in accountancy.

#### PROFESSIONAL EXPERIENCE

1966-1971	Experience in the field of international transport
1971-1987	CONCERIE ITALIANE RIUNITE S.p.A. – CIR (from 1976 CORTAN S.p.A.)
	1971-1980 Controller
	1980-1987 General Manager
1987-to present	SOGEFI Group – Mantova (CIR)
	1987-1992 Suspensions components Division Chief – Financial Officer
	1992-1997 Suspensions components Division Chief – Executive Officer
	1997-to present SOGEFI Group CEO

#### EXTRA PROFESSIONAL CHARGES

2000-to present member of the Steering Committee CLEPA (European Automotive Components Association)

2002-to present member of the Executive Board of Component Group ANFIA (National Association for Automotive Industries)

### ***Lorenzo Caprio***

Born in Milan on 19/11/1957

Married, 4 children.

#### *Current academic position*

Full professor of Business Administration and Director of the Department of Economic Sciences and Business Management at the Sacro Cuore Catholic University of Milan.

Certified Public Accountant and Auditor.

#### *Academic career*

After obtaining his degree, he began working as a researcher and assistant to Professor Mario Cattaneo. In 1984, he was a university researcher in Business Management in the department of Economics of the Sacro Cuore Catholic University.

In 1992, he became associate professor in Business Administration at the Sacro Cuore Catholic University.

In 1994, he became full professor of Business Administration at the department of Economics of Ancona University.

Since 1995, he has been full professor of Business Administration at the department of Economics of the Sacro Cuore Catholic University.

From 2000 to 2008, he was also lecturer in Business Administration at the Swiss Italian University of Lugano.

Over recent years, his research interests and his publications have centred on topics concerning business assessment and financial instruments, the economic analysis of business law and the financial market, especially on topics such as takeover bids, the corporate ownership of listed companies, the regulations concerning corporate financial crises, the effective conditions of operation of Boards of Directors.

He has been and still is director of national research projects funded by the Ministry of education, university and research. He is currently the national director of a PRIN 2008 project on the topic of listed company delisting.

During the course of his career, he has worked and continues to work with research institutes and study offices outside the University, such as the IRS-Institute for social research, Assonime and Centro Studi Confindustria. Between 1989 and 1994, he was editor in chief of the journal “Finanza Imprese e Mercati”, published by “Il Mulino”, a publishing company with which he still works, and for which he took charge of translating one of the USA’s most popular business administration journals.

He is a member of the scientific committee of the Journal of Management and Governance (Springer Verlag), of “Il controllo nelle società e negli enti” (Giuffrè), and of “Banca Impresa e Società” (Il Mulino).

He has presented seminars and conferences staged in various Italian universities and annual conferences of the Italian Academy of Business Management, European Finance Association, European Financial Management Association, French Finance Association.

He is the author of over 40 works published in Italian and international academic journals or monographic books.

#### *Other activities*

During the second part of the 90s of last century, he contributed numerous articles on topics relating to the financial market and the lives of quoted companies to the daily newspapers “Il Sole 24 Ore” and “Avvenire”.

Positions previously and currently held in companies:

April 2010 to date: member of the board of directors of Banca IMI

April 2010 to date: member of the board of directors of Sogefi S.p.A.

May 2009 to date: member of the board of directors of Erg Renew (listed company)

December 2007 – May 2009: chairman of the board of directors of Eurofly S.p.A. (listed company)

June 2007 – November 2007: board director and member of ODV 231 of IPI S.p.A. (listed company)

May 2007 to date: chairman of the board of statutory auditors Banca ITB

May 2006 - September 2007: board director and member of ODV 231 of Banca Caboto S.p.A. (Banca Intesa group)

2000-2006: member of the board of directors of Olivetti S.p.A. and, after the merger with Telecom Italia S.p.A., of TIM S.p.A., where he was also a member of the internal control committee.

1998 to date: statutory auditor of a number of companies of the insurance group Aviva Italia

1996-2000: member of the board of directors of Sgr Euroconsult S.p.A.

1993-1996: auditor Sgr Anima S.p.A.

*He holds the following positions:*

#### *Member of the Board of Directors*

1) ERG Renew S.p.A., Registered Offices Via Nicola Piccinni 2, 20131, Milan, head office Torre WTC – Via De Marini 1 – 16149 Genoa

2) Sogefi S.p.A., via U. Barbieri, 2 – 46100 Mantua

3) Banca IMI S.p.A., Largo Mattioli, 3 – 20121 Milan

#### *Statutory Auditor*

1) Aviva Assicurazioni S.p.A., Centro Direzionale Loreto, Viale Abruzzi, 94 20131 Milan (Mi)

2) Aviva Life S.p.A., Centro Direzionale Loreto, Viale Abruzzi, 94 20131 Milan (Mi)

3) Aviva Previdenza S.p.A., Centro Direzionale Loreto, Viale Abruzzi, 94 20131 Milan (Mi)

4) Aviva Italia S.p.A., Centro Direzionale Loreto, Viale Abruzzi, 94 20131 Milan (Mi)

5) Banca ITB S.p.A., Via Robert Koch 1.2 – 20152 Milan (Mi)

#### **Roberta di Vieto**

Born in Naples on 7 June 1969

Law Degree from Parma University, academic year 1993/1994. A lawyer since 1999.

Partner in the firm Pirola Pennuto Zei, a leading legal and tax consultancy firm, and head of a team of 14 professionals operating in the corporate and labour law sector.

She has acquired extensive experience in assisting Multinational Groups as labour and corporate law advisor.

Ever since the subject of corporate administrative liability was introduced, she has acquired extensive experience in preparing organisational models suitable for the prevention of crimes and their application.

She is a consultant to major Italian and foreign groups, above all operating in the industrial and commercial sectors.

She is member/president of numerous supervisory boards of major companies, many multinational, including: Rovagnati S.p.A., Eurocommercial Properties S.p.A., Merck S.p.A., Allergopharma S.p.A., Sogefi S.p.A., Guber S.p.A., Diab S.p.A., Merial Italia S.p.A., Orthofix S.r.L., Travelmix S.r.L., Fondiaria – SAI Servizi Tecnologici S.p.A., a member of the Hewlett – Packard Group, of the Clariant Group, of the Ermenegildo Zegna Group, of the Parker Group.

She is Independent Director of the listed company Sogefi S.p.A.

She is a member of the legal and tax Observatory of the Brescia Chamber of Commerce.

She has contributed to publications and been speaker at national and international seminars.

### ***Dario Frigerio***

Born in Monza on 24-06-1962

Married, 2 children

He graduated with honours in 1986 in Political Economy at Milan's Bocconi University, where he remained for a period of time as International Finance assistant to professor Demattè.

After doing military service in the Finance Police Corps., he began his professional career at the Credito Italiano as financial analyst for the fixed-income and forex segment, before being assigned to Treasury Management in the bank's Financial Management department.

In 1991, he began dealing with the equity portfolio investments and asset liability of the Credito Italiano, reporting directly to the financial manager.

Subsequently, he took an active part in defining and putting into place the Unicredit Group's asset management strategy and, in 1996, took over the position of investment Manager of CreditRolo Gestioni, the first Asset Management company outside the banking Group.

As such, in 1998, he was one of the founders of EuroPlus Research and Management based in Dublin, a founding part of the internationalisation strategy.

For Europlus, he first occupied the position of investments Manager and then that of Managing Director, based in Dublin, with responsibilities covering the European business.

In 2001, after the acquisition of the Pioneer group in Boston, he became the Managing Director of Pioneer Global Asset Management, a company operating in over 10 different countries, and moved to Boston for one year, restructuring the US business and coordinating the Group's global growth, with the opening of sales and head offices in eastern Europe and Asia.

Total assets managed on behalf of clients in this phase exceeded 100 billion euro with a net result of about 150 million.

In 2002, he returned to Italy and perfected the governance, concentrating strategic, financial and control responsibilities in a holding.

The expansion phase continued along internal and external lines and the company strongly increased the managed funds with increasingly greater client penetration, including non-group clients, both in the institutional and the retail segments, which in 2000 jumped from 25% to 40% of the total.

In 2004, after the new restructuring of the Unicredit Group, he was also put in charge of Private Banking and was appointed Deputy General Manager of the UniCredito group and Managing Director of Unicredit Private Banking, based in Turin.

He became a member of the group executive committee, reporting directly to the managing director.

After acquiring the German Group HVB and the Austrian Group Bank Austria in 2006 and Capitalia in 2007, he became responsible for the Group's entire international wealth management, operating in over 25 countries worldwide and with funds managed and administrated on behalf of clients exceeding 500 billion euro – private banking, asset management, trading on line and promoters (Fineco and Xelion in Italy, Dab in Germany, Dat in Austria) – with 5000 employees and a total net divisional result in excess of one billion euro in 2007.

In 2008, following Group reorganisation, he focalised his attention on asset management in his role as managing director of Pioneer, with the aim of managing the financial crisis phase, which meanwhile had struck with all its virulence, and defining a stand-alone strategy for the Group's asset management – no more vertical integration with private banking and asset gathering (online and promoters) and with the idea of opening up the capital to third parties.

Restructuring included large cost cuts (around 25%) and the re-launching of the sales and product development process, which produced net new inflows for Pioneer in June, 2009, which consolidated in the second part of the year and in 2010 (a total of around 10 billion for a 2010 budget which returned the Ebitda margins to over 35%).

In February, 2010, he left the group and currently works at consultancy level with a number of different counterparts.

As managing director of Pioneer and of Unicredit Private Banking, he has held governance posts in boards made up of Italian and foreign executive, non-executive and independent members. Governance always envisaged the participation of international boards of statutory auditors and remuneration, control and executive committees.

He has been president and vice-president of Italian and foreign banks and investment management companies (including Fineco, Xelion and Dat) and has been a member of the supervisory board of HVB in Germany and Bank Austria in Austria.

Regularly invited to the board meetings of the Unicredit Group from 2004 to 2008.

Since February 2010 he has provided professional advisory services to Italian family offices and international consultancy firms in the asset management sector.

He is partner in a venture capital fund currently being set up.

Since December 2010 he has been senior advisor to the Citibank Group for the wealth management and asset management sectors, covering Europe, Middle East and Africa.

The post involves responsibilities in strategic planning, product design and coverage of major domestic and international clients.

He is currently a member of the board of directors of SOGEFI S.p.A. and of Fullsix S.p.A., both companies listed on the Milan Stock Exchange.

#### ***Giovanni Germano***

Born in TURIN on October 7 1938.

From 1974 to 1979 – Chief Executive Officer of Gilardini S.p.A.

From 1979 to 1982 – Chief Executive Officer of Magneti Marelli S.p.A.

From 1982 to 1987 – Chairman and Chief Executive Officer of FIAT ALLIS.

From 1984 to 1986 – Director of IVECO S.p.A.

From 1987 to 1996 – Director of Valeo S.A.

From 1989 to date – Director of CIR S.p.A.

From 1989 to date – Director of SOGEFI S.p.A.

From 1989 to date – Chairman and Chief Executive Officer of CSL S.p.A.

#### ***Alberto Piaser***

Alberto Piaser was appointed General Manager of CIR by the Board of Directors on September 7, 2001. He is also member of the Board of directors of Sorgenia and Sogefi.

He has also held the position of Director of International Affairs for the CIR Group and from February until June 2001 Mr. Piaser was also Managing Director of Sasib.

He contributed to the restructuring of CERUS and its subsidiaries, especially in the banking sector, holding the position of Deputy General Manager of Cerus from 1994 to 1998 and that of Member of the Board of Directors and General Manager until July 31, 2000.

After spending a short time in Milan as Internal Auditing Manager, he was subsequently involved mainly with the foreign activities of the CIR Group and in particular with those in France.

Alberto Piaser began his career with the auditing firm of PricewaterhouseCoopers, resigning in 1987 to join the CIR Group.

He graduated in Economics from the Bocconi University of Milan in 1974.

#### ***Roberto Robotti***

He was born in Alessandria on September 16, 1938.

He graduated in Economics from the Catholic University of Milan.

He is a member of certified accountants.

Professional experience with Coopers & Lybrand in the U.S.A..

Languages: good knowledge of English and French.

Chairman of Coopers & Lybrand S.p.A. from 1981 to 1999.

Chairman of PricewaterhouseCoopers S.p.A. (auditing and accounting) since June 2000, year of his retiring for limit of age (in accordance to by-laws).

He was a member of Board of Directors of Coopers & Lybrand International and after of PricewaterhouseCoopers International till June 2000; of Commission of Statuizione of accounting of certified accountants from its foundation till September 2003; of Commission operating by Ministry of Justice for adoption of Italian legislation of IV and VII ECC Decree.

He was Partner responsible for the auditing of main companies listed in the Stock Exchange and in international Groups.

At the moment he has powers in Board of Directors of listed and not listed companies and in Board of Statutory Auditors.

Herewith the most relevant charges:

Listed companies:

- Member of Board of Directors as Independent Director of COFIDE S.p.A. and SOGEFI S.p.A. and member of Internal Control Committee;

Other companies

- Independent director of AVIVA Italia holding S.p.A. (AVIVA Group) and President of the Internal Control Committee.
- Independent director of AVIVA Assicurazioni Vita S.p.A. (UBI Assicurazioni Vita S.p.A. – AVIVA Group) and President of the Internal Control Committee.
- Member of the Board of Directors of Eurovita Assicurazioni S.p.A.
- Chairman of Board of Statutory Auditors of Coop Lease S.p.A.;
- Representative of bondholders of Quarzo CL1 (Gruppo Generali).

#### ***Paolo Riccardo Rocca***

Born in Barbaresco (CN) on February 10, 1947.

He attended the faculty of Laws at Turin University, degree on April 27, 1971;

He is a member of Lawyer in Turin since 26 February 1975;

He was appointed official auditor with decree on January 25, 1980 published on Gazzetta Ufficiale della Repubblica n. 033 of February 4, 1980 and Gazzetta Ufficiale 31 bis of April 21, 1995 and enrolled in this position;

He has charges in the following companies listed in the stock exchanges:

COFIDE S.p.A.	Director
SOGEFI S.p.A.	Director
Not listed companies	
ACIMMAGINE S.r.l.	Statutory Auditor
BIM FIDUCIARIA S.p.A.	Chairman of Statutory Auditors
CERIA IMMOBILIARE S.p.A.	Statutory Auditor
FINEXA S.p.A.	Statutory Auditor
L.A.R.C. S.r.l.	Chairman of Statutory Auditors
MAGGIO 88 S.p.A.	Statutory Auditor
METAN ALPI SESTRIERE S.r.l.	Statutory Auditor
METAN ALPI VAL CHISONE S.r.l.	Chairman of Statutory Auditors
SYMPHONIA MULTISICAV S.p.A.	Statutory Auditor
SYMPHONIA SICAV S.p.A.	Statutory Auditor
SYMPHONIA SGR S.p.A.	Statutory Auditor