

**ANNUAL REPORT ON THE SYSTEM OF
CORPORATE GOVERNANCE AND ON THE COMPLIANCE WITH
THE CODE OF CONDUCT FOR LISTED COMPANIES**
(IN ACCORDANCE WITH ART. 124 TER OF TUF, ART. 89 BIS OF CONSOB RULES FOR ISSUERS AND
IA.2.6 OF THE INSTRUCTIONS TO THE RULES FOR THE MARKETS ORGANIZED AND MANAGED BY
BORSA ITALIANA S.P.A.)

- YEAR 2008 -

REPORT ON THE CORPORATE GOVERNANCE ADOPTED BY CIR S.p.A.

This Report aims to illustrate the model of corporate governance that CIR S.p.A. (hereinafter referred to as the “Company”) adopted during the year 2008.

The Company’s system of Corporate Governance is substantially in line with the recommendations contained in the Code of Conduct (March 2006 edition) prepared by the Committee for the Corporate Governance of Listed Companies and promoted by Borsa Italiana S.p.A.

The Report, which was approved by the Board of Directors Meeting held on March 9 2009, will be made available to the Shareholders together with the rest of the documentation for the Shareholders’ General Meeting being called to approve the Financial Statements for 2008. The Report will also be sent to the Italian Exchange in order to facilitate its release to the public and can also be consulted on line – together with other documents of interest to the market - on the website www.cirgroup.it in the section “Investor Relations”.

Information on the ownership structure (art. 123bis T.U.F.) as of December 31 2008

a) Share capital structure

The subscribed and fully paid up share capital amounts to € 395,587,633.50, comprising 791,175,267 ordinary shares, listed on the Milan Stock Exchange – Blue Chip segment.

All of the ordinary shares have the same rights and obligations. CIR shares – as stipulated in art. 5 of the Company Bylaws – are indivisible.

In the event of joint ownership of one or more shares, the rights of the joint owners towards the Company, in accordance with article 2347 of the Civil Code, shall be exercised by a joint representative.

b) Restrictions on the transfer of shares

The shares of the Company are freely transferable, with the exception of certain restrictions applicable to given categories of persons for limited periods of time on the basis of the Code of Conduct on the subject of Internal Dealing published on the website of the Company in the section “Investor Relations”.

c) Significant holdings of capital

Below is a list of the names of Shareholders of last resort who at December 31 2008 were holding either directly and indirectly percentages of ownership of over 2% of the capital with voting rights, in accordance with the terms of Consob resolution 11971/99:

Ing. Carlo De Benedetti (through COFIDE S.p.A.): 45.885%
Egerton Capital Limited Partnership: 2.781%
Mackenzie Cundill Investment Management Ltd: 2.247%
Bestinver Gestion SA SGIIC: 2.078%
Columbia Wanger Asset Management LP: 2.023%

d) Shares which give special rights

There are no shares that give their holders any special controlling rights.

e) Employee shareholdings: mechanism for the exercise of voting rights

There are no special mechanisms for the exercise of voting rights by employees who have shareholdings.

f) Restrictions on voting rights

It should be noted that the Company Bylaws stipulate that for the election of the members of the Board of Directors only Shareholders who, either alone or with other Shareholders, represent at least one fortieth of the share capital or any other percentage that may be determined in accordance with the law or with regulations.

Moreover Shareholders who, alone or with others, represent overall less than 20% of the share capital, can present lists containing no more than three candidates.

For the election of the Board of Statutory Auditors, only Shareholders who, alone or with others, represent at least 2% of the share capital can present lists, and they must be able to prove that they own the required number of shares.

g) Agreements between Shareholders

The Company is not aware of the existence of any agreements between Shareholders as per the terms of art. 122 of the Consolidation Act giving rules on the subject of financial intermediation (hereinafter "T.U.F.").

h) Election and replacement of Directors and amendments to the Bylaws

The Shareholders' Meeting shall decide on the number of Board Members and this number shall remain the same until a resolution changing the number is adopted. Minority Shareholders have the right to elect one member of the Board of Directors.

The Board of Directors is elected by the Shareholders' Meeting on the basis of lists presented by the Shareholders which list the candidates in numerical order.

The lists, signed by the Shareholders who have presented them, must be filed with the Company headquarters at least fifteen days before the date fixed for the first call of the Shareholders Meeting and this fact shall be mentioned in the notice of meeting sent out.

Only Shareholders who alone or together with other Shareholders represent at least a fortieth part of the share capital or any different percentage that may be decided upon in accordance with the law or regulations, can present lists of candidates. They must be able to prove that they own the number of shares required at least five working days before the first call of the Shareholders' Meeting. Shareholders who alone or together with other Shareholders represent a total of less than 20% of the share capital can present lists containing no more than three candidates.

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

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

Each Shareholder can vote for just one list.

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

Together with the presentation of the list, and within the same time limit as the latter, declarations shall be presented in which the candidates accept their candidature and certify under their own responsibility that there are no reasons why they should not be elected neither is there any incompatibility prescribed by law

and by current regulations. They also declare that they possess the requisites stipulated in the law and in current regulations for Members of Boards of Directors. A curriculum vitae must also be submitted with the personal and professional details of the candidate and details of any other positions of director or auditor held in other companies and whether he or her has the necessary requisites to be an independent Director in accordance with the terms of the law and regulations.

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

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

For electing the members of the Board of Directors the following procedure will be adhered to:

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

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

All the Directors elected must possess the requisites of integrity and professionalism required by current regulations. If they do not have these their appointment shall lapse.

In the event that only one list is presented or admitted to the voting, all the Directors shall be drawn from that list.

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

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

Extraordinary Shareholders' Meetings are set up and can pass resolution with the majority stipulated by current legislation.

i) Power delegated to increase the share capital and authorization to buy back the Company's own shares

For a period of five years starting from April 27 2005 the Board of Directors has the right to increase the share capital either once or more than once to a maximum of EUR 500,000,000 nominal value through the issuance of shares with or without a share premium. These shares will be offered in subscription or will service

warrants or the conversion of bond issues including issues made by third parties, both in Italy and abroad, or else they will be assigned free of charge to holders of option rights by allocating to share capital available reserves or provisions on the basis of the latest financial statements approved.

For a period of five years starting from April 27 2005 the Board of Directors also has the right to increase the share capital either once or more than once to a maximum of a remaining EUR 15,840,000 of nominal value through the issuance of shares to be reserved for subscription by employees of the Company and of its subsidiaries and parent companies in accordance with Article 2441, last paragraph, of the Civil Code. The same Board shall have the right to fix the price of issuance, which may not be lower than the nominal value of the shares, the requirements for subscription and the limits of the availability of the same shares, as well as the general terms and procedures for the said subscription.

For a period of five years starting from April 27 2005 the Board of Directors has the right to issue, once or more than once, convertible bonds or bonds with warrants attached, which may also be in a foreign currency, if permitted by law, with a corresponding increase in share capital up to an amount which, taking into account the bonds in circulation at the date on which the issuance is approved, shall not exceed the limits established by regulations in force at that time.

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

The Annual General Meeting of the Shareholders held on April 29 2008 authorized the buy-back of CIR stock in accordance with and as an effect of art. 2357 of the Civil Code for a period of eighteen months from the date of the resolution adopted by the Shareholders, according to the following procedure:

- A maximum of 35,000,000 shares (in addition to the shares already being held) can be bought back for a nominal value of euro 17,500,000, which shall not in any circumstances exceed one tenth of the share capital of CIR with a maximum disbursement limit of euro 100,000,000; the Company will increase its current non-available reserve, called the “reserve for treasury stock held” by the amount of the shares bought back, charging the same amount to the “retained earnings” reserve as it stands in the last financial statements approved, i.e. as of December 31 2007, which currently has a balance of euro 185,051,374. The unit price of each single share purchase transaction shall not be more than 10% higher or lower than the benchmark price recorded by the shares of the same category on the Stock Exchange trading day prior to that on which the purchase is made or to the date on which the price is fixed;
- The purchase may take place as follows:
 - a) through a public offering to purchase or exchange shares;
 - b) on regulated markets following the operating procedures established in the rules for the organization and management of those same markets, which do not allow bids and offers to be matched directly and must be made in such a way as to ensure an equal treatment of all the Shareholders, in compliance with the terms of art. 132

of the T.U.F. and legislation or regulations in force at the moment of the transaction;

c) through the purchase and sale of derivative instruments traded on regulated markets which involve the physical delivery of the underlying stocks and which comply with the further conditions stipulated in art. 144-bis of Consob resolution no. 11971 and the amendments and additions subsequently made to it;

d) through the assignation of put option rights pro rata to the Shareholders, to be assigned within 15 months and which shall be exercisable in a period of up to 18 months from this resolution.

As of December 31 2008 42,974,000 own shares were being held as treasury stock.

l) Change of control clauses

No agreements have been entered into by CIR S.p.A. or its direct or indirect subsidiaries containing a change of control clause, i.e. clauses that take effect in the event of the change of the controlling stake of CIR S.p.A.

m) Compensation to Directors in the event of resignation, dismissal without just cause or termination of their position following a takeover bid

There is no compensation for Directors in any of the above-mentioned cases.

1) Role of the Board of Directors

The Company is administered by a Board of Directors consisting of between five and twenty-one members who remain in office for a period of no longer than three financial years and who can be re-elected (Art. 8 of the Bylaws). According to the Bylaws, the Board of Directors has full powers of ordinary and extraordinary administration of the Company and has the power to carry out any action that it considers opportune in order to pursue and achieve the Company's objectives, with the exception of such powers that according to the law or the Bylaws reside exclusively with the Shareholders' Meeting.

The Board of Directors can approve a reduction of share capital in the event of the withdrawal of Shareholders, an adjustment of the Bylaws to bring them into line with regulations, the transfer of the registered offices within the limits of the national territory as well as the merger by incorporation of a wholly owned company or one in which a stake of at least 90% is held, in compliance with Articles 2505 and 2505-bis of the Civil Code. The Board can also approve the issue of convertible bonds or bonds with warrants attached within the limits of current legislation.

Among Italian financial holding companies, this Company is distinguished by the way its investment portfolio is balanced between companies with strong positions in their respective markets belonging both to mature business sectors with a constant cash flow and to sectors with high growth potential in sharply different business environments (publishing, energy, automotive components, healthcare).

Thus, in the light of its specific characteristics and in application of the terms of Article 1 of the Code of Conduct, the Board of Directors:

- Examines and approves the strategic and financial plans of the issuer and also examines the strategic, business and financial plans of the subsidiaries of the Group assessing whether these plans are consistent with that of the issuer;
- Evaluates the adequacy of the organizational, administrative and general accounting structures of the issuer and the subsidiaries of strategic importance as prepared by the Chief Executive, with particular reference to the system of internal control and the management of conflict of interest;
- Assigns and revokes the powers of attorney given to Executive Directors and establishes the frequency, generally every three months, with which the Executive Directors shall report back to the Board on the activity carried out during the exercise of their respective powers;
- Determines the remuneration of Executive Directors and those who hold special positions at the proposal of the Compensation Committee and after consulting with the Board of Statutory Auditors;
- Monitors the progress of operations taking into consideration, in particular, the information received from the Chief Executive and the Chief Executives of the main subsidiaries, analysing the business and the evolution of the income and equity situation of the Company and of the Group;
- Examines and gives prior approval to transactions put in place by the issuer and examines those of the subsidiaries that have significant impact (*) for the issuer from the economic, equity and financial viewpoint, adopting any resolutions (while respecting the principle of operating independence of the companies). It pays particular attention to situations where one or more directors have either a personal interest or an interest on behalf of someone else and, more generally, it pays attention to transactions with related parties;
- Carries out at least once a year an assessment of the size, composition and running of the Board of Directors and of its committees, possibly expressing

() transactions of significant impact means those of particular strategic importance for the Group given their effects on the consolidated economic, equity and financial situation and/or of the medium/long term commitments resulting from them.*

guidelines concerning the professional figures whose presence on the same would be considered useful.

The Directors act and adopt resolutions independently on the basis on their knowledge and good judgment and they accept the position when they consider that they can dedicate the necessary time to carrying out their duties, bearing in mind also the number of directorships or positions of statutory auditor that they hold in other companies listed on regulated markets, finance companies, banks, or insurance companies of a significant size. They are furthermore required to inform the Board of Directors of any other position they have that is in competition with the issuer and of any significant changes that may occur.

On April 29 2008, the Board of Directors of the Company assigned the following powers:

- The Chairman of the Company, Mr Carlo De Benedetti, with his single signature, was given full and broad-reaching powers of ordinary and extraordinary administration and the power to make decisions regarding the organization of the Company including the appointment of officers and of proxies to attend the shareholders' meetings of companies;
- The Chief Executive Officer and General Manager of the Company, Mr Rodolfo De Benedetti, was assigned full and broad-reaching powers in order that he might, with his single signature, represent the Company in all matters of ordinary administration before any political and administrative Authority as well as before all public and private offices in general;
- Directors Franco Girard and Pierluigi Ferrero were given the power, with their joint signatures, to: a) negotiate and sign loan agreements, credit facilities or overdraft facilities, secured by collateral involving securities or real estate; b) issue guarantees, even for third-party debt, pledging securities or real estate, the power to pledge assets, take out mortgages and to issue guarantees and back bills also on behalf of subsidiaries or affiliates; c) to issue letters of comfort;
- Director Massimo Segre was given the power to represent the Company before the entities listed below and before any entities that depend on the same or may be linked to the same in terms of their function or their hierarchy: the Financial Administration of the State and of Local Authorities, the Inland Revenue Department, the Agency for the Territory, Regional, Provincial or Central Tax Commissions, the Ministry of the Economy and of Finance, the Ministry of Production Activities, the Ministry of Communications, the Ministry of Foreign Trade, the Italian Exchange Office (now UIF), Bank of Italy, Chambers of Commerce, the Register of Companies, Justices of the Peace, Courts of Law, Courts of Appeal, of Cassation, Regional Administrative Courts (TAR), the Council of State, the Customs Authorities, the Land and Buildings Register, Public Registry Offices, Consob, ISVAP, the Competition and Markets Watchdog Authorities, the Communications Watchdog, the Italian Exchange and other

Companies managing regulated markets, Monte Titoli and other Companies managing a centralized custody service for financial instruments, and the Police Authorities. These powers are granted for the fulfilment of all obligations, for all current relationships and/or documentation with the exception of deeds disposing of assets, the assumption of liabilities and charges and the issue of guarantees of any kind and in any form.

On September 7 2001, the Board of Directors of the Company also assigned to the General Manager, Mr Alberto Piaser, with his single signature, powers of ordinary administration as from October 1 2001 for the action included in his mandate.

2) Composition of the Board of Directors

The following charts show the composition of the Board of Directors, the Compensation Committee and the Internal Control Committee.

Name	Position	In office since	List	Exec.	Non exec.	Indep. Code of Conduct	Indep. TUF	% BofD	Other positions
De Benedetti Carlo	Chairman	29.4.2008	M	X				100%	5
De Benedetti Rodolfo	CEO	29.4.2008	M	X				100%	6
Bracchi Giampio	Director	29.4.2008	M		X	X	X	100%	6
Debenedetti Franco	Director	29.4.2008	M		X			89%	3
Ferrero Pierluigi	Director	29.4.2008	M		X			100%	2
Germano Giovanni	Director	29.4.2008	M		X	X	X	100%	1
Girard Franco	Director	29.4.2008	M		X			100%	3
Mancinelli Paolo	Director	29.4.2008	M		X	X	X	89%	--
Paravicini Crespi Luca	Director	29.4.2008	M		X	X	X	67%	6
Recchi Claudio	Director	29.4.2008	M		x	X	X	33%	5
Segre Massimo	Director	29.4.2008	M		X			100%	3
Tabellini Guido	Director	29.4.2008	M		X	X	X	78%	--
Zanni Umberto	Director	29.4.2008	M		X	X	X	56%	--

Key:

List: M/m: according to whether the Director was elected from the list voted by the majority or by a minority.

Independent (Civil Code and TUF): indicates whether a Director can be qualified as independent on the basis of the criteria established by the Code of Conduct (March 2006 edition) and by art. 148 parag. 3 of the TUF.

% CDA: shows the Director's attendance, in percentage terms, at the Board Meetings held during the year.

Other positions: shows the total number of positions held in other listed companies, financial companies, banks, insurance companies or other companies of a significant size.

Name	Position	Compensation Committee	% attendance of C.C.	Internal Control Committee	% attendance of I. C.C.
De Benedetti Carlo	M	X	100%		
Germano Giovanni	M	X	100%		
Mancinelli Paolo	M			X	100%
Paravicini Crespi Luca	M			X	100%
Recchi Claudio	M			X	50%
Tabellini Guido	M	X	100%		
Zanni Umberto	M	X	50%		

Key:

Compensation Committee and Internal Control Committee: "C" means the Chairman, "M" the other members.

% CC: shows the Director's attendance in percentage terms at the meetings of the Compensation Committee held during the year.

% ICC: shows the Director's attendance in percentage terms at the meetings of the Internal Control Committee held during the year.

The above Board consists of thirteen Directors, two of whom have executive status (the Chairman and the Chief Executive Officer), while eleven are non-executive.

In consideration of their number and their authority, the non-executive Directors provide a guarantee that their judgment shall have significant weight in the resolutions adopted by the Board; they each bring their own individual expertise to Board debates and contribute to the adoption of decisions in the interest of the Company.

The "Independent Directors" make up the majority of the Board.

The composition of the Board of Directors of the issuer is therefore appropriate to guarantee sufficient conditions of operational independence, aimed at maximizing the economic and financial objectives of the same issuer.

In the last few years the Chairman of the Board of Directors, in agreement with the Chief Executive Officer, initiated a process aimed at giving the Board of Directors more involvement so that it can as a body carry out in full its role of directing the management of the Company and its members can obtain all the elements useful for giving their personal contribution to reaching the Company objectives.

During the Board meetings held in 2008 the Chief Executive of the Company described the objectives and strategies being pursued by the issuer and the Chief Executives of the Group also intervened to illustrate the objectives and strategies being pursued by the main subsidiary companies too.

The Board can set up from within its number committees with the function of consulting and making proposals, determining the scope of their activity and their powers. The Board of Directors, at the proposal of the Chief Executive Officer and in agreement with the Chairman, subject to the favourable opinion of the Board of Statutory Auditors, shall appoint the officer responsible for the preparation of the company financial statements, who must have adequate experience on the subject of accounting and finance.

The Board of Directors also monitors that the officer appointed to prepare the financial statements of the Company has sufficient powers and means to carry out the duties assigned to him and that the administrative and accounting procedures are actually being complied with.

In accordance with the terms of the Code of Conduct, on April 29 2008 the Board of Directors appointed as lead independent director Prof. Guido Tabellini to whom all the non-executive directors can refer (especially the independent ones) to enable them to make a better contribution to the activity and the running of the Board.

The lead independent director collaborates with the Chairman to guarantee that the Directors receive full information flows on a timely basis. Among other things the lead independent director, either independently or at the request of other directors, also has the right to call a meeting of just the independent directors to discuss topics considered of interest to the running of the Board of Directors or the management of the Company.

The positions of Director or Statutory Auditor held by the Directors in listed companies and in financial companies, banks, insurance companies or other companies of a certain importance, which are checked and noted every year by the Board of Directors, are shown in Attachment A.

It should be remembered that the mandate of the current Board of Directors will terminate with the approval of the Financial Statements for the year ended December 31 2010.

When they were appointed all of the Directors submitted declarations in which they attested that there were no reasons why they should not be elected nor was there any incompatibility contained in the law and also that they possessed the requisites of integrity and professionalism required by current legislation and also by the Bylaws of the Company.

The Directors were drawn from the majority list presented by COFIDE S.p.A., holder – at the date of the Shareholders' Meeting – of 45.45% of the share capital. It should also be noted that the personal and professional details of each Director are shown in an attachment to this report.

In accordance with the terms of the Bylaws (Articles 12, 13 and 20), the Board shall meet when convened by the Chairman or whoever is taking his place, as a rule every three months and any time that the interests of the Company make it necessary, including at the request of two Directors, or when called by any member of the Board of Statutory Auditors, subject to their notifying the Chairman of the Board of Directors.

The Meeting will be called by registered letter, telegram, fax or e-mail which must be received at least five days before the date fixed for the meeting or, in cases of urgency, at least the day before.

The meetings of the Board and its resolutions are valid, even when the meeting has not been formally convened, when the majority of the Directors in office and the Statutory Auditors are present even by telephone - or video-conference call, all

those who have a right to attend have been notified in advance of the meeting and the participants are sufficiently informed on the topics to be dealt with.

The Meetings of the Board of Directors will be chaired by the Chairman or, should the Chairman be absent, by one of the Deputy Chairmen or, should there be no Deputy Chairman, by a Director designated by the Board.

In order for the Board resolutions to be valid and binding the majority of the Directors in office must be present. Resolutions are taken with an absolute majority of the votes of those present, and if the votes for and against are equal then the Chairman or whoever is taking his place casts his vote which shall be decisive.

Board resolutions are set out in writing in the minutes which are signed by the person chairing the meeting and by the Secretary.

Meetings of the Board of Directors can be held by video- or telephone-conference call or by any other means of telecommunication on the condition that all the participants can be identified, that they are able to follow the discussion and intervene in real time on the items being treated and that they are in a position to receive, transmit and view documents.

Once these conditions have been verified, the Board is considered as being held in the place where the Chairman is actually located.

When the minutes are not drawn up by a Notary, they are prepared by the Secretary and signed by the Chairman and the Secretary without delay.

The Directors must report back to the Board of Directors and to the Board of Statutory Auditors on activities carried out and on anything else required by law at regular intervals at least once every three months when Board Meetings are held or whenever particular timing needs make it desirable. This report shall be made directly, in writing, or verbally and/or by telephone.

In practice the recommendations given in the Code of Conduct are being applied since:

- the Chairman convenes meetings of the Board of Directors and makes sure that all the members of the Board receive, in reasonable advance of the meeting (except in cases of urgency), all the documentation and information necessary to enable them to express their opinion in a knowledgeable way on the topics submitted for examination and approval;
- the Chairman coordinates the activity of the Board of Directors and directs the proceedings at its meetings;
- the Board of Directors provides sufficient information on the powers assigned to the Chairman.

It should be noted that the General Manager, Alberto Piaser, also takes part in the meetings of the Board of Directors.

During 2008 the Board of Directors met nine times and more frequent meetings are not expected for this current calendar year. On average, the meetings last for approximately two hours. For the year 2009, as of the date of the approval of this report, seven meetings have been scheduled.

On the subject of passing information to the Board, in accordance with what is set out in the Code of Conduct, the Executive Directors report back regularly (at least every three months) to the Board and at the same time to the Board of Statutory Auditors on the action taken in the exercise of the powers assigned to them.

The Executive Directors also inform the Board of Directors and the Board of Statutory Auditors (at least once every three months) on any unusual transactions or any transactions with related parties.

3) Independent Directors

The Code of Conduct stipulates that there be a sufficient number of “Independent Directors”. Currently seven non-executive Directors of the Company have demonstrated that they are qualified to be “Independent Directors”. On the basis of the criteria stipulated in paragraph 3.C.1 of the Code of Conduct, Directors may be qualified as “Independent Directors” provided that:

- a) they do not either directly, indirectly or on behalf of third parties control the Issuer, they are not able to exert a significant influence on it, and they have not entered into a shareholder pact through which one or more persons may exercise control or a significant influence on the Issuer;
- b) they do not hold or have not held in the previous three years an important position in the Issuer, in one of its subsidiaries of strategic importance or in a company subject to the joint control of the Issuer, or in a company or an entity which, with others through a shareholder agreement, controls the Issuer or is able to exercise considerable influence on the same;
- c) they do not have or have not had in the previous year a significant commercial, financial or professional relationship either directly or indirectly (for example through subsidiaries or companies in which they have a significant role either as partner of a professional firm or of a consulting company) with:
 - the Issuer, one of its subsidiaries or with any persons of significant status in the same;
 - with a person or entity who even with others through a shareholder agreement, controls the issuer or – where companies or entities are involved – with any persons who have a significant status in them;or that they are not, or have not been in the previous three years, employees of one of the above entities;
- d) they do not receive, or have not received in the previous three financial years, from the Issuer or from one of its subsidiaries or parent companies any significant remuneration in addition to their fixed fee as non-executive director of the Issuer, including participation in performance-related incentive plans even involving shares;
- e) they have not been directors of the Issuer for more than nine of the last twelve years;

- f) they do not hold the position of executive director in another company in which an executive company of the issuer holds the position of director;
- g) they are not shareholders or directors of companies or of an entity belonging to the network of the company awarded an audit mandate by the Issuer;
- h) they are not close family members of a person who is in one of the situations specified in the previous points.

Should any of the situations listed in the Code of Conduct exist as conditions for the non-independence of non-executive Directors, the Board of Directors shall examine on a case-by-case basis whether the individual has the necessary requisites to be qualified as an Independent Director.

On the basis of paragraph 4, art. 147 ter of the TUF, at least one member of the Board of Directors, or two if the Board of Directors has more than seven members, must have the requisites of independence established for statutory auditors and therefore in accordance with the terms of paragraph 3, art. 148 of the TUF, the following individuals cannot be considered as independent:

- a) the spouse, relations and relatives up to the fourth degree of kinship of the Directors of the Company, the directors, the spouse, relations and relatives up to the fourth degree of directors of the companies controlled by the former and of the companies which control it and those subject to joint control;
- b) those who are linked to the company or to the subsidiaries of the company or to companies which control it or to companies subject to joint control or those linked to the directors of the company and to the individuals mentioned in the previous point through a working relationship, be it of regular employment or of a freelance nature, or by any economic or professional relationship which could compromise his or her independence.

The Board of Directors Meeting that was held at the end of the Shareholders' Meeting of April 29 2008 (which renewed the members of the Board of Directors) checked the existence of the requisites of independence set out in the Code. Furthermore, and in waiver to the terms set out in the Code of Conduct for Listed Companies (See Principle 3.C.1, letter e), gave a positive opinion on the independence of the following Directors: Messrs Giovanni Germano, Paolo Mancinelli, Luca Paravicini Crespi, Claudio Recchi and Umberto Zanni, in spite of the fact that they have been Directors of the Company for more than nine of the last twelve years, given that they have always demonstrated full independence of judgement and have appreciated the work of management freely.

During financial year 2008 the Independent Directors met – without the other Directors – on April 29 2008 to assess the quality of management and the transparency of the information given to the Board of Directors and to make some proposals thereon.

4) Treatment of company information

On October 30 2002 the Board of Directors approved the internal procedure put forward by the Chief Executive Officer for the treatment of confidential information, with the definition of the roles and responsibilities of those responsible for managing such information and deciding how and when to release it to public knowledge following the procedures defined by the rules regulating the disclosure of price-sensitive information, as follows:

- Press releases pertaining to the so-called periodic information (financial statements, quarterly and semi-annual interim reports etc.) are approved by the Board of Directors;
- Press releases pertaining to extraordinary transactions (mergers, acquisitions, capital increases etc.) are approved by the Board of Directors if the said transactions require approval by that same body;
- In all other cases in which no resolution is required by an administrative body, the management of the disclosure of information is the responsibility of the Chief Executive Officer in agreement with the Chairman who will be responsible for evaluating the “significance” of the facts to be disclosed;
- Publication of the press releases is assigned to the External Relations Department of the Parent Company COFIDE S.p.A. who will forward them to the press and to the Central Finance Director in charge of Investor Relations for forwarding to institutional investors;
- The Directors, the Statutory Auditors, the head of “Investor Relations”, the head of external relations and all other employees involved must make sure that all price-sensitive documents and information obtained during the course of their duties remain confidential (unless they have already been published in the prescribed forms) and must respect the required procedure for releasing such documents and information outside the company;
- It is absolutely forbidden for anyone to give interviews to press organizations or to make statements of any kind containing information on significant facts which could be classified as price-sensitive unless these have already been the subject of press releases or documents already released to the public;
- The Chief Executive Officer keeps a watch to ensure that all those involved apply the terms of current regulations on the subject of company information and that they comply with the requirements contained in the procedure. He will also see that they are informed on the content of laws and procedure.

In addition, in compliance with the transposition into Italian law of the European Directive on market abuse, the obligations on the subject of insider dealing have been reformulated, giving a more precise definition of the concept of “privileged information”, of the characteristics necessary to be considered as “significant persons”, the new terms and procedures for significant persons to notify the market of privileged information and the institution of a register of all those people who have access to privileged information. Consequently on March 14 2006 the Board of Directors was able to comply with the new legislation.

Therefore as from April 1 2006 the new Code of Conduct on the subject of Internal Dealing has been in force and the Register of Persons who have access to privileged information is being regularly updated.

5) The institution and the functioning of the internal committees of the Board of Directors

In accordance with the terms of the Code of Conduct, on May 4 2000 the Board of Directors set up the Internal Control Committee and the Compensation Committee. It did not consider it necessary to set up a committee for appointing Directors because the list mechanism of voting ensures that there is transparency at the appointment stage.

6) Appointment of Directors

Article 8 of the Company Bylaws regarding the Administration of the Company states: “The Company is administered by a Board of Directors comprising from five to twenty-one members, who need not necessarily be shareholders, whose mandate lasts for the period determined by the Shareholders Meeting, but which in any case shall not be longer than three financial years, and who can be re-elected. The Shareholders’ Meeting shall decide on the number of Board Members and this number shall remain the same until a resolution changing the number is adopted. Minority Shareholders have the right to elect one member of the Board of Directors.

The Board of Directors is elected by the Shareholders’ Meeting on the basis of lists presented by the Shareholders which list the candidates in numerical order.

The lists, signed by the Shareholders who have presented them, must be filed with the Company headquarters at least fifteen days before the date fixed for the first call of the Shareholders Meeting and this fact shall be mentioned in the notice of meeting sent out.

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

five working days before the first call of the Shareholders' Meeting. Shareholders who alone or together with other Shareholders represent a total of less than 20% of the share capital can present lists containing no more than three candidates.

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

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

Each Shareholder can vote for just one list.

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

Together with the presentation of the list, and within the same time limit as the latter, declarations shall be presented in which the candidates accept their candidature and certify under their own responsibility that there are no reasons why they should not be elected neither is there any incompatibility prescribed by law and by current regulations. They also declare that they possess the requisites stipulated in the law and in current regulations for Members of Boards of Directors. A curriculum vitae must also be submitted with the personal and professional details of the candidate and details of any other positions of director or auditor held in other companies and whether he or her has the necessary requisites to be an independent Director in accordance with the terms of the law and regulations.

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

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

For electing the members of the Board of Directors the following procedure will be adhered to:

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

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

All the Directors elected must possess the requisites of integrity and professionalism required by current regulations. If they do not have these their appointment shall lapse.

In the event that only one list is presented or admitted to the voting, all the Directors shall be drawn from that list.

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

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

7) Remuneration of Directors

The remuneration of Directors holding special positions is, pursuant to the Bylaws, established by the Board of Directors, at the proposal of the Compensation Committee after obtaining the opinion of the Statutory Auditors.

The Board of Directors did not see fit to change the composition of the Compensation Committee and the Chairman of the Board of Directors continues to be on the Committee in view of his broad-based competence and his deep knowledge of the Company.

The current members of the Compensation Committee are Mr Carlo De Benedetti, and independent Directors Messrs Guido Tabellini, Giovanni Germano and Umberto Zanni.

The Compensation Committee based its work on the guidelines set forth in the Code of Conduct for Listed Companies and met twice during 2008. Minutes were taken of the Committee meetings as is standard practice.

The above Committee has the task of putting forward to the Board, in the absence of those directly concerned, proposals concerning:

- The remuneration of Executive Directors and Directors holding special positions, including remuneration in stock options and with incentive plans (phantom stock options);
- General and individual salary packages for top level managers of the Company and stock option plans and incentive plans (phantom stock options);
- The establishment of criteria for remunerating the management of the Company, at the indication of the Executive Directors.

8) Internal Control System

The internal control system is all the rules, procedures and organizational structures that, by correctly identifying, measuring, managing and monitoring the main risks, ensure that the company is administered in a healthy and correct manner that is consistent with the objectives established.

The internal control system of the Group contributes to guaranteeing that corporate assets are safeguarded, that corporate operations are carried out efficiently and

effectively, that financial information is reliable, and that laws and regulations are complied with.

Responsibility for internal control lies with the Board of Directors. To this end, the Board of Directors avails itself of the assistance of the Internal Control Committee, the executive director responsible for superintending the functioning of the internal control system and the internal control officers.

On the basis of the resolution adopted by the Board of Directors on March 20 2001, the Chief Executive Officer is the executive director responsible for ensuring that the internal control system works effectively and that it is adequate. He does this partly by defining procedures that will guarantee sound and efficient management and also by identifying, pre-empting and managing, as far as possible, any financial and operational risk and any fraud against the Company, availing himself of the assistance of the “internal control officers” as above.

The internal control officers were appointed by a resolution of the Board of Directors on September 21 1999 and they are currently Mr Oliviero Maria Brega, Central Director for Planning and Control, and Mr Giuseppe Gianoglio, Director of Internal Auditing for the Group and Director of Administration. In view of the characteristics of the Company two internal control officers were appointed with the aim of respecting the terms of the Code of Conduct which requires that the officers not be the heads of any operating department and that they do not report to the head of any operating area in the company hierarchy. The officers therefore have areas of responsibility that are precise and well-defined and specifically Mr Oliviero Maria Brega is responsible only for CIR S.p.A. while Mr Giuseppe Gianoglio, who is also the Director of Administration, deals exclusively with the subsidiaries.

The Board of Directors with their resolution adopted on May 4 2000 set up the Internal Control Committee which was given the function of preparing proposals and acting in a consulting capacity and which acts along the lines set out by the Code of Conduct.

The Chairman of the Board of Statutory Auditors or another Statutory Auditor designated by the said Chairman takes part in the work of the Committee.

In particular the Internal Control Committee:

- a) assists the Board of Directors in carrying out its duties regarding internal control;
- b) assesses the plan of action prepared by the internal control officers and receives the periodic reports from the same;
- c) together with those responsible for the administration of the company and the auditors, the above Committee assesses whether the accounting principles are being used correctly and, for groups, assesses their uniformity for the purpose of drawing up consolidated financial statements;
- d) evaluates the proposals submitted by auditing firms for award of the company’s auditing mandate, their plan of action for carrying out the audit, the

results of the said audit as set forth in the auditor's report and in their letter containing recommendations;

e) reports back to the Board at least once every six months when the financial statements and the semi-annual interim accounts are approved, regarding the action carried out and the adequacy of the system of internal control;

f) carries out any further duties that may be assigned to it by the Board of Directors, particularly in regard to the relationship with the external auditors;

g) accesses the information and company functions necessary for carrying out their duties and can also use external consultants when necessary.

The Company provides the committee with sufficient financial resources for it to carry out its duties.

At present the Committee is formed exclusively of Independent Directors.

The members of the Internal Control Committee are Messrs Paolo Mancinelli, Luca Paravicini Crespi and Claudio Recchi.

During 2008 the Committee met twice and the Internal Control Officers reported back on their activities. Minutes were taken of the Committee meetings as is standard practice.

In compliance with the Company Bylaws, on April 27 2007 the Board of Directors appointed Mr Alberto Piaser (General Manager of the Company) as the Executive responsible for the preparation of the financial statements of the Company.

9) Interests of the Directors and transactions with related parties

The principles of conduct governing transactions with related parties are the following:

1. The Board of Directors must give their prior approval to transactions with related parties including intercompany operations with the exclusion of typical or routine transactions or those that can be considered as carried out at standard conditions.
2. Typical or routine transactions are those carried out in the normal course of business of the company and those transactions the characteristics of which do not involve any critical or risky elements.
Transactions carried out at standard conditions are those entered into by the company at conditions applied to any third party.
3. For transactions with related parties subject to its prior approval, the Board of Directors shall receive adequate information regarding the nature of the relationship involved, the conditions applied, the procedures for executing the transaction and the valuation procedure followed. In consideration of

the nature and characteristics of the transaction, the Board of Directors may also avail itself of the assistance of independent experts.

4. For transactions with related parties subject to approval by the Board of Directors, Directors who are in a potential conflict of interest, shall limit themselves to providing clarification and the Board of Directors will assess for each single case whether it is appropriate for these Directors to leave the meeting before the vote is taken.
5. For transactions with related parties not subject to the prior approval of the Board of Directors because they are typical, routine and/or carried out at standard conditions, the Executive Directors shall ensure that sufficient information on the nature of the same is documented and kept on record together with the execution procedures and the economic conditions applied.

10) Statutory Auditors

Article 19 of the Company Bylaws regarding the Board of Statutory Auditors stipulates that: “The Board of Statutory Auditors consists of three Statutory Auditors and three Alternate Auditors whose term of office lasts for three financial years and who can be reappointed. Minority Shareholders can elect one Statutory Auditor and one Alternate Auditor.

The Board of Statutory Auditors is appointed by the Shareholders’ Meeting on the basis of lists of candidates presented by the Shareholders consisting of two sections: one for the candidates for the position of Statutory Auditor and the other for the candidates for the position of Alternate Auditor and the candidates in each section are listed in numerical order.

The lists of candidates, signed by the Shareholders who are presenting them, must be filed with the Company headquarters at least fifteen days before the date fixed for the first call of the Shareholders’ Meeting, and this will be mentioned in the notice of meeting.

Only Shareholders who, either alone or with others, represent at least 2% of the share capital have the right to present lists and they are required to provide proof of ownership of the required number of shares no later than five working days before the first call of the Shareholders’ Meeting.

Lists presented which do not comply with the above rules will be considered as not having been presented.

No Shareholder can present or contribute to the presentation of more than one list of candidates even through an intermediary or through a fiduciary company. Shareholders who are subject to joint control as per the terms of Art.93 of the Consolidation Act on the subject of financial intermediation or those who take part

in the same shareholder agreement for voting purposes can present or jointly present just one list. Each Shareholder can vote for just one list.

Candidates can be present on only one list otherwise they will be excluded from election.

No Shareholder, or Shareholders belonging to the same group, can present more than one list of candidates even through an intermediary or through a fiduciary company, neither can they vote for different lists. Candidates can be present in only one list otherwise they will be excluded from election.

Candidates who already hold the position of Statutory Auditor for five other companies or organizations whose shares are listed on a regulated market included in the list as per articles 63 and 67 of the T.U.F. cannot be included in the list of candidates and neither can individuals who do not possess the necessary requisites of integrity, professionalism and independence laid down in the legislation on the subject or those who do not respect the maximum limit for the number of positions they can hold in accordance with the law or with regulations.

Within the above-mentioned time limit and together with each list, a declaration signed by each candidate must be submitted. This declaration should attest that the candidate, under his or her own responsibility, accepts his or her nomination and should certify that there are no reasons why he or she should be ineligible for the position or be otherwise incompatible and that the candidate possesses the necessary requisites laid down by law and by current regulations for members of Board of Statutory Auditors.

The lists must also be accompanied by a curriculum vitae with the personal and professional details of the candidate and details of any other positions of director or auditor held in other companies.

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

The election of the members of the Board of Statutory Auditors will take place as follows:

1. Two members and two alternate members will be drawn from the list which obtains most votes at the Shareholders' Meeting on the basis of the numerical order in which the names appear on the list;
2. The other member and the other alternate member will be drawn from the list which obtains the second most votes at the Shareholders' Meeting ("minority list") and who must not be connected even indirectly with the Shareholders who presented or voted for the list which obtained the most votes, again on the basis of the numerical order in which the names appear on the list;
3. If only one list is presented, all the Statutory Auditors and Alternate Auditors will be drawn from that list.

The candidate on the minority list who obtained most votes has the right to the position of Chairman of the Board of Statutory Auditors.

If only one list is presented, the candidate for the position of Statutory Auditor who is number one on that list has the right to the position of Chairman of the Board of Statutory Auditors.

Should an Auditor prove not to be possession of the qualifications required by law and by these Bylaws then his or her appointment will no longer be valid and will therefore lapse.

Should a Statutory Auditor need to be replaced, the individual taking his or her place will be selected from the same list of candidates as his or her predecessor.”

Article 20 of the Company Bylaws states that the meetings of the Board of Statutory Auditors can also take place using telecommunications facilities provided that the following conditions are met with:

- a) That participants are able to view, receive or transmit all the necessary documentation;
- b) That they can take part in real time in the discussion respecting the methodology of their function (the *collegio* method).

The meetings are held in the place where the Chairman is or, in his absence, where the oldest Statutory Auditor in terms of age is located.

The Board of Statutory Auditors can, provided that the Chairman is notified, call a Shareholders’ Meeting, a Board of Directors Meeting or an Executive Committee Meeting. The power to call a Board of Directors Meeting or an Executive Committee Meeting can be exercised individually by any member of the Board of Statutory Auditors; the right to call a Shareholders’ Meeting must be exercised by at least two members of the Board of Statutory Auditors.

Furthermore the Statutory Auditors are selected from persons who can be qualified as independent following the same criteria as those applied to the Directors.

During 2008 the Board of Statutory Auditors checked that the above criteria were being complied with, ensuring that the results of this check were shown in this report.

During 2008 the Board of Statutory Auditors met eight times.

Name	Position	In office since	List	Indep. Code of Conduct	% attendance at meetings of B. of S.A.	Other positions held
Manzonetto Pietro	Chairman	29.4.2008	M	X	100%	2
Nani Luigi	In office	29.4.2008	M	X	100%	1
Zingales Riccardo	In office	29.4.2008	M	X	88%	2
Macchiorlatti Vignat Luigi	Alternate	29.4.2008	M	X	--	4
Ponzellini Gianluca	Alternate	29.4.2008	M	X	--	3
Reboa Marco	Alternate	29.4.2008	M	X	--	6

Key:

List: “M/m” according to whether the Statutory Auditor was elected from the list voted by the majority or by a minority.

Indep: shows that the Statutory Auditor is qualified as independent according to the criteria established by the Code of Conduct (March 2006 version).

% attendance: shows the attendance in percentage terms of the Statutory Auditor at the meetings of the Board of Statutory Auditors.

Other positions: shows the number of positions of director or statutory auditor held by the individual in other Italian listed companies. The full list of these positions is given in an attachment to this document (Attachment A).

When they were appointed all of the Statutory Auditors submitted declarations in which they attested that there were no reasons why they should not be elected nor was there any incompatibility contained in the law and also that they possessed the requisites of integrity and professionalism required by current legislation and also by the Bylaws of the Company.

The Statutory Auditors are drawn from the majority list presented by COFIDE S.p.A., holder – at the date of the Shareholders' Meeting – of 45.45% of the share capital.

The personal and professional details of each Statutory Auditor are given in an attachment to this document.

11) Relations with Shareholders

The Company has always endeavoured to establish and maintain an effective dialogue with its Shareholders and with the market, using various forms of communication including for example the following: presenting the results of the Company and the Group during Shareholders' Meetings using slides, meeting with financial analysts and institutional investors in Italy and abroad, informing the public by making press releases and presentations available on the website of the Company. The Company also adheres to the principles of the Guide for disclosing information and documents to the Market.

To this end the Chief Executive Officer appointed Mr Giuliano Cecchini, Central Finance Director, to be in charge of the Investor Relations function, managing the flow of information to Shareholders, analysts and institutional investors, in compliance with the rules established for the disclosure of Company information and documents.

12) Shareholders' Meetings

It has always been the policy of the Company to use the Shareholders' Meeting as an opportunity to give the Shareholders information about the Company and its outlook for the future, while complying with the procedure concerning price-sensitive information.

All the Directors and Statutory Auditors endeavour to be present at Shareholders' Meetings as far as possible but particularly those Directors who can make a positive contribution to the debate in view of the positions that they hold.

The Meeting is called by means of the publication of a notice containing an indication of the day, the time, the place where the meeting will be held together with its Agenda in the Gazzetta Ufficiale or in the newspaper "Il Sole 24 Ore" within the time limits laid down by law or by regulations.

The Shareholders' Meeting can be convened in a place other than the offices of the Company, provided that it is in Italy.

Shareholders who, even jointly, represent at least 2% of the share capital can request, up to five days from the publication of the notice of the Shareholders Meeting, the inclusion of an item on the Agenda, indicating in their request the further topics to be included.

Shareholders can take part in the Shareholders' Meeting provided that the authorized intermediary has notified the Company of attendance at least two working days prior to the meeting in accordance with current legislation for taking part in shareholders' meetings.

The shares referred to in the notification as above remain unavailable until the end of the Meeting.

Each Shareholder who has the right to take part in the Meeting can be represented by another person subject to signing a written proxy in accordance with the terms of the law. It is the Chairman's duty to check that the proxies are in order and that those present have the right to take part in the Meeting. Each share gives the right to one vote. The Shareholders' Meeting, both in its ordinary and its extraordinary session, is constituted and adopts resolutions in accordance with the provisions of the law.

The Shareholders' Meeting held on April 27 2001, in accordance with the terms of the Code of Conduct, approved a set of Regulations for conducting Shareholders' Meetings, which can be consulted on the internet website of the Company in the section "Investor Relations".

13) Code of Ethics

On March 7 2003 the Board of Directors approved the CODE OF ETHICS OF THE CIR GROUP, with the aim of defining in a clear and transparent way the code of values underpinning the action of the Group in the pursuit of its objectives and establishing principles of conduct which are binding for directors, employees and other individuals who maintain relations with the Group.

The text of the CODE OF ETHICS can be consulted on the internet website of the Company in the section "Investor Relations".

14) Institution of a Surveillance Body and application of the organizational and operational model provided for by D.Lgs. 231/2001

Legislative Decree no. 231/2001 containing the "Discipline regulating the administrative liability of legal entities, companies and associations without legal status, pursuant to Article 11 of Law no. 300 of September 29 2000" and subsequent amendments and additions introduced the criminal liability of entities

for any fraudulent acts committed by people with a special functional relationship with the Company, where the alleged misdeed was carried out in the interest or to the advantage of the same Company; this liability was subsequently extended by D.Lgs no. 61/2002 to cover corporate offences.

The decree provides that exemption for the company from such liability is possible provided that it can be demonstrated that the company had adopted and effectively put in place organizational models for the prevention of criminal offences and that it had given the task of monitoring the correct functioning of such models and making sure that they are fully updated to a controlling body equipped with independent powers to take the initiative and to carry out a control function.

To this end, after approving the Code of Ethics, the Board of Directors then set up the Surveillance Body on April 30 2003. Currently the members of the Surveillance Body are independent Directors Messrs Paolo Mancinelli and Claudio Recchi as well as the Director of Internal Auditing of the Group, Mr Giuseppe Gianoglio.

On September 5 2003 the Board of Directors then approved the “*Organizational Model*” to which a new version of the Code of Conduct on the subject of Internal Dealing and Keeping the Register of Persons who have access to Privileged Information was added in 2006.

15) Firm of Auditors

The Shareholders’ Meeting held on April 29 2008 awarded a mandate to the company Deloitte & Touche S.p.A. to audit the annual financial statements and the consolidated financial statements and carry out the check that the company accounts are being held correctly for financial years 2008-2016.

OTHER PROVISIONS OF THE CODE OF CONDUCT

	YES	NO	Summary of reasons for any departure from the recommendations of the Code
<i>System of powers of attorney and transactions with related parties</i>			
The Board of Directors has assigned powers of attorney, defining:			
a) the limits thereof	X		
b) the ways in which they shall be exercised	X		
c) how often briefing updates will be given?	X		
The Board of Directors reserves the right to examine and approve any transactions of significance from an economic, asset and liability and financial viewpoint (including transactions with related parties)?	X		
The Board of Directors has established guidelines and criteria for the identification of “significant” transactions?	X		
The guidelines and criteria as above are described in the Report?	X		
The Board of Directors has defined special procedures for examining and approving transactions with related parties?	X		
The procedures for the approval of transactions with related parties are described in the Report?	X		
<i>Procedures for the most recent appointment of Directors and Statutory Auditors</i>			
The names of the candidates for the position of Director were filed with at least ten days’ notice?	X		
The names of the candidates for the position of Director were accompanied by full information?	X		

The names of the candidates for the position of Director were accompanied by an indication as to whether they were eligible to be qualified as independent?	X
The names of the candidates for the position of Statutory Auditor were filed with at least ten days' notice?	X
The names of the candidates for the position of Statutory Auditor were accompanied by full information?	X
<i>Shareholders' Meetings</i>	
The company has approved a set of Regulations for Shareholders' Meetings?	X
These Regulations are annexed to the Report (or it is indicated where they can be obtained/downloaded from)?	X
<i>Internal Control</i>	
The company has appointed internal control officers?	X
The internal control officers do not report to those in charge of operating areas?	X
Organizational body responsible for internal control (as per art. 9.3 of the Code)	Internal Auditing Department of the Group
<i>Investor relations</i>	
The company has appointed a person responsible for investor relations?	X
Department responsible and contacts (address/telephone/fax/e-mail) of the person responsible for investor relations	Central Finance Department – Mr Giuliano Cecchini – Tel. 02-72270285 – Fax 02-72270309 – gcecchini@cirgroup.it

ATTACHMENT A)

List of positions held by the Directors of CIR S.p.A. in other companies listed on regulated markets, in financial companies, insurance companies, banks and also in non-listed companies of a certain importance (at December 31 2008).

De Benedetti Carlo	Chairman of Cofide S.p.A. * Chairman of Gruppo Editoriale L'Espresso S.p.A.* Honorary Chairman and Chief Executive of Sogefi S.p.A. * Chairman of the Board of Directors of M&C Management&Capitali S.p.A. Member of the Supervisory Board of Compagnie Financière Edmond de Rothschild Banque
De Benedetti Rodolfo	Chief Executive of Cofide S.p.A. * Director of Gruppo Editoriale L'Espresso S.p.A.* Chairman of Sogefi S.p.A. * Chairman of Sorgenia S.p.A. * Director of Banque Syz S.A. Director of Allianz S.p.A.
Bracchi Giampio	Chairman of R.D.B. S.p.A. Chairman of IntesaSanPaolo Private Banking S.p.A. Chairman of MilanoSerravalle-Milano Tangenziali S.p.A. Director of Amplifon S.p.A. Director of Banca del Sempione S.A. Chairman of Perennius Capital Partners SGR
Debenedetti Franco	Director of Cofide S.p.A. * Director of Piaggio & C. S.p.A. Director of Iride S.p.A.
Ferrero Pierluigi	Director of Cofide S.p.A. * Director of Sogefi S.p.A. *
Germano Giovanni	Director of Sogefi S.p.A. *
Girard Franco	Director of Cofide S.p.A. Director of di Sogefi S.p.A. * Director of Banca Intermobiliare di Investimenti e Gestioni S.p.A.

Mancinelli Paolo	--
Paravicini Crespi Luca	Director of Gruppo Editoriale L'Espresso S.p.A. * Director of Piaggio & C. S.p.A. Director of Consilium SGR S.p.A. Director of Education.it S.p.A. Director of Il Gallione S.p.A. Director of Scala Group S.p.A.
Recchi Claudio	Chairman and Chief Executive of Recchi Ingegneria e Partecipazioni S.p.A. Director of Pirelli & C. Real Estate S.p.A. Director of Aon Italia S.p.A. Director of Albertini Syz & C. SGR S.p.A. Chairman of Proger S.p.A.
Segre Massimo	Director of Cofide S.p.A. * Director of Banca Intermobiliare di Investimenti e Gestioni S.p.A. Director of Borsa Italiana S.p.A.
Tabellini Guido	--
Zanni Umberto	--

List of the positions held by the Statutory Auditors and Alternate Auditors of CIR S.p.A. in other companies listed on Italian regulated markets (at December 31 2008)

Manzonetto Pietro	Chairman of the Board of Statutory Auditors of RCS Media Group S.p.A. Supervisory Director of Banco Popolare Società Cooperativa
Nani Luigi	Alternate Auditor of Cofide S.p.A. *
Zingales Riccardo	Statutory Auditor of Cofide S.p.A. * Statutory Auditor of Sogefi S.p.A. *

Macchiorlatti Vignat Luigi	Alternate Auditor of Cofide S.p.A. * Statutory Auditor of Gruppo Editoriale L'Espresso * Alternate Auditor of Sogefi S.p.A. Statutory Auditor of Banca Intermobiliare di Investimenti e Gestioni S.p.A.
Ponzellini Gianluca	Member of the Supervisory Board of Intesa Sanpaolo S.p.A. Statutory Auditor of Autogrill S.p.A. Chairman of the Board of Statutory Auditors of De'Longhi S.p.A.
Reboa Marco	Director of ENI S.p.A. Director of Interpump S.p.A. Chairman of the Board of Statutory Auditors of Luxottica Group S.p.A. Chairman of the Board of Statutory Auditors of Mediobanca Statutory Auditor of Gruppo Lactalis Italia S.p.A. Statutory Auditor of Egidio Galbani S.p.A.

** companies of the Group*

CURRICULUM VITAE OF DIRECTORS AND STATUTORY AUDITORS

Carlo De Benedetti

In 1976 he founded CIR (Compagnie Industriali Riunite), transforming a small tanning business into one of the most important private-sector holding companies in Italy, listed on the Milan Stock Exchange, with over 12,000 employees.

He was Deputy Chairman and Chief Executive from 1976 to 1995, when he was appointed Chairman, a position he still holds today.

CIR is controlled by COFIDE - Compagnia Finanziaria De Benedetti, which was also founded in 1976 and is listed on the Milan Stock Exchange. Carlo De Benedetti is its Chairman and majority shareholder. The most important businesses of the CIR-COFIDE group are as follows:

ESPRESSO – Leading publishing group in Italy, operating in the media sector, especially in printed publications (newspapers and periodicals), radio, digital television, the collection of advertising and in the internet sector. The parent company of the group, Gruppo Editoriale L'Espresso SpA, publishes the national newspaper *la Repubblica* and the weekly magazine *L'Espresso*. Through its subsidiaries it also publishes 16 local dailies, has three national radio stations, a significant presence in the internet sector and collects advertising for the publications of the Group and also for certain other publishers. The group is by far the most important newspaper publisher in Italy with approximately 6 million readers every day. Together with *Corriere della Sera*, *la Repubblica* is the most widely read newspaper in Italy. The Espresso Group has some 3,000 employees. Since April 2006 Carlo De Benedetti has been Chairman of Gruppo Editoriale L'Espresso and of Finegil Editoriale.

SOGEFI - Founded 25 years ago by Carlo De Benedetti, who has been in the chair since then, it has an annual turnover of 1 billion euro and 6,200 employees. SOGEFI is one of the largest international groups operating worldwide in automotive components. SOGEFI's core business is concentrated in two business sectors: filters and flexible suspension components. On April 19 2005 Rodolfo De Benedetti was appointed as Chairman while Carlo De Benedetti was appointed Honorary Chairman.

SORGENIA – Established in 1999 from a joint-venture between CIR – who holds the majority stake – and the Austrian company Verbund, the Sorgenia Group is the third operator in the new free market for electricity and gas in Italy. Sorgenia is one of the few private operators which has its own production facilities and is currently engaged in the construction of new plants and the repowering of existing plants to bring them into line with the highest technological standards, with the aim of reconciling plant efficiency with respect for the environment. Chairman of Sorgenia is Rodolfo De Benedetti, Chief Executive of CIR and COFIDE.

HSS (*Holding Sanità e Servizi*) was set up by CIR with the aim of becoming an important private healthcare operator at national level. The group manages hospitals, residences for the elderly, psychiatric and rehabilitation facilities. In 3 years of business, HSS now manages over 4,700 beds. Important milestones in its development were acquiring management of the Suzzara Hospital (Mantua) and the acquisition in June 2006 of Anni Azzurri, the most important Italian company specializing in the management of residences for the elderly.

MANAGEMENT & CAPITALI (M&C) - Carlo De Benedetti was the promoter of M&C, a company investing in turnaround and strategic and industrial development projects with the objective of relaunching them and recovering profitability by strengthening their managerial and financial structures. M&C, which was set up at the end of 2005, was the first investment company to be admitted, in June 2006, to listing on the MTF segment of the Milan Stock Exchange, gathering capitalization of 551 million euro from Italian entrepreneurs, Italian and international banks and prime institutional investors. Carlo De Benedetti is Chairman of the Supervisory Board which is part of the dual governance of the company.

In July 2008 Carlo De Benedetti was called upon to be part of the Supervisory Board of Compagnie Financière Edmond de Rothschild Banque (Parigi).

Carlo De Benedetti was one of the founders of the European Round Table of Industrialists (Brussels) of which he was Deputy Chairman until 2004, when his mandate came to an end. He was a member of the European Advisory Committee of the New York Stock Exchange from 1985 to June 2005 (end of his mandate). He is currently a member of the International Council of the CSIS-Center for Strategic & International Studies (Washington); of the Royal Swedish Academy of Engineering Sciences (Stockholm); of the Italian Council of INSEAD - The European Institute of Business Administration (Fontainebleau).

In December 1998 Carlo De Benedetti set up the Rodolfo De Benedetti Foundation in memory of his father, of which he is Chairman. The Foundation studies the problems relating to the reform of the welfare state and in just a few years has become a point of reference at European level for the analysis of issues relating to the welfare state.

Carlo De Benedetti began his career as an entrepreneur in 1959 in the family business, Compagnia Italiana Tubi Metallici Flessibili, which later became Gilardini of which he was Chairman and Chief Executive from 1972 to 1976.

From 1978 to 1983 Carlo De Benedetti was Deputy Chairman and Chief Executive of Olivetti, becoming Chairman and Chief Executive from 1983 to 1996 and Honorary Chairman from 1996 to June 1999.

Carlo De Benedetti was made Cavaliere del Lavoro in 1983 and Officer of the Légion d'Honneur in 1987. In 1986 he was also awarded an Honorary Degree in Law by the Wesleyan University, Middletown, Conn. USA. Carlo De Benedetti completed his studies at the Turin Politecnico, where he graduated in 1958 in Electrical Engineering.

Rodolfo De Benedetti

Has been Chief Executive of CIR since 1993 and of COFIDE 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.

He was previously General Manager of CIR from 1990 to 1993 and of COFIDE from 1989 to 1995. From January 1988 to March 1989 he was Director of International Affairs of COFIDE.

Since March 2006 Rodolfo De Benedetti has been on the European Advisory Board of Harvard Business School, while since November of the same year he has been a member of the European Round Table.

Before holding his positions in CIR and COFIDE, from September 1985 to December 1986 Rodolfo De Benedetti worked for Lombard Odier (Geneva) as Assistant to the Chief Executive, and from January 1987 to January 1988 for Shearson Lehman Brothers (New York) as an Associate in the Merchant Banking Group.

Rodolfo De Benedetti completed his studies in Geneva, where he graduated in 1982 in Political Economics and in 1985 in Law.

Giampio Bracchi

Born in 1944 in Piacenza, he holds an ordinary professorship of Engineering at the Milan Politecnico and is Chairman of the Politecnico Foundation of Milano. He has written 15 books and published 200 scientific articles in Italy and abroad on the subject of business and financial innovation. He is on the strategic orientation committees of some of the most important industrial companies, banks and public entities at national level, with a supervisory role regarding innovation.

He is currently on the board of directors of several industrial and financial companies:

- IntesaSanpaolo Private Banking S.p.A. (Chairman)
- RDB S.p.A. (Chairman)
- Milano Serravalle-Milano Tangenziali S.p.A. (Chairman)
- Perennius Capital Partners (Chairman)
- Banca del Sempione S.A. (Director)
- Amplifon S.p.A. (Director).

In the sector of innovative finance he is Chairman of AIFI, the Italian Association of Private Equity and Venture Capital.

He is also a director of ABI (Italian Bankers Association), he is a member of the Consulting Committee of Borsa Italiana S.p.A. and on the Scientific Board of the Italian Treccani Encyclopaedia and coordinator of the annual report on the Italian Financial System published by the Rosselli Foundation.

He has been an adviser to the Prime Minister's Office, Member of the Technical and Scientific Committee of the National Applied Research Fund, Deputy Chairman of Banca Intesa S.p.A. and of Lombardia Informatica, Chairman of Intesa Leasing, of Intesa Sistemi e Servizi and of the Breda Scientific Institute, and member of the Board of Directors of INPS, CARIPLO, Teknecomp, CDB Web Tech and Sorin Biomedica.

He is a "Trustee emeritus" of the "Very Large Data Bases" Foundation of Los Angeles and was for many years worldwide chairman of the "Information Systems" Committee of the International Federation for Information Processing.

Franco Debenedetti

Was born on January 7 1933 in Turin

1956 Graduated in Electrical Engineering from the Turin Politecnico.

1957 Specialization in Nuclear Engineering

1959 Compagnia Italiana Tubi Metallici Flessibili, head of production and development

1972 Deputy Chairman of Gilardini

From 1976 to 1978 Director of the Components Sector of FIAT

From 1978 to 1992 Chief Executive of Olivetti

From 1985 to 1986 founded and brought Tecnost and Teknecom to listing on the Milan Stock Exchange

From 1989 to 1992 created the information services group OiS of which he is Chairman

From 1986 to 1994 Chairman and Chief Executive of Sasib

2000 founded the Interaction Design Institute in Ivrea of which he was Chairman until 2004

1994: left all his operational positions when became a candidate for the Senate of the Republic. Was elected for the College of Turin (XII legislature).

Re-elected in 1996 and in 2001 (XIII and XIV legislatures).

Presented bills on the following:

- *The privatization of banks controlled by foundations – associations.*
- *Amendments to articles 39, 81, 97, 99 of the Constitution.*
- *Rules regulating the withdrawal of the employer from employment contracts.*
- *Regulations for trade union representation in the workplace and collective bargaining which are effective generally.*
- *Setting up a national network of employment agencies.*
- *Rules for opening up the local public services market, reorganizing and developing them on a competitive basis.*
- *Increasing the speed limit on motorways to 140 k.p.h.*
- *Rules for the diversification of businesses controlled by the State or by local public entities.*
- *Rules for creating a competitive market which will highlight conflict of interest in the television sector.*
- *New set of rules for individual dismissals and a mandate to the Government to introduce unemployment benefits and supplement the systems of social protection and promotion of work.*
- *Rules for the correctness of information given to the market in the event of the sale of stakes in companies belonging to the State.*
- *Rules for increasing the controlling powers of minority shareholders and fostering the transparency of corporate transactions in public limited companies listed on regulated markets.*
- *Rules on the subject of the incompatibility of the members of independent Authorities and Consob.*

Contributes regularly to the main Italian daily newspapers (*La Stampa, Corriere della Sera, Sole24 Ore, Il Riformista*).

In June 1996 received the Ezio Tarantelli award from the Economics Club for the best idea of the year 1995 in Economics and Finance.

Is an ordinary member of Aspen Institute Italia.

Since 1976 has been Member of the Board of Directors of CIR and COFIDE.

Since 1998 has been a Director of the Rodolfo Debenedetti Foundation.

Since August 2006 Member of the Board of Directors of Piaggio & C. S.p.A.

Since December 2006 Member of the Board of Directors of Iride S.p.A.

Since May 2007 Chairman of China Milan Equity Exchange

Since 2008 Member of the Economics Club (*Club dell'economia*).

He is the author of : *Ritalia* (1996); *Sappia la Destra* (2001); *Non basta dire No* (2002); *La Rai privata e i suoi nemici* (2003); *Grazie Silvio* (2005); *Quarantacinque per cento* (2007).

He edited and introduced: *Perché essere ottimisti sul futuro del lavoro* di M. Rojas (1999); *Occidente contro Occidente* di A. Glucksmann (2004); *La Public Company e i suoi Nemici* di M. Roe (2004)

Pierluigi Ferrero

Born in Turin on June 14 1942. Graduated in Economics and Commerce from the University of Turin in 1966.

Joined Ing. C. Olivetti & C. S.p.A. in 1966 holding various positions in the Administration, Finance and Control Department.

He left the position of Group Control Manager at Olivetti on April 1 1987 to join CIR S.p.A. as Central Director for Administration and Control.

From April 1991 to October 1994 he held the position of Deputy General Manager of Cerus (the French holding company of the group).

In November 1994 he was appointed Deputy General Manager and in September 1997 he became General Manager of CIR becoming a Member of the Board of Directors of the Company in April 1999.

He left the position of General Manager of CIR on September 30 2001, keeping the role of Director with special mandates.

He is also a Director of Cofide S.p.A. and of Sogefi S.p.A.

Giovanni Germano

Born in Turin on October 7 1938.

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

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

From 1982 to 1987 – Chairman and Chief Executive 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 the present – Director of CIR S.p.A.

From 1989 to the present – Director of SOGEFI S.p.A.

From 1989 to the present – Chairman and Chief Executive of CSL S.p.A.

Franco Girard

Born in Turin on August 15 1934.

Graduated in Economics and Commerce from the University of Turin in 1958.

Worked for the company OLIVETTI until 1983, holding various positions.

In 1983 he joined CIR SpA where he was Director of Administration and Finance until 1986.

In 1986 he was appointed General Manager of CIR SpA, a position which he held until December 31 1993.

Current positions :

- Director of COFIDE S.p.A.
- Director of CIR S.p.A.
- Director of CIR International S.A.
- Director of Sogefi S.p.A.
- Deputy Chairman of Romed S.p.A.
- Deputy Chairman of Romed International
- Director of Banca Intermobiliare di Investimenti e Gestioni S.p.A.

Paolo Mancinelli

Born in Rome in 1934.

Graduated in Law from the University of Rome in 1956. He subsequently studied in the United States where in 1960 he obtained a Master in International Relations from the School of Advanced International Studies of the Johns Hopkins University in Washington.

Returning to Italy, in October 1960 he joined Olivetti where he rose through all the career grades, being appointed Secretary General of the Olivetti Group in December 1982.

In December 1996 he retired.

He is a member of the Board of Directors of CIR S.p.A. and a founder member of the Olivetti Historical Archive Association of Ivrea.

Luca Paravicini Crespi

Born in Milan on 5/12/1954.

Education: Classical High School and Degree in Economics and Commerce from the Bocconi University of Milan.

Main professional experience: from 1978-1988 was director, shareholder and consultant of the companies Adica Pongo S.p.A., Regau S.p.A., Prenatal S.p.A., in 1988 he had experience with Arbuthnot & Iatham Bank (London), from 1989 to 1993 he worked for the Research Department of Euromobiliare, from 1993 to 2000 he followed the asset management and investment fund area (responsible for the High Tech fund), in 2000 he left Euromobiliare and became a partner and asset manager of Kairos Partners S.p.A. until December 2004.

Since 2005 he has worked for the Banknord Group on the creation of the Family Office division.

He has had directorships in many companies both listed and non-listed, frequently as shareholder too: from 1978 to 1988 Director of Adica Pongo S.p.A., 1978 to today Director of CIR S.p.A., from 1984 to 1993 Director of Prenatal S.p.A., from 1990 to 1999 Director of Olivetti S.p.A., from 2000 to 2004 Director of Kairos Partners Sgr.

At present he holds the following positions: Independent Director of CIR S.p.A. (member of the Internal Control Committee), Independent Director of Gruppo Editoriale L'Espresso (member of Internal Control and Compensation Committee), Independent Director of the Piaggio Group (member of the Internal Control Committee), Director of Scala Group, Director and Deputy Chairman of Education.it, Director of the Private Equity Fund Consilium sgr.

Claudio Recchi

Born in Turin on 20/03/1955, married with 3 children.

Graduated in Economics and Commerce from the University of Turin on August 11 1981.

Is Chairman of the Recchi group, which has been operating for 70 years in the sector of infrastructure building and engineering in Italy and worldwide. He has been chairman of the "National Committee of General Enterprises" and deputy chairman of the "National Association of Building Constructors" (ANCE).

He has held the position of Member of the Board of Directors of various listed companies such as: Olivetti, Mondadori, Buitoni, Tecnost, Acquedotto De Ferrari e Galliera and Banca Cuneese Lamberti and Meinardi.

He is currently Chairman and Chief Executive of RECCHI INGEGNERIA E PARTECIPAZIONI S.p.A.; Director of CIR S.p.A. (and a member of the Internal Control Committee); Director of PIRELLI & C. REAL ESTATE S.p.A. (member of the Investment Committee and the Compensation Committee); Director of Aon Italia S.p.A.; Director of Banca ALBERTINI SYZ; Chairman of the Board of Directors of PROGER S.p.A.

Massimo Segre

Born in Turin on November 16 1959 and resident in Turin in Via Valeggio 41. Married with two children.

Educational qualifications: Degree in Economics and Commerce from the University of Turin. High School Diploma in Accounting and Commerce from the Istituto Quintino Sella in Turin.

Professional experience:

- since January 1984 has been on the Register of Business Accountants;
- since 09.01.1985 has been on the Register of Official Auditors;
- since 08.04.1991 has been a technical expert with the Turin Law Courts;
- since 20.09.1991 has been the judge's technical expert with the Ivrea Law Court;
- since 04.06.1992 has been on the Register of Journalists (List of Contributors).
- since 15.11.1993 has been on the Register of Business Consultants;
- since 19.10.1993 has been on the "List of Experts for mandates of inspection with Fiduciary Companies" set up by decree of the Ministry of Industry, Commerce and Crafts on June 18 1993;
- since 21.4.1995 has been on the Register of Auditors;

- since 19.06.1996 has been registered as a technical expert for the Interbank Guarantee Fund;

- since 10.11.1999 has been on the Register of Technical Experts of the Turin Law Court as per Art. 67 implementing the Code of Criminal Procedure;

- Joint owner of Studio Segre, he sits on various Boards of Directors and numerous Boards of Statutory Auditors. He is a Director of AEDES S.p.A., BANCA INTERMOBILIARE S.p.A., CDB WEB TECH S.p.A., CIR S.p.A., and COFIDE S.p.A., all of which are listed on Borsa Italiana S.p.A. He is a Director of Borsa Italiana S.p.A., Auditor of the Committee for Promoting the Transpadana Rail Route (formerly the Committee for Promoting High Speed Rail) and member of the General Board of the Compagnia di San Paolo. He is the Chairman of the Board of Directors of DIRECTA S.I.M. S.p.A.

He speaks and writes fluent English, has a good knowledge of German and sufficient knowledge of French, Spanish and Portuguese.

Guido Tabellini

Born on January 26 1956. Graduated in Economics from the University of Turin. He obtained a PhD in Economics from UCLA, USA.

Academic career

He has been professor of economics at the Bocconi University since 1994 and has been Rector of the University since November 2008. Before returning to Europe, he taught at Stanford and at UCLA. He is an honorary external member of the American Academy of Arts and Sciences; he is a member of the Econometric Society and of the Canadian Institute for Advanced Research. He was awarded the Yrjo Jahnsson prize by the European Economic Association. He has been Chairman of the European Economic Association.

Areas of scientific interest

Macroeconomics and monetary economics. Public economics. International economics. Political economics.

Main publications

Many of his research projects are summarized in two books written with Torsten Persson: *Political Economics: Explaining Economic Policy*, MIT Press, 2000 and *The Economic Effects of Constitutions*, MIT Press, 2003.

Umberto Zanni

Born in Palermo on January 6 1922.

Graduated in Political Science from the University of Rome. Officer in the Italian Navy – Married with three children.

From 1948 to 1959 was Joint General Manager of a shipping complex operating on the Suez Canal.

In 1959 he joined La Centrale Finanziaria Generale S.p.A., Milan. Director of COFINA and of INVEST, he was later appointed Central Director of the Company.

In January 1973 he joined RAS S.p.A. – Riunione Adriatica di Sicurtà as Central Director. He was later appointed General Manager, Chief Executive and later Chairman.

As well as numerous corporate positions in companies of the RAS Group in Italy and abroad he has been Director of: CIR S.p.A. – Banca d’America e d’Italia (later Deutsche Bank) – IMI – Credito Navale – Mediobanca – ISPI – Campus Bio Medico di Roma – Istituto Europeo di Oncologia – Mercury Selected Trust – Credit Bank Verein (Vienna) and Chairman of Assonime and of Air Liquide Italia.

Pietro Manzonetto

Born in Castelfranco Veneto (TV) on 24.11.1944. Resident in Via S. Sofia 21 - 20122 Milano.

Graduated in Economics and Commerce from the University of Padua.

Has been a Business Consultant on the Milan Register since 1/9/1969, registration no. 824.

Auditor appointed with Ministerial Decree of 12/4/1995, Gazzetta Ufficiale no. 31 bis fourth special series of 21/4/1995.

Full Professor, belonging to the *Associato* band, of Financial Analysis at the Catholic University of Milan.

Lecturer in the Economics and Finance of corporate Groups at the same University.

He holds numerous corporate positions, including the following: Chairman of the Board of Statutory Auditors of Allianz SpA, Cir SpA, Gruppo Banca Leonardo SpA, Allianz Bank Financial Advisors SpA, Otis SpA, Humanitas Mirasole SpA, RCS Media Group SpA; Supervisory Director of Banco Popolare s.c.a.r.l.

He works as a Technical Consultant and Expert appointed both directly by the Court and by other parties, in numerous civil and criminal court cases and in arbitration disputes even at international level.

Luigi Nani

Born in Turin on October 1 1959. Resident in Turin, Via San Donato 101. Married and father of two children.

Educational qualifications:

Degree in Economics and Commerce from the University of Turin. On the official Register of Business Consultants.

On the Register of Auditors:

Professional experience:

Experience for many years in a prime auditing firm until 1993.

Has exercised current profession of Business Consultant since 1994.

Member of the Board of Statutory Auditors of various companies, some of which are listed on the stock exchange.

Riccardo Zingales

Born in Milan on October 22 1960.

Business Consultant domiciled in Via Ciovassino 1/A - Milan.

Graduated in Business Economics from the Bocconi University in Milan in 1985.

On the Register of Business Consultants since 1989.

Since 1985 has worked professionally for business consulting firms in Milan and since 1990 has had his own practice (Zingales & Associati) dealing with the following activities:

- Giving tax and business opinions, giving assistance to companies and other entities, both Italian and foreign, including banks and listed companies;

- Specific experience in corporate issues of companies listed on regulated markets ;
 - Assistance and consulting for acquisition and sale of shareholdings and business arms, drawing up the contracts and financial negotiation
 - Assistance and consulting for reaching insolvency settlements and filing for bankruptcy. Capital transactions, mergers, de-mergers, changing company status, spin-offs.
 - Assistance and consulting for legal aspects of contesting financial statements, disputes and company settlements in general
 - Assistance for Italian and foreign groups setting up companies in Italy and foreign joint ventures
 - Valuations of business arms and shareholdings in companies;
 - Assistance and consulting for estate settlements for the purpose of inheritance and managing family estates
 - Since 1985 positions on the Board of Statutory Auditors of companies listed on regulated markets (currently CIR S.p.A. – COFIDE S.p.A. – SOGEFI S.p.A.).
 - Since 2002 Member of the Board of Directors of Albertini Syz & C. SGR which has subsequently become Banca Albertini Syz & C. S.p.A.
- Good knowledge of English and Spanish and to a lesser extent of French.

Marco Reboa

Born in Milan on April 21 1955, graduated in Business Economics from the Bocconi University in Milan in academic year 1977/78. Has been on the Milan Register of Business Consultants since July 14 1982 and has been an Official Auditor since 1995 with decree dated April 12 1995 published in issue no. 31 bis of the Gazzetta Ufficiale of April 21 1995.

After experience working for a prime investment bank in London, in 1980 he began working for the Department of Business Economics of the Bocconi University. He is currently full professor (*professore ordinario*) for the second stage of the degree course in Law at the Libero Istituto Universitario Carlo Cattaneo in Castellanza.

Over the years he has published books and articles on the subject of financial statements, economic evaluations and corporate governance.

He is editor of the Business Consultants' Magazine. He practises his profession in Milan, with offices in Via della Posta 8, where he specializes in providing assistance for extraordinary finance transactions. He also holds positions in various companies, including the following:

Listed companies

Director of ENI S.p.A.

Director of Interpump S.p.A.

Director of IMMSI S.p.A.

Director of SEAT PG S.p.A.

Chairman of the Board of Statutory Auditors of the Luxottica Group S.p.A.

Positions in companies of a significant size

Statutory Auditor of Gruppo Lactalis Italia S.p.A.

Statutory Auditor of Egidio Galbani S.p.A.

Positions in financial companies

Chairman of Intesa Investimenti S.p.A.

Gianluca Ponzellini

Born in Varese in 1947. Italian citizenship.

Educational qualifications and professional experience

- Degree in Economics and Commerce awarded in March 1973 by the Catholic University of the Sacred Heart in Milan.
- Qualified to exercise the profession of Business Consultant since 1976.
- Registered as no. 141 on the official Register of Business Consultants for Varese in 1976.

Professional activity

- From 1973 to 1979 worked for prime Auditing and Accounting firms in Italy and in the US.
- Since 1980 has been self-employed as a Business Consultant. Took part in setting up the Auditing firm "Metodo S.r.l." of which he is still Shareholder and Chairman. He is currently member of the Board of Statutory Auditors of several Italian and foreign companies, including the following: Autogrill S.p.A. – Banca IMI S.p.A. – Casa Editrice Universo S.p.A. De'Longhi S.p.A. – ECS International Italia S.p.A. (Gruppo Société Generale) – GS S.p.A. (Carrefour Group) – Intesa Sanpaolo S.p.A. – Luisa Spagnoli S.p.A. – Pearson Paravia Bruno Mondadori S.p.A.

Luigi Macchiorlatti Vignat

Born in Turin on 25/09/1963; resident in Turin – Via G. Bove 9.

Educational qualifications: Degree in Economics and Commerce awarded in 1991. On the official Register of Business Consultants of Turin since December 21 1992. On the Register of Auditors with D. M. of April 12 1995.

Profession. Business Consultant in Turin.

Activities practised.

Tax consulting mainly for companies and entities. Administrator of unclaimed estates for the Turin Law Court. Capital transactions, mergers, demergers, change of company status, spin-offs and sale of businesses. Opinions and valuations of companies and shareholdings..

Positions held

Chairman of the Board of Statutory Auditors of the following companies:

- Sirena S.p.A. with headquarters in Rosta (TO);
- Monginevro 187 S.p.A. with headquarters in Turin;
- Self G1 S.r.l. with headquarters in Rivalta di Torino (TO)
- Self G3 S.r.l. with headquarters in Rivalta di Tornio (TO)

- Self Immobiliare S.r.l. with headquarters in Rivalta di Torino (TO)
- Self S.r.l. with headquarters in Rivalta di Torino (TO)
- Immobiliare Alessia S.r.l. with headquarters in Rivarolo C.se (TO);
- Ciriè 2000 srl with headquarters in Turin;
- Valfin S.a.p.A. with headquarters in Turin.