Pirelli & C. S.p.A.

General Shareholders' Meeting 12 June, 2014

APPOINTMENT OF THE BOARD OF DIRECTORS

Shareholders who wish to submit a list for the appointment of the members of the Board of Directors are kindly invited to read carefully the following documents, in addition to the call of the General Meeting and to the report on the item of the agenda issued by the Board of Director:

- Article 10 of the Company's By-Laws
- Articles 2382 and 2390 of the Italian Civil Code
- Pirelli & C. S.p.A. general criteria set by the Board of Directors regarding the maximum number of offices considered compatible with an effective performance of a director's duties.
- Excerpt from the Legislative Decree 24 february 1998 n. 58 (Testo Unico della Finanza) - articles 147-ter, 147-quinquies and 148
- Excerpt Legislative Decree of the Minister of Justice 30th March, 2000 n. 162 (only Italian version available)
- Excerpt from Regulation implementing Italian Legislative Decree No.58 of 24 February 1998, concerning the discipline of issuers (Consob resolution No. 11971 of 14 May 1999 subsequently amended)
- Excerpt from the Corporate Governance Code for the Listed Companies - edition December 2011 (articles 1, 2, 3 and 6)
- Consob Communication DEM/9017893 dated 26th February, 2009 "Appointment of the members of administration and supervisory entities (only Italian version available)

ARTICLE 10 OF THE BY-LAWS OF PIRELLI & C. S.p.A.

10.1 The Company shall be managed by a Board of Directors composed of no less than seven and no more than twenty three members who shall remain in office for three financial years (unless the shareholders' meeting establishes a shorter term at the time of their appointment) and may be re-elected.
The shareholders' meeting establishes the number of members of the Board of Directors, which remains unchanged until said meeting resolves otherwise.
10.2 The Board of Directors is appointed on the basis of slates presented by the shareholders pursuant to the following paragraphs hereof, in which the candidates are listed by consecutive number.
10.3 The slates presented by the shareholders, which must be undersigned by the parties submitting them, must be filed at the Company's registered office, and be available at least twenty five days before the date set for the shareholders' meeting that is required to decide upon the appointment of the members of the Board of Directors. They are made available to the public at the registered office, on the Company website and in the other ways specified by Consob regulations at least 21 days before the date of the general meeting.
10.4 Each shareholder may present or take part in the presentation of only one slate and each candidate may appear on only one slate on pain of ineligibility.
10.5 Only shareholders who, alone or together with other shareholders, hold a total number of shares representing at least 1 percent of the share capital entitled to vote at the ordinary shareholders' meeting or the minor percentage, according to the regulations issued by Commissione Nazionale per le Società e la Borsa, are entitled to submit slates, subject to their proving ownership of the number of shares needed for the presentation of slates within the term specified for their publication by the Company.
10.6 Together with each slate, statements must be filed in which the individual candidates agree to their nomination and attest, under their own liability, that there are no grounds for their ineligibility or incompatibility, and that they meet any requisites prescribed for the positions. Together with such statements, a curriculum vitae must be filed for each candidate, including their relevant personal and professional data and mentioning the offices held in management and supervisory bodies of other companies and their satisfaction of the requisites of independence prescribed for directors of listed companies by the law or by the governance code endorsed by the Company**.** In order to ensure gender balance, slates that contain a number of candidates equal to or more than three must contain a number of candidates of the less represented gender at least matching the minimum laid down in statutory and/or regulatory provisions as in force at the time, in accordance with what will be stated in the notice of the Shareholders' Meeting. Any changes that occur up to the date of the Shareholders' meeting must be promptly notified to the Company.
10.7 Any slates submitted without complying with the foregoing provisions shall be disregarded.
10.8 Each person entitled to vote may vote for only one slate.
10.9 The Board of Directors is elected as specified below:

a) four-fifths of the directors to be elected are chosen from the slate which obtains the highest number of votes cast by the shareholders, in the order in which they are listed on the slate; in the event of a fractional number, it is rounded-down to the nearest whole number;
b) the remaining directors are chosen from the other slates; to this end, the votes obtained by the various slates are divided by whole progressive numbers from one up to the number of directors to be elected. The quotients thus obtained are assigned to the candidates on each slate in the order they are respectively listed thereon. On the basis of the quotients assigned, the candidates on the various slates are ranked in a single list in decreasing order. Those who have obtained the highest quotient are elected.
If more than one candidate obtains the same quotient, the candidate from the slate that has not yet elected a director or that has elected the lowest number of directors is elected.
If none of such slates has as yet elected a director or they have all elected the same number of directors, the candidate from the slate which obtained the highest number of votes is elected. If the different slates obtain the same number of votes and their candidates are assigned the same quotients, a new vote is held by the entire shareholders' meeting and the candidate who obtains the simple majority of the votes is elected.

10.10 The appointment of the Board of Directors must take place in compliance with the rules on gender balance in force at the time. If applying the slate voting procedure fails to secure the minimum number of directors of the less represented gender that is required by the statutory and/or regulatory rules in force at the time, the appointed candidate of the more represented gender indicated with the higher progressive number

on the slate that attracts most votes shall be substituted by the non-appointed candidate of the less represented gender, drawn from the same slate on the basis of their progressive order of presentation, and so on, slate by slate (solely with regard to slates with a number of candidates equal to or more than three), until the minimum number of directors of the less represented gender is reached. If at the end, said procedure does not secure the result just indicated, the substitution will be made through a resolution of the Shareholders' Meeting voted by a relative majority, subject to the nomination of persons of the less represented gender.

10.11 If the application of the slate voting system shall not ensure the appointment of the minimum number of independent Directors required by the law and/or regulation, the appointed non-independent candidate indicated with the higher progressive number in the slate which has obtained the higher number of votes is replaced by the non-appointed independent candidate included in the same slate on the basis of the progressive order of the presentation and so on, slate by slate, until the minimum number of independent Directors shall be appointed, without prejudice, whatever the circumstances, to compliance with the gender balance as provided by law and/or regulation in force at the time.

10.12 When appointing directors who, for whatsoever reason were not appointed under the procedure established herein, the shareholders' meeting shall vote on the basis of the majorities required by law, without prejudice, whatever the circumstances, to compliance with the gender balance as provided by law and/or regulation in force at the time.

10.13 If one or more vacancies occur on the Board during the course of the financial year, the procedure established in article 2386 of the Italian Civil Code shall be followed, without prejudice, whatever the circumstances, to compliance with the gender balance as provided by law and/or regulation in force at the time.

10.14 In the event a Director cease to comply with the independence requirements, this does not cause his/her ceasing to be a Director provided that the Directors in office complying with legal independence requirements are a number at least equal to the minimum number requested by laws and/or regulations.

10.15 The Board of Directors shall elect its own Chairman, if the shareholders' meeting has not already done so, and may also appoint one or more Deputy Chairmen.

10.16 In the absence of the Chairman, a Deputy Chairman or a Managing Director, in that order, shall act in his/her stead; should there be two or more Deputy Chairmen or Managing Directors, the Board shall be presided over by the elder of same respectively.

10.17 The Board of Directors shall appoint a Secretary, who need not be a director.

10.18 Until the shareholders' meeting resolves otherwise, the directors shall not be subject to the prohibition contemplated in article 2390 of the Italian Civil Code.

ITALIAN CIVIL CODE

2382. Causes of inelegibility and forfeiture.

Interdicts, disabled persons, bankrupts and those who have been sentenced to a penalty entailing interdiction, even though temporary, from public office or incapacity to exercise managerial functions, can not be appointed directors and, if appointed, forfeit their office.

2390. Competition prohibited

Directors can not acquire the status of partners with unlimited liability in competing companies, nor carry out competitive activities for their own account or for the account of third persons, unless authorized to do so by the meeting.

In case of non-observance of such prohibition, a director can be removed from office and is liable for damages.

Pirelli & C. S.p.A. - General criteria set by the Board of Directors regarding the maximum number of offices considered compatible with an effective performance of a director's duties.

As a principle, it is not considered compatible with the role of Director of the Company to hold the office of director or statutory auditor in more than five companies, different from those subject to direction and coordination of Pirelli & C. S.p.A. or that are affiliates of or are controlled by the same, as far as it concerns (i) listed companies included in the FTSE /MIB index (or in an equivalent foreign index) or (ii) banks or insurance companies; no more than three executive offices may be held by the same director in the companies described under (i) and (ii) above.
The offices held in more companies belonging to the same group are considered as unique office with prevalence of the executive office over the non executive one.

The Board of Directors has the faculty to make a different evaluation, which will be made public and properly motivated in the annual report on the Corporate Governance.

LEGISLATIVE DECREE No. 58 OF 24 FEBRUARY 1998 Consolidated Law on Finance pursuant to Articles 8 and 21 of Law no. 52 of 6 February 1996

(omissis)

Section IV-*bis* – Administration bodies

Article 147-ter
Election and composition of the Board of Directors

1. The Statute provides for members of the Board of Directors to be elected on the basis of the list of candidates and defines the minimum participation share required for their presentation, at an extent not above a fortieth of the share capital or at a different extent established by Consob with the regulation taking into account capitalization, floating funds and ownership structures of listed companies. The lists indicate which are the directors holding independent requisites established by law and by the Statute. The Statute may also provide that with regard to the sector for directors to be elected, what is not to be taken into account are the lists which have not reached a percentage of votes at least equal to half of the one required by the Statute for the presentation of same; for cooperative companies the percentage is established by the statutes also in derogation from article 135.

1-bis. Lists are deposited with the issuer, also by means of remote communication, in compliance with any requirements strictly necessary to identify the applicants indicated by the company, by the twenty-fifth day prior to the date of the meeting called to resolve on the appointment of the members of the board of directors and made available to the public at the company's headquarters, on the company's website and in the other ways envisaged by Consob by regulation, at least twenty-one days prior to the date of the shareholders' meeting. Ownership of the minimum investment envisaged by subsection 1 is determined concerning the shares recorded in favour of the shareholder on the day on which the lists are deposited with the issuer. Related certification may also be submitted after filing, provided submission is within the time limit established for publication of the lists by the issuer.

1-ter. The Statute also lays down that the division of directors to be elected be made on the basis of a criterion that ensures a balance between genders. The less-represented gender must obtain at least one third of the directors elected. This division criterion applies for three consecutive mandates. If the composition of the board of directors resulting from the election does not comply with the division criterion provided for in the present section, Consob warns the company involved to comply with this criterion within the maximum term of four months from the warning. In the event of non-compliance with the warning, Consob applies a fine of from euro 100,000 to euro 1,000,000, according to criteria and methods laid down in its own regulations and sets a new term of three months for compliance. In the event of further non-compliance with respect to the new warning, the members elected lose their position. The statute regulates the methods of formation of the lists and the cases of replacement during a mandate in order to guarantee compliance with the division criterion provided for in the present section. Consob lays down regulations on the subject of infringement, application and observance of the rules on gender quotas, also with reference to the preliminary phase and the procedures to be adopted, on the basis of its own regulations to be adopted within six months from the date of entry into force of the rules contained in the present section. The rules of the present section apply also to companies organised according to the monistic system.

2. ...omissis...

3. Except as provided for in Article 2409-septiesdecies of the Civil Code, at least one member shall be elected from the minority slate that obtained the largest number of votes and is not linked in any way, even indirectly, with the shareholders who presented or voted the list which resulted first by the number of votes. In companies organised under the one-tier system, the member elected from the minority slate must satisfy the integrity, experience and independence requirements established pursuant to Articles 148(3) and 148(4). Failure to satisfy the requirements shall result in disqualification from the position. [683]

4. In addition to what is provided for in paragraph 3, at least one of the members of the Board of Directors, or two if the Board of Directors is composed of more than seven members, should satisfy the independence requirements established for members of the board of auditors in Article 148(3) and, if provided for in the Articles of Association, the additional requirements established in codes of conduct drawn up by regulated stock exchange companies or by trade associations. This paragraph shall not apply to the boards of directors of companies organised under the one-tier system, which shall continue to be subject to the second paragraph of Article 2409-septiesdecies of the Civil Code. The independent director who, following his or her nomination, loses those requisites of independence should immediately inform the Board of Directors about this and, in any case falls from his/her office.

(omissis)

Article 147-quinquies
Integrity requirements

1. Persons who perform an administrative or management role must satisfy the integrity requirements established for members of internal control bodies in the regulation issued by the Minister of Justice pursuant to Article 148, subsection 4.

2. Failure to satisfy the requirements shall result in disqualification from the position.

Section V
Internal control bodies

Article 148
Composition

(omissis)

3. The following persons may not be elected as auditors and, where elected, they shall be disqualified from office:

a) persons who are in the conditions referred to in Article 23 82 of the Civil Code;

b) spouses, relatives and the like up to the fourth degree of kinship of the directors of the company, spouses, relatives and the like up to the fourth degree of kinship of the directors of the companies it controls, the companies it is controlled by and those subject to common control;

c) persons who are linked to the company, the companies it controls, the companies it is controlled by and those subject to common control or to directors of the company or persons referred to in paragraph b) by self-employment or employee relationships or by other relationships of an economic or professional nature that might compromise their independence.

4. In a regulation adopted pursuant to Article 17(3) of Law 400/2003, in agreement with the Minister of the Economy and Finance, after consulting Consob, the Bank of Italy and Siva, the Minister of Justice shall lay down the integrity and experience requirements for the members of the board of auditors (*), the supervisory board or the management control committee. Failure to satisfy the requirements shall result in disqualification from the position.

(*) See Legislative Decree of the Minister of Justice 30th March, 2000 n. 162 (only Italian version available)

(omissis)

Legislative Decree of the Minister of Justice 30th March, 2000 n. 162 (only Italian version available)

(omissis)

2. *Requisiti di onorabilità.*

1. La carica di sindaco delle società indicate dall'articolo 1, comma 1, non può essere ricoperta da coloro che:

a) sono stati sottoposti a misure di prevenzione disposte dall'autorità giudiziaria ai sensi della legge 27 dicembre 1956, n. 1423, o della legge 31 maggio 1965, n. 575, e successive modificazioni e integrazioni, salvi gli effetti della riabilitazione;

b) sono stati condannati con sentenza irrevocabile, salvi gli effetti della riabilitazione:

1) a pena detentiva per uno dei reati previsti dalle norme che disciplinano l'attività bancaria, finanziaria e assicurativa e dalle norme in materia di mercati e strumenti finanziari, in materia tributaria e di strumenti di pagamento;

2) alla reclusione per uno dei delitti previsti nel titolo XI del libro V del codice civile e nel regio decreto 16 marzo 1942, n. 267;

3) alla reclusione per un tempo non inferiore a sei mesi per un delitto contro la pubblica amministrazione la fede pubblica, il patrimonio, l'ordine pubblico e l'economia pubblica;

4) alla reclusione per un tempo non inferiore ad un anno per un qualunque delitto non colposo.

2. La carica di sindaco nelle società di cui all'articolo 1, comma 1, non può essere ricoperta da coloro ai quali sia stata applicata su richiesta delle parti una delle pene previste dal comma 1, lettera *b*), salvo il caso dell'estinzione del reato.

(omissis)

Regulation implementing Italian Legislative Decree No.58 of 24 February 1998, concerning the discipline of issuers (Consob resolution No. 11971 of 14 May 1999 subsequently amended)

omissis

TITLE V-BIS
MANAGEMENT AND CONTROL BODIES

Chapter I
Appointment of management and control bodies

Section I
General Provisions

Article 144-ter
(Definitions)

1. In this Chapter:

a) "listed shares" shall mean: the shares listed on regulated markets in Italy or other EU countries that give the right to vote in shareholders' meetings involving the appointment of the members of administrative and control bodies;

b) "share capital" shall mean: the capital made up by the listed shares;

c) "market capitalisation" shall mean: the average capitalisation of the listed shares during the last quarter of the financial year;

d) "float" shall mean: the percentage share capital made up of shares with voting rights not represented by significant holdings pursuant to Article 120 of the Consolidated Law and by holdings assigned by shareholders' agreements pursuant to Article 122 of the Consolidated Law;

e) "reference shareholders" shall mean: the shareholders who have submitted or voted the list that received the highest number of votes;

f) "group" shall mean: the parent company, its subsidiaries and the companies subject to joint control;

g) "family relationships" shall mean: the relationship between a shareholder and those family members who are deemed capable of influencing, or being influenced by, said shareholder. These family members may include: the spouse if not legally separated, the spouse's children, the cohabiting partner and the cohabiting partner's children, the dependants of the shareholder, of the spouse if not legally separated and of the cohabiting partner.

2. All references in this Chapter to the board of statutory auditors or the statutory auditors shall also encompass the supervisory board and its members, unless otherwise specified.

Section II
Shareholdings for the presentation of lists for the election of the board of directors

Article 144-quater

(Equity interest share)

1. Without prejudice to any lesser percentage established in the Articles of Association, the interest share required for the presentation of the lists of candidates for the election of the board of directors in accordance with Article 147-ter of the Consolidated Law:

a) is 0.5% of the share capital for companies with market capitalization in excess of fifteen billion euro;

b) is 1% of the share capital for companies with market capitalization in excess of one billion euro and less than or equal to fifteen billion euro;

c) is 2.5% of the share capital for companies with market capitalization is less than or equal to one billion euro.

2. Without prejudice to the smaller percentage envisaged by the articles of association, the investment share is equal to 4.5% of the share capital for companies for which the market capitalization is less than or equal to three hundred and seventy-five million euro where, at the year end date, the following conditions are all met:

a) floating capital is in excess of 25%;

b) there is no shareholder or more than one shareholder adhering to a shareholders' agreement as envisaged by Article 122 of the Consolidated Law which have the majority of the voting rights that can be exercised in the meeting resolutions concerning the appointment of the members of the administrative body.

3. Where the conditions indicated under paragraph 2 are not met, without prejudice to the lesser percentage envisaged by the articles of association, the investment share is 2.5% of the share capital.

4. …omissis...

5. …omissis...

6. As an exception to the provisions of this Article, the companies requiring admission to listing may provide, for the first renewal subsequent to this, that the investment share required for the presentation of the lists of candidates for the election of the board of directors, in accordance with Article 147-ter of the Consolidated Law is equal to a percentage of no more than 2.5%

Section III
Election of the internal control body

Article 144-quinquies
(Relationships of affiliation between reference shareholders and minority shareholders)

1. The material relationships of affiliation pursuant to Article 148, subsection 2, of the Consolidated Law between one or more reference shareholders and one or more minority shareholders shall be deemed to exist in at least the following cases:

a) family relationships;

b) membership of the same group;

c) control relationships between a company and those who jointly control it;

d) relationships of affiliation pursuant to Article 2359, subsection 3 of the Italian Civil Code, including with persons belonging to the same group;

e) the performance, by a shareholder, of management or executive functions, with the assumption of strategic responsibilities, within a group that another shareholder belongs to;

f) participation in the same shareholders' agreement provided for in Article 122 of the Consolidated Law involving shares of the issuer, of its parent company or one of its subsidiaries.

2. When a person affiliated to the reference shareholder has voted for a minority shareholder list, the existence of such relationship of affiliation shall only be deemed to be material when the vote is decisive for the election of the auditor.

(omissis)

Section IV
Publication of the lists

Article 144-septies
(Publication of the shareholding)

1. Consob shall publish, within thirty days of the financial year end, the shareholding required for the submission of the lists of candidates for the election of the administrative and control bodies, including by electronic means of information dissemination.

2. The notice of the shareholders' meeting called to approve the appointment of the administrative and control bodies shall specify the shareholding required for the submission of the lists.

Article 144-octies
(Publication of the proposals for appointments)

1. Italian companies listed on regulated Italian market, at least twenty-one days before that fixed for the shareholders' meeting called to appoint the boards of directors and internal control bodies, shall make available to the public at the company 's head office, the market management company and on its Internet site, the lists of the candidates deposited by the shareholders together with:

a) for the candidates to the office of statutory auditor, the information and documentation specified in Article 144-sexies, subsection 4;

b) for candidates to the office of director:

b.1) detailed information on the personal traits and professional qualifications of the candidates;

b.2) a declaration concerning possession of the independence requirements envisaged in Article 148, subsection 3 of the Consolidated Law and, if envisaged in the articles of association, the additional requirements provided for in the codes of conduct issued by stock exchange companies or by financial operators'/intermediaries' associations;

b.3) details of the identity of the shareholders who submitted the lists and the overall percentage shareholding held.

2. Notification shall be provided without delay, in the manner specified in Title II, Chapter I, of the absence of the submission of the minority lists for the appointment of the statutory auditors referred to in subsection 5 of Article 144-sexies, of the additional period for their submission and of the reduction of any thresholds established by the articles of association.

Article 144-novies
(Composition of management and control bodies)

1. Italian companies with shares listed in Italian regulated markets shall immediately inform the public, in the manner indicated in Title II, Chapter I, of the appointment of the members of the administrative and control bodies indicating:

a) the list from which each of the members of the administrative and control bodies has been elected, specifying whether this list was the list submitted and voted by the majority or the minority;

b) directors that have declared possession of the independence requirements envisaged in Article 148, subsection 3 of the Consolidated Law and/or the independence requirements envisaged in sector regulations that may apply to the company's business activities and/or, if envisaged in the articles of association, independence requirements provided for in the codes of conduct issued by stock exchange companies or by financial operators'/intermediaries' associations;

1-bis. The companies referred to in subsection 1, following appointment of members of the board of directors and internal control bodies, shall arrange public disclosure pursuant to Title II, Chapter I of the valuation results, based on information provided by the interested parties or in any event available to the company, in relation to:

a) possession by one of more members of the board of directors of the independence requirements envisaged in Article 148, subsection 3 of the Consolidated Law as required pursuant to Article 147-ter subsection 4 and Article 147-quater of the Consolidated Law and the independence requirements envisaged in sector regulations that may apply to the company's business activities;

b) possession by members of the internal control body of the independence requirements envisaged in Article 148 subsection 3 of the Consolidated Law and the independence requirements envisaged in sector regulations that may apply to the company's business activities.

1-*ter*. The statutory auditors and members of the board of directors concerned shall provide the board of directors and internal control body with the information necessary to perform a full and suitable valuation as envisaged in subsection 1-bis.

Article 144-decies
(Periodic disclosures)

1. The information indicated in Article 144-octies and Article 144-novies, subsections 1 and 1-bis, in reference to elected candidates shall be disclosed in the corporate governance and ownership structure report envisaged in Article 123-bis of the Consolidated Law.

Section V
Final provisions

(omissis)

Chapter I-bis
Gender balance in the structure of the administrative and control bodies

Article 144-undecies.1
(Gender balance)

1. Companies with listed shares shall ensure that the appointment of the administrative and control bodies is made according to criteria guaranteeing a balance of genders as established by Articles 147-ter, paragraph 1-

ter, paragraph 1-bis of the Consolidated Law and that this criteria is applied for three consecutive terms of office.

2. The articles of association of listed companies shall govern:

a) the methods by which lists are formed and any additional criteria applicable to the identification of the individual members of the boards that enables respect of gender balance upon completion of voting. Articles of association cannot establish compliance with gender division criteria for lists with fewer than three candidates;

b) the methods by which members of the bodies who have left their offices during the course of a term of office are replaced, considering the gender balance;

c) the methods by which appointment rights may be exercised, where applicable, not in contrast with the provisions of Articles 147-ter, paragraph 1-ter and 148, paragraph 1-bis of the Consolidated Law.

3. Where the application of gender division criteria does not result in a whole number of members of the administrative or control body belonging to the least represented gender, this number is rounded up.

4. In the event of failure to comply with the order established by Articles 147-ter, paragraph 1-ter and 148, paragraph 1-bis of the Consolidated Law, Consob will establish new terms of three months within which to comply and apply sanctions, upon bringing the charges in accordance with Article 195 of the Consolidated Law and considering Article 11 of Law no. 689 of 24 November 1981 as subsequently amended..

(omissis)

Corporate Governance Code for the Listed Companies - edition December 2011 (articles 1, 2, 3 and 6)

Article 1 - Role of the Board of Directors

Principles

1.P.1. Listed companies are governed by a Board of Directors that meets at regular intervals, adopts an organisation and a modus operandi which enable it to perform its functions in an effective manner.
1.P.2. The directors act and make decisions with full knowledge of the facts and autonomously pursuing and placing priority on the objective of creating value for the shareholders over a medium-long term period.

Criteria
1.C.1. The Board of Directors shall:
a) examine and approve the strategic, operational and financial plans of both the issuer and the corporate group it heads, monitoring periodically the related implementation; it defines the issuer's corporate governance and the relevant group structure;

b) define the risk profile, both as to nature and level of risks, in a manner consistent with the issuer's strategic objectives;

c) evaluate the adequacy of the organizational, administrative and accounting structure of the issuer as well as of its strategically significant subsidiaries in particular with regard to the internal control system and risk management;

d) specify the frequency, in any case no less than once every three months, with which the delegated bodies must report to the Board on the activities performed in the exercise of the powers delegated to them;

e) evaluate the general performance of the company, paying particular attention to the information received from the delegated bodies and periodically comparing the results achieved with those planned;

f) resolve upon transactions to be carried out by the issuer or its controlled companies having a significant impact on the issuer's strategies, profitability, assets and liabilities or financial position; to this end, the Board shall establish general criteria for identifying the material transactions;

g) perform at least annually an evaluation of the performance of the Board of Directors and its committees, as well as their size and composition, taking into account the professional competence, experience, (including managerial experience) gender of its members and number of years as director. Where the Board of Directors avails of consultants for such a self-assessment, the Corporate Governance Report shall provide information on other services, if any, performed by such consultants to the issuer or to companies having a control relationship with the issuer;

h) taking into account the outcome of the evaluation mentioned under the previous item g), report its view to shareholders on the professional profiles deemed appropriate for the composition of the Board of Directors, prior to its nomination;

i) provide information in the Corporate Governance Report on (1) its composition, indicating for each member the qualification (executive, non-executive, independent), the relevant role held within the Board of Directors (including by way of example, chairman or chief executive officer, as defined by article 2), the main professional characteristics as well as the duration of his/her office since the first appointment; (2) the application of article 1 of this Code and, in particular, on the number and average duration of meetings of the Board and of the executive committee, if any, held during the fiscal year, as well as the related percentage of attendance of each director; (3) how the self-assessment procedure as at previous item g) has developed;

j) in order to ensure the correct handling of corporate information, adopt, upon proposal of the managing director or the chairman of the Board of Directors, internal procedures for the internal handling and disclosure to third parties of information concerning the issuer, having special regard to price sensitive information.
1.C.2. The directors shall accept the directorship when they deem that they can devote the necessary time to the diligent performance of their duties, also taking into account the commitment relating to their own work

and professional activity, the number of offices held as director or statutory auditor in other companies listed on regulated markets (including foreign markets) in financial companies, banks, insurance companies or companies of a considerably large size. The Board shall record, on the basis of the information received from the directors, on a yearly basis, the offices of director or statutory auditor held by the directors in the above-mentioned companies and include them in the Corporate Governance Report;
1.C.3. The Board shall issue guidelines regarding the maximum number of offices as director or statutory auditor for the types of companies referred to in the above paragraph that may be considered compatible with an effective performance of a director's duties, taking into account the attendance by the directors to the committees set up within the Board. To this end, the Board identifies the general criteria, differentiating them according to the commitment entailed by each role (executive, non-executive or independent director), as well as the nature and size of the companies in which the offices are performed, plus whether or not the companies are members of the issuer's group.
1.C.4. If the shareholders' meeting, when dealing with organisational needs, authorises, on a general, preventive basis, derogations from the rule prohibiting competition, as per Article 2390 of the Italian Civil Code, then the Board of Directors shall evaluate each such issue, reporting, at the next shareholders' meeting, the critical ones if any. To this end, each director shall inform the Board, upon accepting his/her appointment, of any activities exercised in competition with the issuer and of any effective modifications that ensue.
1.C.5. The chairman of the Board of Directors shall ensure that the documentation relating to the agenda of the Board is made available to directors and statutory auditors in a timely manner prior to the Board meeting. The Board of Directors shall provide information in the Corporate Governance Report on the promptness and completeness of the pre-meeting information, providing details, *inter alia*, on the prior notice usually deemed adequate for the supply of documents and specifying whether such prior notice has been usually observed.
1.C.6. The chairman of the Board of Directors, also upon request of one or more directors, may request to the managing directors that certain executives of the issuer or the companies belonging to its group, in charge of the pertinent management areas related to the Board agenda, attend the meetings of the Board, in order to provide appropriate supplemental information on the items on the agenda.

Comment

The Committee believes that the Board of Directors has the primary responsibility for determining and pursuing the strategic objectives of the issuer and of the group of which it is a member or which it heads. The chairman is responsible for promoting the constant performance of such duty.
The decisions of each director are autonomous, to the extent he/she makes his/her choices with free judgement, doing so in the interest of the issuer and the generality of the shareholders. Therefore, even when management choices have been evaluated, addressed or otherwise influenced in advance, within the limits and in compliance with the applicable provisions of law, by those exercising management and coordination activities, or by subjects participating in a syndication agreement, each director shall pass resolutions in autonomy, adopting resolutions which may, reasonably lead – primarily – to the creation of value for the generality of the shareholders in the medium-long term.
The appointment of one or more managing directors, or of an executive committee, plus the fact that the business activity is exercised through several subsidiaries, does not relieve the Board of the tasks entrusted to it hereunder. Notwithstanding the absence of precise statutory restrictions on this subject, the Board is required to delegate powers in such a way that the Board does not appear to be divested of its prerogatives. Moreover, the issuers shall adopt adequate measures to ensure that subsidiaries submit to the Board of the parent company, for prior review, material transactions, without prejudice to the principle of autonomous management, in the event that the subsidiary is also a listed company.
Among the matters reserved to the competence of the Board, this article mentions the evaluation of the adequacy of the organizational, administrative and accounting structure of the issuer and of its subsidiaries having strategic relevance; it is pointed out that such relevance should be evaluated with reference to criteria that do not concern only the size, to be mentioned in the Corporate Governance Report.
The Board of Directors is also required to carry out a self-assessment, mainly on the size, composition and functioning of both itself and its committees.
In carrying out such an assessment, it is required to verify that, according to issuer's business, the various members (executive, non executive, independent) and the professional and managerial competences,

including international experience, are adequately represented, taking into account also the benefits that could stem from the presence of different genders, age and seniority.
The Committee recommends that issuers adopt internal procedures for handling, safely and confidentially, information relating to them, notably price sensitive information. Such a procedure is also aimed at preventing that its disclosure occurs in an untimely manner or selectively (*i.e*. anticipated only to certain persons, such as shareholders, journalists or analysts) or in an incomplete or inadequate manner.
In carrying out their duties, the directors shall review the information received from the delegated bodies, ask the same for any clarifications, elaborations or supplements that are deemed necessary or appropriate for a complete and correct evaluation of the facts submitted to the review of the Board.
The chairman of the Board of Directors shall endeavour to ensure that the necessary time is devoted to an effective discussion of the items on the agenda during the meetings, and shall promote contributions from the directors; furthermore, he/she shall ensure, also with the help of the Secretary of the Board, that pre-meeting information is supplied in a timely and accurate manner, adopting all the necessary measures for ensuring confidentiality of the provided information and data. If the documents supplied are voluminous and complex, they can be accompanied by a summary setting out the most significant areas in order to effectively resolve upon the items on the agenda, provided that such a summary cannot be deemed to replace in any manner the complete documentation supplied to directors.
In order to enhance the Board meetings which represent moments for directors (and, particularly, non executive ones) to collect adequate information on the company's management, managing directors shall ensure that executives in charge of the pertinent management areas related to the Board agenda are available to attend such meetings, upon request.

Article 2 – Composition of the Board of Directors

Principles

2.P.1. The Board of Directors shall be made up of executive and non-executive directors, who should be adequately competent and professional.
2.P.2. Non-executive directors shall bring their specific expertise to Board discussions and contribute to the adoption of fully informed decisions paying particular care to the areas where conflicts of interest may exist.
2.P.3. The number, competence, authority and time availability of non-executive directors shall be such as to ensure that their judgement may have a significant impact on the taking of Board's decisions.
2.P.4. It is appropriate to avoid the concentration of corporate offices in one single individual.
2.P.5. Where the Board of Directors has delegated management powers to the chairman, it shall disclose adequate information in the Corporate Governance Report on the reasons for such organisational choice.

Criteria

2.C.1. The following are qualified executive directors for the issuer:
- the managing directors of the issuer or a subsidiary having strategic relevance, including the relevant chairmen when these are granted individual management powers or when they play a specific role in the definition of the business strategies;

- the directors vested with management duties within the issuer or in one of its subsidiaries having strategic relevance, or in a controlling company when the office concerns also the issuer;

- the directors who are members of the executive committee of the issuer, when no managing director is appointed or when the participation in the executive committee, taking into account the frequency of the meetings and the scope of the relevant resolutions, entails, as a matter of fact, the systematic involvement of its members in the day-to-day management of the issuer.

The granting of deputy powers or powers in cases of urgency to directors, who are not provided with management powers is not enough, *per se*, to cause them to be identified as executive directors, provided however, that such powers are not actually exercised with considerable frequency.

2.C.2. The directors shall know the duties and responsibilities relating to their office.
The chairman of the Board of Directors shall use his best efforts to allow the directors and the statutory auditors, after the election and during their mandate, to participate in initiatives aimed at providing them with an adequate knowledge of the business sector where the issuer operates, of the corporate dynamics and the relevant evolutions, as well as the relevant regulatory framework.
2.C.3. The Board shall designate an independent director as lead independent director, in the following circumstances: (i) in the event that the chairman of the Board of Directors is the chief executive officer of the company; (ii) in the event that the office of chairman is held by the person controlling the issuer.
The Board of Directors of issuers belonging to FTSE-Mib index shall designate a lead independent director whether requested by the majority of independent directors, except in the case of a different and grounded assessment carried out by the Board to be reported in the Corporate Governance Report.
2.C.4. The lead independent director:
(a) represents a reference and coordination point for the requests and contributions of non-executive directors and, in particular, those who are independent pursuant to Article 3 below;
(b) cooperates with the Chairman of the Board of Directors in order to guarantee that directors receive timely and complete information.
2.C.5. The chief executive officer of issuer (A) shall not be appointed director of another issuer (B) not belonging to the same corporate group, in the event that the chief executive officer of issuer (B) is a director of issuer (A).

Comment

The Committee wishes that the shareholders, when preparing the lists and subsequently appointing directors, evaluate, also in light of the opinion expressed by the Board on such an item, the professional characteristics, the experience, including managerial competencies, and the gender of the candidates, in relation to the size of the issuer, the complexity and specificity of the business sector in which the issuer operates, as well as the size of the Board of Directors.
The non-executive directors enrich the Board's discussion with competences formed outside the company, having a general strategic character or a specific technical one. Such competences permit to analyse the different matters under discussion from different standpoints and, therefore, contribute to nourish the dialectics that is the distinctive precondition for a meditated informed corporate decision.
The contribution of non-executive directors appears to be useful on such subject matters in which the interests of executive directors and those of the shareholders may not coincide, such as the remuneration of the executive directors and in relation to the internal control and risk management systems.
With particular reference to the efficiency of the committees set up within the Board of Directors, issuer's shareholders may consider the need to ensure management continuity through a diversification of the expiry of all or part of the Board members, provided that this does not jeopardize the different shareholders' rights.
Within the Board of Directors, the figure of the chairman, to whom law and practice entrust duties of organization of the Board's works and of liaison between executive and non-executive directors, takes up a fundamental importance.
The international best practice recommends to avoid the concentration of offices in one single individual without adequate counterbalances; in particular, the separation is often recommended of the roles of chairman and chief executive officer, the latter meant as a director who, by virtue of the delegations of powers received and the concrete exercise of these, is the main responsible officer for the management of the issuer (CEO). The Committee is of the opinion that, also in Italy, the separation of the above-mentioned roles may strengthen the characteristics of impartiality and balance that are required from the chairman of the Board of Directors. The Committee, in acknowledging that the existence of situations of accumulation of the two roles may satisfy, in particular in issuers of smaller size, valuable organizational requirements, recommends that, should this be the case, the figure of the lead independent director be created.
The Committee also recommends the designation of a lead independent director in either the event that the chairman is the person controlling the issuer - a circumstance which, *per se*, takes up no negative characteristics, but which requires, however, the creation of adequate counterweights - or, as far as companies belonging to FTSE-Mib index are concerned, it is requested by the majority of directors.

The lead independent director is granted, inter alia, with the power to convene, autonomously or upon demand of other directors, appropriate meetings of independent directors only for the discussion of subject matters judged of interest regarding the functioning of the Board of Directors or the company's operations. Finally, the Committee recommends that the chief executive officer of an Italian company listed on a regulated market (the "issuer") (A) shall not be appointed director of another issuer (B) not belonging to the same corporate group, in the event that the chief executive officer of issuer (B) is a director of the issuer (A). Such circumstances may cause potential conflicts of interests; however, it is not possible to exclude that, depending on the circumstances, sometimes they may be justified.

Article 3 – Independent directors

Principles

3.P.1. An adequate number of non-executive directors shall be independent, in the sense that they do not maintain, directly or indirectly or on behalf of third parties, nor have recently maintained any business relationships with the issuer or persons linked to the issuer, of such a significance as to influence their autonomous judgement.
3.P.2. The directors' independence shall be assessed by the Board of Directors after the appointment and, subsequently, on a yearly basis. The results of the assessments of the Board shall be communicated to the market.

Criteria

3.C.1. The Board of Directors shall evaluate the independence of its non-executive members having regard more to the substance than to the form and keeping in mind that a director usually does not appear independent in the following events, to be considered merely as an example and not limited to:
a) if he/she controls, directly or indirectly, the issuer also through subsidiaries, trustees or third parties, or is able to exercise a dominant influence over the issuer, or participates in a shareholders' agreement through which one or more persons can exercise a control or dominant influence over the issuer;

b) if he/she is, or has been in the preceding three fiscal years, a significant representative of the issuer, of a subsidiary having strategic relevance or of a company under common control with the issuer, or of a company or entity controlling the issuer or able to exercise over the same a considerable influence, also jointly with others through a shareholders' agreement;

c) if he/she has, or had in the preceding fiscal year, directly or indirectly (e.g. through subsidiaries or companies of which he is a significant representative, or in the capacity as partner of a professional firm or of a consulting company) a significant commercial, financial or professional relationship:

- with the issuer, one of its subsidiaries, or any of its significant representatives;

- with a subject who, also jointly with others through a shareholders' agreement, controls the issuer, or – in case of a company or an entity – with the relevant significant representatives;

or is, or has been in the preceding three fiscal years, an employee of the above-mentioned subjects;

d) if he/she receives, or has received in the preceding three fiscal years, from the issuer or a subsidiary or holding company of the issuer, a significant additional remuneration (compared to the "fixed" remuneration of non-executive director of the issuer and to remuneration of the membership in the committees that are recommended by the Code) also in the form of participation in incentive plans linked to the company's performance, including stock option plans;

e) if he/she was a director of the issuer for more than nine years in the last twelve years;

f) if he/she is vested with the executive director office in another company in which an executive director of the issuer holds the office of director;

g) if he/she is shareholder or quota holder or director of a legal entity belonging to the same network as the company appointed for the auditing of the issuer;

h) if he/she is a close relative of a person who is in any of the positions listed in the above paragraphs.
3.C.2. For the purpose of the above, the chairman of the entity, the chairman of the Board of Directors, the executive directors and key management personnel of the relevant company or entity, must be considered as "significant representatives".
3.C.3. The number and competences of independent directors shall be adequate in relation to the size of the Board and the activity performed by the issuer; moreover, they must be such as to enable the constitution of committees within the Board, according to the indications set out in the Code.
As for issuers belonging to FTSE-Mib index, at least one third of the Board of Directors members shall be made up of independent directors. If such a number is not an integer, it shall be rounded down.
Anyway, independent directors shall not be less than two.
3.C.4. After the appointment of a director who qualifies himself/herself as independent, and subsequently, upon the occurrence of circumstances affecting the independence requirement and in any case at least once a year, the Board of Directors shall evaluate, on the basis of the information provided by the same director or available to the issuer, those relations which could be or appear to be such as to jeopardize the autonomy of judgement of such director.
The Board of Directors shall notify the result of its evaluations, after the appointment, through a press release to the market and, subsequently, within the Corporate Governance Report.
In the documents mentioned above, the Board of Directors shall:
- disclose whether they adopted criteria for assessing the independence which are different from the ones recommended by the Code, also with reference to individual directors, and if so, specifying the reasons;
- describe quantitative and/or qualitative criteria used, if any, in assessing the relevance of relationships under evaluation.

3.C.5. The Board of statutory auditors shall ascertain, in the framework of the duties attributed to it by the law, the correct application of the assessment criteria and procedures adopted by the Board of Directors for evaluating the independence of its members. The result of such controls is notified to the market in the Corporate Governance Report or in the report of the Board of statutory auditors to the shareholders' meeting.
3.C.6. The independent directors shall meet at least once a year without the presence of the other directors.

Comment

Independence of judgement is required of all directors, executive and non-executive alike: directors who are conscious of the duties and rights associated with their position always bring independent judgement to their work.
In particular, non-executive directors may provide an independent unbiased judgement on the proposed resolutions, since they are not directly involved in the operational running of the company.
The most delicate aspect in issuers with a broad shareholder base consists in aligning the interests of executive directors with those of the shareholders. In such companies, therefore, the predominant aspect is their independence from the executive directors.
In issuers with concentrated ownership, or where a controlling group of shareholders can be identified, the problem of aligning the interests of the executives directors with those of the shareholders continues to exist, but there emerges the need for some directors to be independent also from the controlling shareholders, or shareholders which are, in any case, able to exercise a dominant influence.
The qualification of a non-executive director as independent director does not express a judgement of value, but it rather indicates an actually existing situation: the absence, as the rule states, of any relation with the issuer, or with subjects linked to the issuer, such as to actually affect, due to their importance, to be evaluated in relation to the individual subject, the independence of judgement and the unbiased assessment of the management activity.
The criteria set out some of the most common elements that are symptomatic of absence of independence. Such elements are set out by way of example and are not binding on the Board of Directors, which may adopt, for the purpose of its evaluations, additional or different, in whole or in part, criteria from those

mentioned above, giving adequate information to the market together with the relevant reasons. The Board of statutory auditors, in its control of the modalities of concrete implementation of the corporate governance rules, is demanded to verify the correct application of the criteria adopted by the Board and of the procedures of assessment utilized by it. Such procedures make reference to the information provided by the single parties concerned or, however, at disposal of the issuer, since no appropriate investigation activity aimed at identifying any material relations is demanded from the issuer.
The non-exhaustive or mandatory character of the events set out in the criteria implies the need to review also additional circumstances, not expressly contemplated, which might appear, however, likely to negatively affect the independence of directors.
For example, the ownership of a (direct or indirect) shareholding of such an amount as not to determine the control or dominant influence over the issuer and not subjected to a shareholders' agreement, could be considered suitable to jeopardize, in particular circumstances, the independence of a director.
The appointment of an independent director of the issuer in companies controlling it or controlled by it does not cause the loss of independence requirement: in such cases, it should be considered, amongst other things, whether the holding of several offices could determine a total remuneration such as to hinder the independence of the director; however, it is appropriate to assess on a case-by-case basis the extent of any additional fee received by reason of each of such offices.
Significant representatives of a company controlling the issuer or controlled by the issuer (if it is strategically significant) or under common control could be considered not independent irrespective of the amount of the relevant remunerations, by reason of the duties entrusted to them. Also in this event, the Board of Directors is required to make a substantial evaluation: therefore, by way of example, a director who is vested with the office of non-executive chairman of the controlling company or of a subsidiary, could be considered independent in the issuer, if he had received such appointment because he is "*super partes*"; vice-versa, a director could appear to be non-independent, if he actually plays, also in absence of formal delegations of powers, a guidance role in the definition of strategies of the issuer, of a controlling company or a subsidiary having strategic relevance or he is the chairman of a shareholders' agreement through which one or more entities can control or have a significant influence on the issuer.
As regards commercial, financial and professional relations directly or indirectly entertained by the director with the issuer or other subjects linked to the issuer, the Committee does not deem it useful to set out in the Code precise criteria, on the basis of which their materiality must be judged. The issuer is required to disclose to the market quantitative and/or qualitative criteria used, if any.
In any event, the Board of Directors should evaluate such relationships on the basis of their significance, both in absolute terms and with reference to the economic-financial situation of the party concerned. Any agreement in favour of the director (or subjects linked to the directors) containing any financial or contractual conditions not aligned with those of the market, is to be considered material. Moreover, the fact that the relationship is governed at market conditions does not entail, *per se*, a judgement of independence, since it is, however, necessary, as already mentioned, to evaluate the relevance of the relationship.
Those relations which, even though they are not significant from an economic standpoint, are particularly material for the reputation of the director concerned or relate to important transactions of the issuer (just think to the case of a company or professional, who takes up an important role in an acquisition or listing transaction) should also be taken into consideration.
From a subjective standpoint, in addition to the relations directly entertained with significant representatives (of the issuer, subsidiaries of the issuer or controlling subjects), the relations maintained with subjects however traceable to such representatives, such as, by way of example, companies controlled by them, may also be taken into consideration.
The Committee also believes that, in certain particular circumstances, the existence of relations other than economic ones, may be material. For example, in issuers subject to public control, any political activity performed on a continuing basis by a director could be taken into consideration for the purpose of evaluating his/her independence. However, the so-called courtesy relationships are not relevant.
Also for the definition of the relations of a "family" nature, it is appropriate to rely on the prudent evaluation of the Board of Directors, which might consider as not relevant, taking into account the actual circumstances, the existence of a close family or in-law relationship. Parents, children, the spouse who is not legally separated, the companion living together and family members living together with a person, who could not be considered as an independent director, should be judged theoretically as being not independent.

The customary structure of Italian management bodies entails the possibility that also directors who are members of the executive committee of the issuer are qualified as non-executive and independent, since they are not provided with individual management powers.
A different evaluation appears, however, appropriate when a managing director is not appointed or when the participation in the executive committee, taking into account the frequency of the meetings and the scope of the relevant resolutions, entails, as a matter of fact, the systematic involvement of its members in the current running of the issuer or determines a considerable increase in the relevant remuneration compared to that of the other non-executive directors.
The Committee believes that the presence in the Board of Directors of directors who may be qualified as "independent" is the most suitable solution for guaranteeing the composition of the interests of all the shareholders, both majority and minority ones. In this respect, in the correct exercise of the rights of appointment of directors, it is possible that the independent directors are proposed by the same controlling shareholders. On the other side, the circumstance that a director is expressed by one or more minority shareholders does not imply, *per se*, a judgement of independence of such director: these characteristics must be verified in concrete, according to the principles and criteria outlined above.

(omissis)

Article 6 – Remuneration of directors

Principles

6.P.1. The remuneration of directors and key management personnel shall be established in a sufficient amount to attract, retain and motivate people with the professional skills necessary to successfully manage the issuer.
6.P.2. The remuneration of executive directors and key management personnel shall be defined in such a way as to align their interests with pursuing the priority objective of the creation of value for the shareholders in a medium-long term timeframe. With regard to directors with managerial powers or performing, also *de-facto*, functions related to business management, as well as with regard to key management personnel, a significant part of the remuneration shall be linked to achieving specific performance objectives, possibly including non-economic objectives, identified in advance and determined consistently with the guidelines contained in the policy described in principle 6.P.4.
The remuneration of non-executive directors shall be proportionate to the commitment required from each of them, also taking into account their possible participation in one or more committees.
6.P.3. The Board of Directors shall establish among its members a remuneration committee, made up of independent directors. Alternatively, the committee may be made up of non executive directors, the majority of which to be independent; in this case, the chairman of the committee is selected among the independent directors. At least one committee member shall have an adequate knowledge and experience in finance or remuneration policies, to be assessed by the Board of Directors at the time of his/her appointment.
6.P.4. The Board of Directors shall, upon proposal of the remuneration committee, establish a policy for the remuneration of directors and key management personnel.

Criteria

6.C.1. The policy for the remuneration of executive directors and other directors covering particular offices shall define guidelines on the issues and consistently with the criteria detailed below:
a) the non-variable component and the variable component are properly balanced according to issuer's strategic objectives and risk management policy, taking into account the business sector in which it operates and the nature of the business carried out;
b) upper limits for variable components shall be established;

c) the non-variable component shall be sufficient to reward the director when the variable component was not delivered because of the failure to achieve the performance objectives specified by the Board of Directors;
d) the performance objectives – i.e. the economic performance and any other specific objectives to which the payment of variable components (including the objectives for the share-based compensation plans) is linked – shall be predetermined, measurable and linked to the creation of value for the shareholders in the medium-long term;
e) the payment of a significant portion of the variable component of the remuneration shall be deferred for an appropriate period of time; the amount of that portion and the length of that deferral shall be consistent with the characteristics of the issuer's business and associated risk profile;
f) indemnities eventually set out by the issuer in case of early termination or non-renewal of directors shall not exceed a fixed amount or fixed number of years of annual remuneration. Termination payments shall not be paid if the termination is due to inadequate performance.
6.C.2. In preparing plans for share-based remuneration, the Board of Directors shall ensure that:
a) shares, options and all other rights granted to directors to buy shares or to be remunerated on the basis of share price movements shall have an average vesting period of at least three years;
b) the vesting referred to in paragraph a) shall be subject to predetermined and measurable performance criteria;
c) directors shall retain a certain number of shares granted or purchased through the exercise of the rights referred to in paragraph a), until the end of their mandate.
6.C.3. The criteria 6.C.1 and 6.C.2 shall apply, *mutatis mutandis*, also to the definition – by the bodies entrusted with that task – of the remuneration of key management personnel.
Any incentive plan for the person in charge of internal audit and for the person responsible for the preparation of the corporate financial documents shall be consistent with their role.
6.C.4. The remuneration of non-executive directors shall not be – other than for an insignificant portion – linked to the economic results achieved by the issuer. Non-executive directors shall not be beneficiaries of share-based compensation plans, unless it is so decided by the annual shareholders' meeting, which shall also give the relevant reasons.
6.C.5. The remuneration committee shall:
- periodically evaluate the adequacy, overall consistency and actual application of the policy for the remuneration of directors and key management personnel, also on the basis of the information provided by the managing directors; it shall formulate proposals to the Board of Directors in that regard;
- submit proposals or issues opinions to the Board of Directors for the remuneration of executive directors and other directors who cover particular offices as well as for the identification of performance objectives related to the variable component of that remuneration; it shall monitor the implementation of decisions adopted by the Board of Directors and verify, in particular, the actual achievement of performance objectives.
6.C.6. No director shall participate in meetings of the remuneration committee in which proposals are formulated to the Board of Directors relating to his/her remuneration.
6.C.7. When using the services of an external consultant in order to obtain information on market standards for remuneration policies, the remuneration committee shall previously verify that the consultant concerned is not in a position which might compromise its independence.
6.C.8. Issuers are encouraged to apply article 6, as amended in March 2010, by the end of the year that begins in 2011, and to inform the market in the Corporate Governance Report to be published during 2012. The recommendations contained in the criteria 6.C.1, 6.C.2 and 6.C.3 shall apply without prejudice to the rights acquired from contracts or regulations adopted before March 31, 2010. The issuer shall inform the market in the Corporate Governance Report (or with the different formalities which may be provided by applicable law) of any case in which those recommendations are not applicable due to the contractual arrangements referred to above.

Comment

The remuneration policy establishes the guidelines according to which the remunerations shall be determined by the Board of Directors with reference to the remuneration of executive directors and other directors covering particular offices, and by the managing directors with reference to the key management personnel.

The statutory auditors, in expressing the opinion pursuant to article 2389, paragraph 3, of the Italian Civil Code, shall also verify the consistency of the proposals with the policy on remuneration.
The structure of the remuneration of executive directors and key management personnel should promote the sustainability of the issuer in the medium-long term and ensure that the remuneration is based on results actually delivered. To this end, it is recommended that the variable components are linked to predetermined and measurable criteria; the remuneration policy may not determine in detail the formula expressing the correlation between variable component and objectives: it is sufficient that the policy indicates the elements (in particular the economic variables) to which the variable components are linked and their methods of measurement.
The Committee also recommends that the remuneration policy establishes limits on the variable component, which need not necessarily be construed as caps expressed in absolute values.
A reference to the average remuneration for similar offices may be useful to define the level of remuneration; however it should also be consistent with adequate parameters linked to the performance of the company.
The Committee believes that the share-based compensation plans, if properly structured, can also be a suitable way to align the interests of executive directors and key management personnel with those of the shareholders. The Code recommends the adoption of certain measures aimed at discouraging their beneficiaries from seeking to increase the short term market value of the shares, undermining the creation of value in the medium-long term.
In particular, it is recommended that a predetermined portion of the shares granted or purchased should remain locked-in until the end of the mandate. This constraint, however, should not apply to the shares already held by the beneficiaries of the plan. With reference to the key management personnel that have an open-ended contract with the company, the plan should identify an appropriate expiration date of the constraint, for example three years from the date of grant or purchase of shares.
Some share-based compensation plans (e.g. phantom stock plans or phantom stock option plans) do not actually provide the assignment or purchase of shares, but only a cash settlement linked to the shares' performance. In such cases it is necessary to establish appropriate mechanisms for share retention, e.g. by providing that a portion of the cash awarded shall be reinvested into shares of the company that, according with section 6.C.2, letter c), shall be maintained until the end of the mandate.
The complexity of the remuneration issues require that the related decisions of the Board of Directors shall be supported by the preliminary activity and proposals of a remuneration committee.
According to the general recommendations applicable to all committees pursuant to the criterion 4.C.1, e), the remuneration committee, in carrying out its tasks, shall ensure appropriate links with all relevant functional and operational departments of the issuer. It is also appropriate that the chairman of the Board of statutory auditors or another statutory auditor designated by the chairman of the Board participates in the works of the committee; the remaining statutory auditors are allowed to attend.
In the performance of its duties, the remuneration committee should use the services of external consultants that are experts on compensation policies. Such consultants shall not simultaneously provide the human resources department, the directors or the key management personnel, with significant services which might compromise their independence.
The remuneration committee shall report to the shareholders on the exercise of its functions; for this purpose the chairman or another committee member should be present to the annual shareholders' meeting.

Consob Communication DEM/9017893 dated 26th February, 2009 "Appointment of the members of administration and supervisory entities (only Italian version available)

Oggetto: **Nomina dei componenti gli organi di amministrazione e controllo - Raccomandazioni**

1. Con riferimento alla nomina degli organi di controllo delle società con azioni quotate, l'art. 148, comma 2, del D.lgs n. 58/98 ("TUF") prevede che "*la Consob stabilisce con regolamento modalità per l'elezione, con voto di lista, di un membro effettivo del collegio sindacale da parte dei soci di minoranza che non siano collegati, neppure indirettamente, con i soci che hanno presentato o votato la lista risultata prima per numero di voti*".

In forza di tale ampia delega regolamentare la Consob ha disciplinato con proprio Regolamento n. 11971 del 14 maggio 1999 e successive modificazioni e integrazioni ("Regolamento Emittenti") in modo dettagliato l'intera procedura dell'elezione degli organi di controllo con il metodo del voto di lista avendo presente la finalità di garantire ai soci di minoranza la nomina di almeno un sindaco effettivo e di " *garantire l'effettiva estraneità dalla compagine di maggioranza dei sindaci espressione delle minoranze*"[1].

A tale ultimo riguardo, la Consob ha individuato nell'art. 144-*quinquies* del Regolamento Emittenti[2] alcuni rapporti in cui la sussistenza del collegamento di cui al citato art. 148, comma 2, del TUF è presunta, senza peraltro fornire un'elencazione esaustiva, e ha previsto che coloro che presentano una "lista di minoranza" debbano depositare presso la sede sociale una dichiarazione che attesti l'assenza dei rapporti di collegamento previsti dal citato art. 144-*quinquies* con il socio che detiene (o i soci che detengono congiuntamente) una partecipazione di controllo o di maggioranza relativa (art. 144-*sexies*, comma 4, lett. b), del Regolamento Emittenti[3]).

Poiché delega analoga a quella stabilita in materia di nomina dei componenti gli organi di controllo non è prevista per l'elezione degli organi di amministrazione, nel Regolamento Emittenti non sono state introdotte disposizioni relative alla procedura del voto di lista e, in particolare, non è stato richiesto che coloro che depositano "liste di minoranza" attestino l'inesistenza dei rapporti di collegamento di cui all'art. 147-*ter* , comma 3, del TUF.

Dopo le convocazioni delle prime assemblee aventi all'ordine del giorno la nomina degli organi sociali successive all'entrata in vigore delle norme regolamentari della Consob attuative dei citati articoli 147-*ter* e 148, comma 2, del TUF, si è riscontrata la necessità di assicurare anche per l'elezione dell'organo amministrativo la trasparenza su eventuali collegamenti tra liste, rafforzando quanto già previsto dagli statuti di alcune società quotate. Dalla prima esperienza applicativa si è manifestata altresì l'esigenza di garantire una più completa informazione sui rapporti tra coloro che presentano "liste di minoranza" e gli azionisti di controllo o di maggioranza relativa in occasione dell'elezione degli organi di controllo.

Ciò considerato, si ritiene opportuno formulare al riguardo alcune raccomandazioni.

2. In occasione dell'elezione dell'organo di amministrazione si raccomanda ai soci che presentino una "lista di minoranza" di depositare insieme alla lista una dichiarazione che attesti l'assenza dei rapporti di collegamento, anche indiretti, di cui all'art. 147-*ter*, comma 3, del TUF e all'art. 144-*quinquies* del Regolamento Emittenti, con gli azionisti che detengono, anche congiuntamente, una partecipazione di controllo o di maggioranza relativa, ove individuabili sulla base delle comunicazioni delle partecipazioni rilevanti di cui all'art. 120 del TUF o della pubblicazione dei patti parasociali ai sensi dell'art. 122 del medesimo Decreto.

In tale dichiarazione dovranno inoltre essere specificate le relazioni eventualmente esistenti, qualora significative, con i soci che detengono, anche congiuntamente, una partecipazione di controllo o di maggioranza relativa, ove individuabili, nonché le motivazioni per le quali tali relazioni non sono state considerate determinanti per l'esistenza dei citati rapporti di collegamento, ovvero dovrà essere indicata l'assenza delle richiamate relazioni.

In particolare, si raccomanda di indicare tra le predette relazioni, qualora significative, almeno:

- i rapporti di parentela;
- l'adesione nel recente passato, anche da parte di società dei rispettivi gruppi, ad un patto parasociale previsto dall'art. 122 del TUF avente ad oggetto azioni dell'emittente o di società del gruppo dell' emittente;
- l'adesione, anche da parte di società dei rispettivi gruppi, ad un medesimo patto parasociale avente ad oggetto azioni di società terze;
- l'esistenza di partecipazioni azionarie, dirette o indirette, e l' eventuale presenza di partecipazioni reciproche, dirette o indirette, anche tra le società dei rispettivi gruppi;
- l'avere assunto cariche, anche nel recente passato, negli organi di amministrazione e controllo di società del gruppo del socio (o dei soci) di controllo o di maggioranza relativa, nonchè il prestare o l' avere prestato nel recente passato lavoro dipendente presso tali società;
- l'aver fatto parte, direttamente o tramite propri rappresentanti, della lista presentata dai soci che detengono, anche congiuntamente, una partecipazione di controllo o di maggioranza relativa nella precedente elezione degli organi di amministrazione o controllo;
- l'aver partecipato, nella precedente elezione degli organi di amministrazione o di controllo, alla presentazione di una lista con i soci che detengono, anche congiuntamente, una partecipazione di controllo o di maggioranza relativa ovvero avere votato una lista presentata da questi ultimi;
- l'intrattenere o l'avere intrattenuto nel recente passato relazioni commerciali, finanziarie (ove non rientrino nell'attività tipica del finanziatore) o professionali;
- la presenza nella c.d. lista di minoranza di candidati che sono o sono stati nel recente passato amministratori esecutivi ovvero dirigenti con responsabilità strategiche dell'azionista (o degli azionisti) di controllo o di maggioranza relativa o di società facenti parte dei rispettivi gruppi.

3. Con riguardo all'elezione degli organi di controllo, fermo l'obbligo di depositare la dichiarazione di cui all'art. 144-*sexies*, comma 4, lett. b), del Regolamento Emittenti, per garantire una maggiore trasparenza sui rapporti tra coloro che presentano le "liste di minoranza" e gli azionisti di controllo o di maggioranza relativa, si raccomanda ai soci che presentino una "lista di minoranza" di fornire nella predetta dichiarazione le seguenti informazioni:

- le relazioni eventualmente esistenti, qualora significative, con gli azionisti che detengono, anche congiuntamente, una partecipazione di controllo o di maggioranza relativa, ove questi ultimi siano individuabili sulla base delle comunicazioni delle partecipazioni rilevanti di cui all'art. 120 del TUF o della pubblicazione dei patti parasociali ai sensi dell'art. 122 del medesimo Decreto. In particolare, si raccomanda di indicare tra le citate relazioni almeno quelle elencate al punto 2. In alternativa, dovrà essere indicata l'assenza di relazioni significative;

- le motivazioni per le quali tali relazioni non sono state considerate determinanti per l'esistenza dei rapporti di collegamento di cui all'art. 148, comma 2, del TUF e all'art. 144-*quinquies* del Regolamento Emittenti.

4. Le società di gestione del risparmio che esercitino discrezionalmente il diritto di voto inerente alle azioni in proprietà degli OICR, da esse istituiti o gestiti, nell'esclusivo interesse dei partecipanti e che abbiano valutato l'effettiva indipendenza dalla controllante, possono non tenere conto, ai fini dell'indicazione degli eventuali rapporti significativi con l'azionista (o gli azionisti) di controllo o di maggioranza relativa, dei rapporti intrattenuti da soggetti facenti parte del proprio gruppo.

Per "società di gestione del risparmio" si intendono le SGR, le SICAV, le società di gestione armonizzate, i soggetti comunitari che esercitano l'attività di gestione collettiva del risparmio alle condizioni definite nella

direttiva 85/611/CEE e che sono vigilati in conformità alla legislazione del proprio ordinamento, nonché i soggetti extracomunitari che svolgono un'attività per la quale, se avessero la sede legale in uno Stato comunitario, sarebbe necessaria l'autorizzazione ai sensi della direttiva 85/611/CEE.

5. Con specifico riferimento alle società cooperative quotate, si rappresenta che il voto capitario nonché l'azionariato estremamente frammentato che caratterizza tali società non consentono di individuare *ex ante* i soci di controllo o di maggioranza relativa. Pertanto, le predette raccomandazioni di *disclosure* preventiva sugli eventuali collegamenti tra liste, nonché l'obbligo di cui all'art. 144-*sexies*, comma 4, lett. b), del Regolamento Emittenti, devono intendersi non applicabili ai soci delle predette società. Resta fermo quanto previsto dagli artt. 147-*ter*, comma 3, e 148, comma 2, del TUF, secondo cui l'amministratore o il sindaco "di minoranza" devono essere tratti dalla lista presentata da soci che non siano collegati, neppure indirettamente, con i soci che hanno presentato o votato la lista risultata prima per numero di voti.

6. Si raccomanda altresì alle società con azioni quotate di mettere a disposizione del pubblico, nei tempi e secondo le modalità previste dall'art. 144-*octies*, comma 1, del Regolamento Emittenti, la documentazione e le informazioni indicate nei precedenti punti 2 e 3 della presente Comunicazione.

7. La Consob, infine, invita i componenti gli organi di controllo, nell'adempimento dei loro doveri di vigilanza, con specifico riguardo alle disposizioni dell'art. 149 del TUF, a prestare particolare attenzione al rispetto della disciplina sull'elezione degli organi di amministrazione e controllo ed eventualmente ad assumere, nell'ambito dei propri poteri, ogni iniziativa, anche al fine di evitare incertezze sul mercato in ogni fase delle procedure di presentazione delle liste e di nomina dei componenti gli organi di amministrazione e controllo. Con specifico riferimento al momento della presentazione delle liste per l'elezione degli organi di controllo, ad esempio, si evidenzia che la presentazione di liste collegate comporta, ai sensi dell'art. 144-*sexies*, comma 5, del Regolamento Emittenti, l'apertura di un nuovo periodo di presentazione di liste e il dimezzamento della percentuale di partecipazione necessaria per la presentazione delle stesse. Si ritiene pertanto che alla società, a cui spetta rendere noto al mercato ai sensi dell'art. 144-*octies* del Regolamento Emittenti la sussistenza dei presupposti per la riapertura dei termini, competano valutazioni in merito a eventuali collegamenti non dichiarati, ovviamente nei limiti di ciò che sia noto o conoscibile secondo l'ordinaria diligenza e tenendo conto dei ristretti tempi a disposizione. Posto che tali attività rientrano nelle competenze dell' organo amministrativo ne deriva, conseguentemente, l'attribuzione al collegio sindacale, nell'ambito della vigilanza sul rispetto della legge, anche della verifica sulla correttezza dei comportamenti degli amministratori nell' espletamento delle attività medesime.

IL PRESIDENTE

Lamberto Cardia

Note:

1 Così si legge nella relazione di accompagnamento al D.lgs n. 303/2006 (*"Coordinamento con la legge 28 dicembre 2005, n. 262, del testo unico delle leggi in materia bancaria e creditizia e del testo unico delle disposizioni in materia di intermediazione finanziaria"*)

2 L'art. 144-*quinquies* del Regolamento Emittenti (" *Rapporti di collegamento tra soci di riferimento e soci di minoranza* ") recita: "*1. Sussistono rapporti di collegamento rilevanti ai sensi dell'articolo 148, comma 2, del Testo unico, fra uno o più soci di riferimento*[i soci che hanno votato o presentato la lista risultata prima per numero di voti secondo la definizione di cui all'art. 144-*ter* Regolamento Emittenti; n.d.r.] e *uno o più soci di minoranza, almeno nei seguenti casi*:

a) rapporti di parentela;

b) appartenenza al medesimo gruppo;

c) rapporti di controllo tra una società e coloro che la controllano congiuntamente;

d) rapporti di collegamento ai sensi dell'articolo 2359, comma 3 del codice civile, anche con soggetti appartenenti al medesimo gruppo;

e) svolgimento, da parte di un socio, di funzioni gestorie o direttive, con assunzione di responsabilità strategiche, nell'ambito di un gruppo di appartenenza di un altro socio;

f) adesione ad un medesimo patto parasociale previsto dall'articolo 122 del Testo unico avente ad oggetto azioni dell'emittente, di un controllante di quest'ultimo o di una sua controllata.".

3 L'art. 144-*sexies*, comma 4, lett. b), del Regolamento Emittenti ("*Elezione dei sindaci di minoranza con voto di lista*") prevede: "*Le liste sono depositate presso la sede sociale almeno quindici giorni prima di quello previsto per l'assemblea chiamata a deliberare sulla nomina dei sindaci, corredate*:....*b) di una dichiarazione dei soci diversi da quelli che detengono, anche congiuntamente, una partecipazione di controllo o di maggioranza relativa, attestante l' assenza di rapporti di collegamento previsti dall'articolo 144-quinquies con questi ultimi; ..*".