



Annual Report on
Corporate Governance

16 March 2006

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INTRODUCTION

This report, approved by the MARR S.p.A. Board of Directors (hereinafter “the Company” or “MARR”) on 16 March 2006, has been drafted according to the “Guidelines” indicated by the Italian Stock Exchange (Borsa Italiana) in February 2003 and the “Guide to the drafting of the Report on Corporate Governance” published by Assonime and Emittenti Titoli S.p.A. in February 2004.

The aim of the report is to illustrate the Corporate Governance model adopted by MARR S.p.A. and refer to the state of actuation of the “Listed Companies Code of Self-discipline” (hereinafter “Code”) in adhesion to that required by the Italian Stock Exchange in its instructions.

The report is split into two sections:

- part one is dedicated to a synthetic description of the Company's governance systems, its objectives, organisation and management and responsibility systems adopted by the Company;
- part two is dedicated to an analytical comparison between the rules adopted by the Company and the provisions of the Code in order to assess the effective compliance of the provisions in the Code and justifying the choice made against the Code.

PART ONE

Corporate Governance documents

The MARR S.p.A. Shareholders' meeting held on 11 March 2005 approved the proposal for the listing of ordinary company shares on the Telematic Shares Market (MTA) – STAR Segment (“Segmento Titoli ad Alti Requisiti”), giving mandate to the Board of Directors to adapt the corporate organisation to that required by the Listed Companies Code of Self-discipline.

On 16 March 2005, the Board of Directors adopted a series of documents aimed at conforming the corporate governance of MARR S.p.A. to the principles contained in the Code, conditioning their entry into force to the issuance by the Italian Stock Exchange of the authorisation to begin the trading of shares at the Telematic Shares Market, issued on 17 June 2005.

The fundamental documents of Corporate Governance of the Company still in force are:

- “by-laws”;
- “Regulations for Shareholders' meetings”;
- “Code of Conduct for internal dealing”;
- “Internal regulations for the management and handling of confidential information and external communication of documents and information”;
- “Code of self-discipline”.

In order to favour the widest possible knowledge of the governance model of the Company by the market and stakeholders in general, the above documents are available (in Italian and English) on the Company's website www.marr.it.

MARR's shares have been traded on the Telematic Shares Market, STAR segment (“Segmento Titoli ad Alti Requisiti”) since 21 June 2005.

Company Organisation

The Company is structured according to the “traditional” scheme provided by the Civil Code, and therefore provides for the presence of the following:

- a Board of Directors for the administration of the Company, vested with the widest ranging powers for ordinary and extraordinary management;
- a Board of Auditors for ensuring the observance of the law and the Corporate by-laws and the respect of the principles of correct administration.

The above-mentioned bodies are elected by the Shareholders’ meeting and remain in office for three years.

Furthermore, in fulfilment of the regulations in force, an audit company registered in the special role kept by Consob has been appointed which, in addition to being responsible for the control of accounts provided by the Civil Code, ensures:

- the regular keeping of company accounts and the correct reporting of circumstances concerning the management of the accounts books;
- that the business year and consolidated financial statements correspond to the findings in the accounts books and inspections carried out and that they conform to the regulations governing them.

The functioning of the corporate bodies is disciplined, other than by the regulations on the matter in the MARR Corporate by-laws by the “Code of self-discipline” approved by the Board of Directors on 16 March 2005.

Code of Ethics and Management Model

During the course of 2005, the Company carried on its policy aimed at ensuring ever increasing levels of transparency and efficiency in its governance system by adopting a Code of Ethics, in which the conduct regulations and principles of legality, transparency and correctness to be applied to internal and external Company relations are recalled.

Pursuant to Legislative Decree 231/01, the Company also adopted an Organisation, Management and Control Body to discipline the administrative responsibilities of the bodies, with the aim of preventing illicit acts against public administration and illicit corporate acts.

Composition of the Share Capital

MARR's share capital is € 33,035,200, divided into 66,070,400 ordinary shares of a nominal value of € 0.50 each.

Corporate shares are indivisible and give the right to one vote each.

The majority shareholder in Cremonini S.p.A., which holds 57.389% of the share capital.

MARR S.p.A. is part of the Cremonini Group.

PART TWO

Board of Directors

Role of the Board of Directors

The Board of Directors is the corporate body for the administration of the Company. It meets regularly and is organised and operates in such a way as to guarantee the effective and efficient carrying out of its functions. It has competences and full powers of both an ordinary and extraordinary nature, in respect of the applicable legal and regulatory discipline, the Corporate by-laws regulations in force and the Code of Self-discipline.

The Board also exercises the powers in art. 1.2 of the Code, specifically:

- a) it examines and approves the Company's strategic, industrial and financial plans and the corporate structure of the Group it heads;
- b) it attributes and revokes proxies to Chief Executive Officers, defining the limits, methods of exercising and periodicity, usually quarterly, with which the delegated bodies must refer to the Board as regards activities carried out in exercising their proxies;
- c) it determines, following examination of the proposals of the relevant committee and heard the views of the Board of Auditors, the remuneration of Chief Executive Officers and those with specific positions and, should the Shareholders' meeting not have done so, the sub-division of the overall remuneration due to individual members of the Board and Executive Committee;
- d) it supervises general management performance, with particular focus on conflicts of interest, taking into consideration, in particular, the information received from Chief Executive Officers and the committee for internal control, and also periodically compares the results achieved with those expected;
- e) it examines and approves the operations with of economic, patrimonial and financial significance, with particular reference to operations with correlated parties;
- f) it assesses the suitability of the organisational and management set-up of the Company and the group predisposed by the Chief Executive Officers;
- g) it refers to shareholders during the Shareholders' meetings.

Composition of the Board of Directors

The MARR Corporate by-laws contains the regulations for the nomination and functioning of the administrative body, which may be composed of a minimum of five and a maximum of nine members, nominated by the Shareholders' meeting and chosen from among shareholders and not of the Company.

Board members are nominated for not more than three business years and their office expires on the date of the Shareholders' meeting convened for approval of the financial statements for the business year in which they hold office and may be re-elected.

Should the Shareholders' meeting not have done so, the Board of Directors elects the Chairman from among its members. The Board may also elect a vice Chairman to replace the Chairman in the case of their absence or indisposition and a Secretary, who may be chosen from outside the Board.

In the meeting held on 18 July 2005, the Board of Directors nominated Mr. Walter Parmeggiani as Secretary; a vice Chairman was not elected.

The Board was established as having seven members and was nominated by the Shareholders' meeting on 11 March 2005, subject to the authorisation of the Italian Stock Exchange to begin trading the ordinary shares of the Company on the Telematic Shares Market, which occurred on 17 June 2005.

The Board was therefore officially in office from 17 June 2005 and will remain in office until approval of the financial statements for the year closing on 31 December 2007, and is currently composed as follows:

DIRECTOR	POSITION	TOOK OFFICE ON	EXPIRY
Vincenzo Cremonini	Chairman/Non Executive Director	17 June 2005	Approval of financial statements as at 31 December 2007
Ugo Ravanelli	Chief Executive Officer	17 June 2005	Approval of financial statements as at 31 December 2007
Illias Aratri	Non Executive Director	17 June 2005	Approval of financial statements as at 31 December 2007
Alfredo Aureli	Independent Director	17 June 2005	Approval of financial statements as at 31 December 2007
Giosuè Boldrini	Independent Director	17 June 2005	Approval of financial statements as at 31 December 2007
Giuseppe Lusignani	Independent Director	17 June 2005	Approval of financial statements as at 31 December 2007
Paolo Ferrari	Independent Director	17 June 2005	Approval of financial statements as at 31 December 2007

The non executive and independent members of the Board of Directors are in number and authority such as to guarantee significant weight in taking Board decisions.

This consideration, in the absence of objective indications in the Code, is subordinate to the fact that the number of independent directors is within the criteria dictated by the "Instructions for the Regulation of Markets organised and managed by the Italian Stock Exchange" to be part of the STAR ("Segmento Titoli ad Alti Requisiti") segment, which establishes that 2 is a suitable number of independent directors if the Board has up to 8 members.

In conformity to the provisions of art. 3 of the Code, the independence of Directors is periodically assessed by the Board of Directors, taking into account the information provided by the individuals interested.

The Directors have also proved that they can dedicate the time required for the proper carrying out of their functions, also considering the number of director or auditor positions filled by them in other companies.

Attached to this report are the director or auditor positions filled by the members of the Board of Directors in other companies listed on regulated markets, in financial, banking and insurance companies or companies of significant dimensions.

Board Meetings

The Corporate by-laws provides that the Board of Directors meet at the Company's registered office or elsewhere, as long as in the European Union, whenever the Chairman deems it necessary or when written request is made by at least two of its components or at least two auditors.

Convening is predisposed by the Chairman with prior notification sent at least five days before the meeting to each director and effective auditor. In the case of urgency, notification may be sent at least two days before the meeting.

Notification may be written in any form of support (paper or electronic) and may be sent by any means of communication (including fax and electronic mail) which guarantees proof of receipt.

Meetings may also be held by telephone/video conference or audio conference on condition that each of the participants can be identified by all the others and that each of the participants is able to follow the discussions and to intervene in real time during the debate of the items being discussed. If these conditions exist, the meeting will be considered as being held at the location in which the Chairman and Secretary are to be found.

The presence of the majority of members is required in order for the decisions of the Board of Directors to be valid.

Decisions are taken on the majority of the votes of those present, while in the case of equal votes, the decision voted for by the chair of the meeting will take precedence.

The regularity of Board meetings is ensured by the provision that at least 6 Board meetings be held each year. The annual calendar of company events, with the planned dates of the meetings for the approval of the draft financial statements and the half year and quarterly reports notified to the market within the first 30 days of the year and made available on the Company's website.

During 2005, 13 Board meetings were held, of which 4 were held following the start of trading of the Company's shares on the Telematic Shares Market.

All directors and effective auditors participated in the meetings of the Board of Directors subsequent to the date of listing on the Stock Exchange. In addition, the Chief Financial Officer also participated in all the meetings, on proposal by the Chief Executive Officer and agreement by those convened.

The Chairman

The Corporate by-laws provides that the Board, should the Shareholders' meeting not have done so, elect from among its components a Chairman and may delegate its powers to one or more members.

The Chairman of the Board of Directors is delegated legal representation of the Company.

By law, the Chairman presides over:

- the work of the Board of Directors, which he/she convenes, ensuring that all members receive with reasonable notice the documentation and information required to enable them to express their opinions with awareness on the items on the agenda;
- the work of the Shareholders' meeting, also exercising the wide-ranging powers conferred by the Regulations for Shareholders' meeting to ensure the regular and correct carrying out of the meetings.

The current Chairman, as he has not received any proxies and does not carry out direct functions within the Company, assumes the office of non executive direct. He may not therefore be considered as independent, given the position filled within the parent company.

The Chief Executive Officer

Pursuant to art. 21 of the Corporate by-laws, the Board of Directors may delegate, within the limits set by the law, part of its attributes and powers, including those of corporate signatory, to one or more of its members with the title of Chief Executive Officer, determining the contents, limits and possible methods of exercising of the proxy.

In its meeting on 16 March 2005, the Board of Directors nominated, subject to the authorisation of the Italian Stock Exchange to begin trading of the Company's ordinary shares on the Telematic Shares Market, Mr. Ugo Ravanelli as Chief Executive Officer, attributing to him the powers required to carry out the deeds concerning corporate activities, to be exercised with individual signature, within the limits of the proxies conferred upon him.

In the context of the powers delegated, the Chief Executive Officer has powers of legal representation of the Company.

Among the limits to the powers conferred, those concerning the following operations are highlighted:

- stipulate with the opportune clauses, including the compromissory clause, modify, terminate, transfer and purchase for sale, sales contracts and contracts for the exchange of tangible assets in general, including motor vehicles and other means of transport, for an amount for each single operation of not more than 600,000.00 (six hundred thousand/00) Euros;
- participate in tenders issued by State Public Administrations and Public and private bodies for the supply of goods, services and provisions in general, present offers and, in the case of awarding, sign the relevant contracts, for an amount for each single operation of not more than 8,000,000.00 (eight million/00) Euros, with the right in this context to delegate to officials of the Company and third parties powers deemed necessary for the carrying out of the functions and duties assigned to them;
- constitute the Company in temporary associations of enterprises, also with companies controlled by the parent company, only for participation in tenders for Public Bodies with a duration of not more than three years and for amounts of not more than 8,000,000.00 (eight million/00) Euros per year, pursuant to art. 10 of Legislative Decree 358 dated 24 July 1992, with the right in this context to delegate to officials of the Company and third parties the powers deemed necessary for the carrying out of the functions and duties assigned to them;
- stipulate contracts, with all the opportune clauses, including the compromissory clause, modify, terminate, transfer and purchase for sale leasing contracts of a duration not exceeding the limits laid down by the Law, for an amount for each single operation of not more than 500,000.00 (five hundred thousand/00) Euros annually;

- purchase single intellectual services, which must be inherent to the corporate purpose, with the right to set up relations of a continuing nature, for an amount for each single operation of not more than 300,000.00 (three hundred thousand/00) Euros annually;
- issue sureties and guarantees, ensuring that each single surety or guarantee does not exceed the amount of 1,500,000.00 (one million five hundred thousand/00) Euros, in favour of Credit Institutes and/or Financial and Insurance bodies or companies for assignments concerning the use of uncovered quotas on bank accounts, the importing of goods and products and the unfreezing of bills of exchange, drafts, bank receipts and commercial invoices requested by companies over which the Company exercises direct or indirect control;
- issue sureties in favour of Credit Institutes and/or Financial and Insurance bodies or companies for all the operations to be carried out by companies over which the Company exercises direct or indirect control, within the limits of the amount decided by the Board of Directors. In cases of particular urgency, the Chief Executive Officer may issue new sureties or expand existing ones, ensuring that each single surety does not exceed the amount of 1,500,000.00 (one million five hundred thousand/00) Euros, the obligation to notify same during the subsequent Board meeting being understood;
- request sureties and guarantees from Credit Institutes Financial and Insurance bodies or companies and third parties in general, up to a maximum amount of 2,000,000.00 (two million/00) Euros for each operations, aimed at the participation in tenders by subsidiary companies for supplies and/or services to Public Bodies which require suitable cautions and/or guarantees to be issued by Credit Institutes;
- grant additional financing to those ongoing currently or, if major, authorised currently, in favour of directly or indirectly controlled companies in any form, ensuring that they do not individually exceed the amount of 5,000,000.00 (five million/00) Euros, establishing the methods and conditions;
- define, and also settle, the liquidation of damages and accidents, for a maximum amount for each operation of 5,000,000.00 (five million/00) Euros, designating for this purpose, experts, doctors and accident and legal commissioners, and make the relevant payments, receiving and issuing liberatory receipt.

During the 2005 business year, the Chief Executive Officer exercised the powers attributed to him for normal management and operations of significant quality or value have been submitted for examination by the Board of Directors.

In the context of his competences, the Chief Executive Officer periodically reported to the Board on the activities carried out in exercising the proxies attributed to same. He also provided the Directors and Auditors, in conformity with the regulations in force, suitable informative documents on the activities carried out and the most significant economic, financial and patrimonial operations carried out by the Company or subsidiary companies, on at least a quarterly basis.

Pursuant to art. 4.6 of the Company's Code of Self-discipline, the Chief Executive Officer is also attributed the following roles and competences:

- a) ensuring the timely and proper formulation, in the areas of his competence and for assessment and decision by the Board of Directors, of the objectives, strategies, macro-organisational choices and policies for the expansion, conduction and management of the Company;
- b) responding to the Board of Directors concerning the expansion, conduction and management of the Company. More precisely, he is responsible for the results, on the basis of the objectives, of the approved strategies and policies;
- c) ensuring the respect of the regulations concerning the safety and health of workers (Legislative Decree 626/1994 and subsequent modifications and integrations) and concerning the

protection of persons and other subjects as regards the handling of personal data (Legislative Decree 196/2003).

Nomination of Directors

The members of the Board of Directors are nominated, pursuant to the law and the Corporate by-laws, by decision of the ordinary Shareholders' meeting.

Currently, the presentation of lists of candidates before the date established for the Shareholders' meeting is not provided.

Proposals for nominations to the office of Director, accompanied by exhaustive information concerning the personal and professional characteristics of candidates, with an indication of the suitability of same to be qualified as independent, are deposited at the corporate registered office at least ten days prior to the date established for the Shareholders' meeting.

Remuneration of Directors

The annual remuneration in favour of the Board of Directors was established by the Shareholders' meeting on 11 March 2005 as 140,000.00 Euros.

For board members invested with specific assignments, the Board of Directors, having heard the opinion of the Board of Auditors, has provided, on conferment of the office in question or subsequently, specific emoluments for the functions carried out.

Remuneration for the duties carried out by the Chief Executive Officer was preliminarily approved by the Remuneration Committee before being approved by the Board of Directors.

The Company, in fulfilment of that provided by the Regulations of the markets organised and managed by the Italian Stock Exchange for the STAR segment, has also defined a stock option plan concerning the Chief Executive Officer and top management, the assignation of which is conditioned by the achievement of personal objectives and the economic results achieved by the Company.

The total remuneration received by the components of the Board of Directors is indicated in the notes to the business year financial statements and, for those who also fill positions in controlled companies, in the notes to the consolidated financial statements.

Committees

In conformity to that disposed by the Code, the Board of Directors has set up within its structure the Committee for Internal Control and the Remuneration Committee.

The Committees were set up simultaneously to the issuing by the Italian Stock Exchange of the authorisation to start trading the ordinary shares of the Company on the Telematic Shares Market.

The Board of Directors has not yet deemed it necessary to set up a Committee for nomination proposals for Directors.

Attached to this report are the summary data concerning the Committees provided by the Code.

Committee for Internal Control

A Committee for Internal Control has been set up within the Board of Directors, and is composed of two non executive and independent directors, Dr. Paolo Ferrari and Prof. Giuseppe Lusignani, with consultancy and advisory functions aimed at ensuring the suitability of the structure and effectiveness of the internal control system and fulfilling all the functions indicated by the Code.

In particular, the Committee for Internal Control carries out the following functions recalled in the Code of Self-discipline adopted by the Company:

- a) it assists the Board of Directors in assessing the suitability of the internal control system;
- b) it assesses the plan of works prepared by the internal control manager and receives periodical reports from same;
- c) it assesses, together with the Company's administrative managers and auditors, the suitability of the accounting principles used and, in the case of groups, their homogeneity for the preparation of the consolidated financial statements;
- d) it assesses proposals formulated by the audit company to obtain the relevant assignment, and the plan of works predisposed for auditing and the results contained in the report and letter of suggestions;
- e) reports to the Board, at least every six months, on occasion of the approval of the financial statements and half yearly report, on the activities carried out and the suitability of the internal control system;
- f) carries out additional tasks attributed to it by the Board of Directors, especially as regards relations with the audit company.

During 2005, the Committee for Internal Control carried out the internal organisation of the Committee and the relevant plan of works and then gave the go-ahead for the examination of the Company's internal control system, management control and quality assurance service.

The Chair of the Board of Auditors participated in all meetings.

On occasion of the approval of the half yearly report as at 30 June 2005, the Committee for Internal Control, as only a short time had elapsed since its nominations, did not deem it appropriate to report to the Board on the activities carried out and the suitability of the internal control system as required by the Code.

Remuneration Committee

A Remuneration Committee has also been set up within the Board of Directors, with the duty of formulating proposals to the Board of Directors for the remuneration of the Chief Executive Officer and the determination of the criteria for the remuneration of the Company's top management.

The current Committee comprises 2 non executive and independent directors, Dr. Paolo Ferrari and Prof. Giuseppe Lusignani, and the Chairman of the Board of Directors, Dr. Vincenzo Cremonini.

The Committee formulated its own proposals during the meeting on 12 September 2005, making the Board of Directors and Board of Auditors aware of them in order for them to reach the right decisions and giving their opinion.

In the context of its functions, the Remuneration Committee did not use external consultants, as the member directors had the required knowledge of the matters discussed.

More details on the remuneration of Directors is contained in the Notes to the Financial Statements.

Internal Control System

The Company's internal control system is represented by the complex of processes carried out by the Board of Directors, executives and other corporate operators aimed at providing all stakeholders with a reasonable certainty as to the achievement of the corporate objectives, and in particular to monitor:

- 1) the efficiency of operational activities;
- 2) the reliability of the economic and financial information;
- 3) conformity with the law and regulations;
- 4) the protection of the corporate patrimony.

In line with the recommendations of the Code:

- The Board of Directors is responsible for the Internal Control System, establishes its guidelines and periodically assesses its suitability and effective functioning, also through the Committee for Internal Control.
- The Chief Executive Officer identifies the main corporate risks, submitting them for examination by the Board of Directors and implements the Board's guidelines through the planning, management and monitoring of the internal control system.

The Chief Executive Officer has identified as the manager of the internal control system the Chief Financial Officer and person responsible for Internal Auditing, Dr. Davide Perazzini.

The top position filled by the manager grants him the full freedom from gerarchical bonds towards those subject to his control.

The manager of the control system reports on his operations to the Chief Executive Officer, the Internal Control Committee and the Auditors.

Operations with correlated parties

The MARR Code of Self-discipline provides that operations with correlated parties respect the criteria of substantial and procedural correctness.

During operations with correlated parties, Directors who have an interest in them, even if potential or indirect:

- a) will inform the Board of Directors in a timely manner and exhaustively on the existence of their interest and on the circumstances of same;
- b) will leave the Board meeting before a decision is reached.

Should the characteristics of the operation with correlated parties require so, the Board, with the aim of preventing the operation from being concluded under conditions other than those which have been apparently negotiated between non correlated parties, may request the assessment and consultancy (financial, technical, legal, etc.) of independent experts.

Investor Relator

The Company, in order to achieve dialogue with institutional investors, shareholders and the market and to guarantee the systematic spreading of exhaustive and timely information on its own activities, has nominated an Investor Relations Manager, in the person of Dr. Léon Van Lancker (e-mail: ivanlancker@marr.it Tel: 0541/746804).

In his activities, the investor relator conforms to that contained in the Guide for Information on the Market published by the Italian Stock Exchange.

Shareholders' meetings

The Shareholders' meeting represents the totality of shareholders and represents company wishes.

Pursuant to art. 8 of the Corporate by-laws, the Shareholders' meeting may be convened outside the corporate registered office, as long as in Italy. Notification of convening containing the day, time and location of the meeting and a list of the items to be discussed is published within the legal deadlines in the Official Gazette of the Republic or in the daily newspaper "Il Sole 24 Ore".

In order to encourage and facilitate the best possible participation of shareholders in Shareholders' meetings, Directors pay the maximum attention to the choice of the date, location and time of convening.

As far as possible, all Directors and Auditors participate in meetings, especially those Directors who, due to the positions they fill, can make a useful contribution to the general debate.

The Shareholders' meeting held on 5 April 2005 approved the adoption of the "Regulations for Shareholders' meetings" disciplining the ordered and functional carrying out of the ordinary and extraordinary Shareholders' meetings of the Company, guaranteeing the right of each shareholder to take the floor on the items for discussion and to express their own opinion.

Auditors

The MARR Board of Auditors is composed of three standing and two alternate auditors.

Auditors may not be nominated and if elected, those who find themselves in the situations of incompatibility provided by the law or are not in possession of the requirements requested by the law and those who are standing auditors for more than five Italian companies listed on regulated Italian markets will withdraw from office.

The current Board of Auditors, nominated on 11 March 2005 and effective from 17 June 2005, will remain in office until approval of the 2007 financial statements and is composed of Messrs:

Ezio Maria Simonelli	Chairman of the Board
Massimo Conti	Standing auditor
Italo Ricciotti	Standing auditor
Claudio Malagoli	Alternate auditor

Alfredo Veglianti

Alternate auditor

The Board of Auditors has the duty of supervising:

- the observance of the law and the Corporate by-laws;
- the respect of the principles of correct administration;
- the suitability of the organisational structure of the Company as regards the aspects for which the Board is competent, the internal control system and the administration and accounting system, and the reliability of said system in correctly representing company management.

The Corporate by-laws contain the dispositions disciplining the election of the components of the Board of Auditors, also with the aim of ensuring the nomination of one standing and one alternate auditor by the minority. In particular, the nomination of Auditors is carried out on the basis of lists, supplemented by exhaustive information concerning the personal and professional details of candidates, which may only be presented by shareholders who individually or together with others hold at least 3% of the share capital.

The lists, undersigned by those presenting them, must be deposited at the Company's registered office at least ten days prior to the date of the first convening of the Shareholders' meeting. The first two candidates on the list who obtains most votes and the first candidate on the list who obtains the second highest number of votes will be elected standing auditors. The candidate on the list who obtains most votes and the candidate who obtains the second highest number of votes will be elected alternate auditors.

None of the current members of the Board of Auditors was nominated by the minority, as the modification to the Corporate by-laws which introduced voting lists was made subsequently to their nomination.

Attached to this report are the offices (auditors or directors) held by each standing auditor in other companies listed on the stock exchange, and in financial, banking or insurance companies or other companies of significant dimensions.

Handling of confidential information

Management of confidential information

By decision of the Board of Directors meeting on 16 March 2005, the Company has adopted an "Internal regulation for the management and handling of confidential information and external communication of documents and information".

The Regulation, in accordance with that indicated in the Code, provides that the management of confidential information concerning the Company will be the responsibility of the Chief Executive Officer.

Confidential information concerning individual subsidiary companies is the responsibility of their respective Chief Executive Officers, who may only divulge it in agreement with the Chief Executive Officer of the Company.

All relations with the press and other means of communication, and with financial analysts and institutional investors, aimed at divulging documents and information of a corporate nature must be expressly authorised by the Chief Executive Officer and occur exclusively through the Investor Relator of the Company.

Internal dealing

In fulfilment of the dispositions issued by the Italian Stock Exchange, the Board of Directors adopted the "Code of conduct for internal dealing" on 16 March 2005, which entered into force simultaneously to the date of starting trading on Company shares on the Telematic Shares Market.

Pursuant to art. 1 of the Code of conduct for internal dealing, "Relevant Persons" within MARR are intended as:

- a. directors, standing auditors and directors-general of the Company;
- b. Chief Executive Officers, effective auditors and directors-general main operational Companies directly controlled by the Company, as identified by the Board of Directors (currently: Sfera S.p.A. and Alisea Soc. Cons. a r.l.);
- c. the communications manager and person responsible for relations with investors in the Company;
- d. those responsible for the following operational areas of the Company:
 - corporate affairs;
 - administration;
 - internal auditing and management control.

The Corporate Affairs Directorate of the Company is the subject assigned to receive, manage and spread to the market the data concerning operations notified by Relevant Persons.

In accordance with that provided by the Italian Stock Exchange instructions, the Code of conduct for internal dealing provides that:

- a) the Relevant Person must notify the subject authorised within the fifth day of trading subsequent to each solar quarter for operations carried out within said quarter (Reporting Period).
- b) Operations for which the value, even accumulated, is equal to or more than 50,000.00 Euros are subject to the notification obligation.
- c) Operations worth more than 250,000.00 Euros, even if accumulated with other carried out in the Reporting Period and not previously notified to the Subject Authorised, must without delay be notified by the Relevant Person in any case within the second day of trading subsequent to that of execution of the Operations, so as to enable the Subject Authorised to notify the market in a timely manner.

On 1 April 2006, the dispositions of Consob Regulation no. 11971/99 entered into force, introduced in implementation of the provision of art. 114, paragraph 7 of the TUF (modified by the 2004 EU law concerning Market Abuse). These dispositions introduce the regulatory obligation to notify to the public operations carried out by "relevant subjects" and persons closely linked to them.

Therefore, as of the date of entry into force of the new Consob dispositions on internal dealing and the simultaneous repeal of the relevant indications in the Regulations for markets organised and managed by the Italian Stock Exchange and the relevant Instructions, the function of the Company's Code of conduct for internal dealing will be withdrawn and the Code abandoned. Subsequently, operations carried out by relevant subjects and persons closely linked to them will be disciplined by articles 152 sexies and following of Consob Regulation 11971/99 and internal procedures.

Chairman of the Board of Directors
(Vincenzo Cremonini)

Rimini, 16 March 2006

TABLE A: DIRECTORS AND AUDITORS OFFICES

OFFICES HELD IN OTHER COMPANIES QUOTED ON REGULATED MARKETS AND IN FINANCIAL, BANKING AND INSURANCE COMPANIES OR OTHER COMPANIES OF SIGNIFICANT DIMENSIONS IN 2005

DIRECTORS

Vincenzo Cremonini	Cremonini S.p.A. (*) Montana Alimentari S.p.A. Moto S.p.A. Frimo S.a.m.	Chief Executive Officer Director Director Director
Ugo Ravanelli	None	
Illias Aratri	Cremofin S.r.l.	Sole Administrator
Alfredo Aureli	SCM Group S.p.A.	Chief Executive Officer
Giosuè Boldrini	Banca Agricola Commerciale della Repub. di San Marino S.A. Bac Fiduciaria S.p.A.	Director and member of the Executive Committee Chairman of the Board of Directors
Giuseppe Lusignani	Banca Popolare dell'Emilia Romagna Soc. Coop a r.l. (*) Optima SGR S.p.A. Ver Capital SGR S.p.A. CR FIRENZE Gestion Internationale S.A	Director Director Chairman of the Board of Directors Chairman of the Board of Directors
Paolo Ferrari	None	

AUDITORS

Ezio Maria Simonelli	Akros HFR Alternative Investments SGR S.p.A. Alfa SIM S.p.A. AWD SIM S.p.A. Banca Akros S.p.A.	Chairman of the Board of Auditors Chairman of the Board of Auditors Chairman of the Board of Auditors Standing auditor
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	Banca Popolare di Milano Soc. Coop a r.l. (*) Cremonini S.p.A. (*) Dexia Crediop S.p.A. e-MID S.p.A. Euromobiliare Alternative Investments SGR S.p.A. Express Padala Italia S.p.A. Meliorfactor S.p.A. Riello S.p.A. Selma Bipiemme Leasing S.p.A.	Chairman of the Board of Auditors Standing auditor Chairman of the Board of Auditors Standing auditor Standing auditor Chairman of the Board of Auditors Standing auditor Standing auditor Standing auditor
Massimo Conti	None	
Italo Ricciotti	Ferretti S.p.A. Gilmar Divisione Industria S.p.A.	Chairman of the Board of Auditors Chairman of the Board of Auditors
Claudio Malagoli	Italtractor ITM S.p.A.	Chairman of the Board of Auditors
Alfredo Veglianti	Altamarea V&H Compagnia Alberghiera S.p.A.	Chairman of the Board of Auditors

(*) Companies quoted on Italian regulated markets

TABLE B: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES										
Board of Directors							Committee for Internal Control		Remuneration Committee	
Position	Components	Executive	Non executive	Independent	% Attendance ****	Number of other offices **	***	****	***	****
Chairman	Vincenzo Cremonini		X		100	4			X	100%
Chief Executive Officer	Ugo Ravanelli	X			100	-				
Director	Illias Aratri		X		100	1				
Director	Alfredo Aureli		X	X	100	1				
Director	Giosuè Boldrini		X	X	100	2				
Director	Paolo Ferrari		X	X	100	-	X	100%	X	100%
Director	Giuseppe Lusignani		X	X	100	4	X	100%	X	100%
Number of meetings held during the business year in question				BoD: 4 *****	Committee for Internal Control: 2			Remuneration Committee: 1		
<p>NOTES:</p> <p>* Asterisk indicates if the director was designated through lists presented by a minority.</p> <p>** This column indicated the number of offices of director or auditor held by the interested party in other companies quoted on regulated markets, even foreign, and in financial, banking and insurance companies or other companies of significant dimensions.</p> <p>*** In this column, "X" indicates Committee membership of the Board member.</p> <p>**** This column indicates the attendance percentage of directors at BoD and Committee meetings respectively.</p> <p>***** Number of meetings of the Board currently in office from 17 June to 31 December 2005.</p>										

TABLE C: BOARD OF AUDITORS

Office	Components	Attendance percentage in Board meetings	Number of other offices **
Chairman	Ezio Maria Simonelli	100%	2
Standing auditor	Massimo Conti	100%	-
Standing auditor	Italo Ricciotti	100%	-
Alternate auditor	Claudio Malagoli	-	-
Alternate auditor	Alfredo Veglianti	-	-

Number of meetings held during the business year in question: 2 ***

Indicate the quorums required for presentation of lists by minorities for the election of one or more standing members (ex. art 148 CLF): 3%

NOTES:

* Asterisk indicates if the director was designated through lists presented by a minority.

** This column indicated the number of offices of director or auditor held by the interested party in other companies quoted on Italian regulated markets. The report on corporate governance contains the offices in full.

*** Number of meetings of the current Board from 17 June to 31 December 2005.

TABLE D: OTHER PROVISIONS OF THE CODE			
	YES	NO	Summary of reasons for deviation from the recommendation of the Code
System of proxies and operations with correlated parties			
Has the BoD has attributed proxies, defining:			
a) limitations	X		
b) methods of exercising	X		
c) periodicity of information?	X		
Has the BoD reserved the right to examine and approve operations with specific economic, patrimonial and financial significance (including operations with correlated parties)?	X		
Has the BoD defined guidelines and criteria for the identification of "significant" operations?		X	Given the operational limits for quality and value on the basis of proxies conferred, operations defined as "significant" are approved by the BoD
Are these guidelines and criteria described in the report?		X	The value limits for operations carried out by virtue of the proxies conferred are described
Has the BoD defined suitable procedures for examining and approving operations with correlated parties?		X	The definition of procedures for the preliminary examination of operations with correlated parties not yet carried out will be decided by the Board of Directors by the end of 2006
Are the procedures for the approval of operations with correlated parties described in the report?	X		

	YES	NO	Summary of reasons for deviation from the recommendation of the Code
Most recent procedures for the nomination of directors and auditors			
Were the candidatures for directorship deposited at least ten days in advance?	X		
Were the candidatures for directorship supplemented by exhaustive information?	X		
Were the candidatures for directorship supplemented by an indication of suitability to be qualified as independent?	X		
Were the candidatures for the office of auditor deposited at least ten days in advance?	X		
Were the candidatures for the office of auditor supplemented by exhaustive information?	X		
Shareholders' meetings			
Has the company approved Regulations for Shareholders' meetings?	X		
Are the Regulations attached to the report (or is it indicated where they are obtainable/downloadable from)?	X		
	YES	NO	Summary of reasons for deviation from the recommendation of the Code
Internal control			
Has the company nominated internal control managers?	X		
Are the managers gerarchically independent of those responsible for operational areas?	X		

Organisational body responsible for internal control (ex art. 9.3 of the Code)	Davide Perazzini E-mail: dperazzini@marr.it		
Investor relations			
Has the company nominated an investor relations manager?	X		
Organisational unit and reference (address/telephone number/fax/e-mail) of the investor relations manager	Léon Van Lancker Tel: +39 (0541) 746804 Fax: +39 (0541) 746210 E-mail lvlancker@marr.it		