



Annual Report on  
Corporate Governance and  
ownership structure

pursuant to art. 123 bis of Legislative Decree 58/1998

2013 Business Year

14 March 2014

MARR Sp.A.  
Via Spagna, 20 – 47900 Rimini (Italy)  
Share capital € 33,262,560 fully paid-up  
Internal Revenue Code and Trade Register of Rimini no. 01836980365  
R.E.A. Rimini no. 276618  
Subject to the management and coordination of Cremonini Sp.A. – Castelvetro (MO)  
[www.marr.it](http://www.marr.it)

## CONTENTS

### INTRODUCTION

1. COMPANY PROFILE	3
1.1 Company Set-up	3
1.2 Corporate governance documents	4
2. INFORMATION ON THE OWNERSHIP STRUCTURE EX ART. 123 BIS CLF	5
3. COMPLIANCE	7
4. BOARD OF DIRECTORS	8
4.1 Appointment and replacement	9
4.2 Composition	11
4.3 Role of the Board of Directors	13
4.4 Executive Bodies	14
4.5 Other executive Directors	17
4.6 Independent Directors	17
4.7 Lead Independent Director	18
5. PROCESSING OF CORPORATE INFORMATION	18
6. INTERNAL COMMITTEES OF THE BOARD	18
7. REMUNERATION AND NOMINATION COMMITTEE	18
8. REMUNERATION OF DIRECTORS	20
9. CONTROL AND RISK COMMITTEE	21
10. INTERNAL AUDITING AND RISK MANAGEMENT SYSTEM	22
10.1 Information concerning the system of risk management and internal auditing in relation to the process of financial information	23
10.2 Director responsible for the internal auditing and risk management system	25
10.3 Manager responsible for the internal audit department	26
10.4 Organisational Model ex Legislative Decree 231/2001	27
10.5 Independent Auditing Firm	28
10.6 Manager responsible for preparing the company's financial reports	28
10.7 Coordination between the subjects involved in the internal auditing and risk management system	29
11. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES	29
12. APPOINTMENT OF THE STATUTORY AUDITORS	29
13. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS	31
14. RELATIONS WITH SHAREHOLDERS	33
15. SHAREHOLDERS' MEETINGS	33
16. CHANGES SINCE THE CLOSURE OF THE REFERENCE BUSINESS YEAR	34

### ANNEXES:

- ANNEX A – BOARD OF DIRECTORS
- ANNEX B – BOARD OF STATUTORY AUDITORS

## INTRODUCTION

This report, approved by the Board of Directors of MARR S.p.A. (hereinafter also “the Company” or “MARR”) on 14 March 2014, has been drawn up in order to illustrate the corporate governance model adopted by MARR and, in fulfilment of that required by the laws in force, to report on the company's adherence to the Corporate Governance Code for listed companies (hereinafter also “Code”) published by Borsa Italiana S.p.A.,<sup>1</sup> prepared by the Corporate Governance Committee and subsequently amended in March 2010 and December 2011.

The report has been drawn up in compliance with the format published by Borsa Italiana S.p.A. in January 2013, and includes an initial chapter which briefly illustrates the system of governance, followed by a section which highlights the information concerning the ownership structure and a final section which analytically describes the adherence to the provisions of the Code.

This document, published together with the Directors' Report for the business year closed on 31 December 2013, also contains the information required by art. 123 bis of Legislative Decree 58/1998 Consolidated Law on Finance (hereinafter “CLF”).

## 1. COMPANY PROFILE

### *1.1 Company Set-up*

#### *Shareholders' Meeting*

The *Shareholders' Meeting* represents the totality of MARR shareholders and provides the basis of the corporate decisions taken by the administrative body.

The functioning of the Shareholders' Meeting is disciplined by the laws in force on the matter, the Corporate By-Laws and the MARR Regulations for Shareholders' Meetings.

#### *Administrative and auditing bodies*

The Company is structured according to the “traditional” scheme provided by the Civil Code and therefore includes:

- a Board of Directors responsible for the management of the Company and invested with the widest ranging powers of ordinary and extraordinary management;
- a Board of Statutory Auditors responsible for ensuring the observance of the law and Corporate By-Laws and respect of the principles of proper management, especially the suitability of the organisational, management and accounting set-up adopted by the company and its proper functioning.

The aforementioned bodies are elected by the Shareholders' Meeting.

Furthermore, in fulfilment of the laws in force, the Shareholders' Meeting held on 20 April 2007 assigned the duty of auditing the company accounts to the independent auditing firm Reconta Ernst & Young S.p.A. for a period of 9 years.

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<sup>1</sup> The Corporate Governance Code is available on Borsa Italiana S.p.A. website [www.borsaitaliana.it](http://www.borsaitaliana.it).

The functioning of the corporate bodies is disciplined by the Company's Rules of Self-Discipline, in addition to the laws in force on the matter and the MARR Corporate By-Laws.

## ***1.2 Corporate governance documents***

The following are the principal documents defining the corporate governance of MARR:

- "Corporate By-Laws";
- "Rules of Self-Discipline" of the Company;
- "Regulations for Shareholders' Meetings";
- "Internal regulations for the management and processing of confidential information and for the external communication of privileged documents and information".

In order to favour the best possible awareness of the governance model of the Company on the market and of the shareholders in general, the above documents are available on the Company website [www.marr.it](http://www.marr.it).

In fulfilment of that disposed by the laws in force on the matter, the Company has also adopted some internal procedures aimed at increasing the focus on the value of privileged information and reducing the risk of market abuse. The following is a brief description of the procedures concerning internal dealing and the Register of persons with access to inside information.

### ***Internal dealing***

The transactions carried out by significant subjects and individuals closely associated with such parties are disciplined by articles 152 sexies and following of Consob Regulation 11971/99 and an internal procedure entitled "Procedure for significant subjects" approved by the Board of Directors meeting on 16 March 2006.

In 2007, the Board of Directors decided to integrate this internal procedure according to that required by the Regulations for the Stock Markets organised and managed by Borsa Italiana S.p.A. for maintaining STAR status. This integration provides for the prohibition, with binding effect, by the Significant Subjects on carrying out, directly or through brokers, transactions for the purchase, sale, subscription or exchange of shares or the financial instruments related to them in the 15 days preceding the Board of Directors meeting called for the approval of the accounting figures for the period (the so-called black out period). All the limitations on the ban stated in the laws in force are provided therein, including the deeds for the exercise of any stock options, among others.

### ***Register of persons with access to inside information***

Pursuant to art. 115 bis of the CLF, MARR has established a register of the persons who, on the basis of their working or professional activities or on the basis of the duties performed for the company, have access to inside information on a regular or an occasional basis.

On the basis of the above-mentioned register, during the meeting held on 16 March 2006, the Board of Directors approved a suitable internal regulation aimed at disciplining its keeping.

The persons with access to inside information are informed of:

- a) their registration in the register and any updates concerning them;
- b) the duties deriving from their having access to inside information and of the sanctions established for illicit actions provided by the laws in force in case of unauthorised diffusion of inside information.

## 2. INFORMATION ON THE OWNERSHIP STRUCTURE EX ART. 123 CLF AS AT 31 DECEMBER 2013

### *a) Structure of the share capital (ex art. 123 bis, para. 1, subsection a) CLF)*

The share capital of MARR, established as 33,282,715 Euros of which 33,262,560 Euros has been subscribed and paid-up, is divided into 66,525,120 ordinary shares with a nominal value of 0.50 Euros each.

MARR ordinary shares are listed on STAR segment of Borsa Italiana's Main Market (MTA).

The rights and obligations for the various categories of shares are indicated in the Corporate By-Laws, specifically in article 7, the main dispositions of which are outlined below.

- Shares are freely transferable.
- Shares are nominative.
- Each share is indivisible and gives the right to one vote. The company only recognises one owner per share.
- Shares may not be represented by securities and are issued and listed under a regime of dematerialisation.
- In addition to ordinary shares, the Company may also issue categories of shares with different rights, including those with limited voting rights or savings, in respect of the requirements of the law.

The following table shows MARR's share capital structure.

Table 1

Structure of the share capital				
	No. of shares	% with respect to the s.c.	Listed	Rights and obligations
Ordinary shares	66,525,120	100%	MTA/STAR	See above
Shares with limited voting rights	-	-	-	-
Shares without voting rights	-	-	-	-

### *b) Shareholding limits (ex art. 123 bis, para. 1, subsection b), CLF)*

There are no restrictions on the transfer of Company securities.

### *c) Significant shareholdings (ex art. 123 bis, para. 1, subsection c), CLF)*

On the basis of the findings in the book of shareholders, the communications received pursuant to the law and other available information, as of 14 March 2014, the following shareholders directly or indirectly, also through brokers, trust companies and subsidiary companies, hold shareholdings of more than 2% in the share capital with the right to vote:

Table 2

<b>Significant holdings in the capital</b>			
<b>Declarer</b>	<b>Direct shareholder</b>	<b>% share in the ordinary capital</b>	<b>% share in the voting capital</b>
LUIGI CREMONINI	Cremonini S.p.A	50.42%	50.42%
ALLIANZ GLOBAL INVESTORS FUND		4.04%	4.04%
STANDARD LIFE INVESTMENT COMPANY EUROPEAN EQUITY INCOME FUND		3.29%	3.29%
NORGES BANK		2.89%	2.89%
GARTMORE INVESTMENT MANAGEMENT PLC Savings management		2.76%	2.76%
KABOUTER MANAGEMENT LLC Savings management	Kabouter Management LLC – 0.42% Kabouter Fund I (QP) LLC – 0.59% Kabouter Fund III LLC – 0.50% Kabouter Fund II LLC – 0.43% Kabouter International Opportunities Fund II – 0.14% International Select Partners – 0.04%	2.12%	2.12%
FMR LLC		2.01%	2.01%

*d) Securities bearing special rights (ex art. 123 bis, para. 1, subsection d), CLF)*

No shares bearing special control rights have been issued.

*e) Company shareholdings owned by employees: the mechanism for the exercise of voting rights (ex art. 123 bis, para.1, subsection e), TUF)*

There is no mechanism for the exercise of voting rights as there are no systems of company shareholdings dedicated to them.

*f) Restrictions on voting rights (ex art. 123 bis, para. 1, subsection f), CLF)*

There are no restrictions on voting rights.

*g) Agreements between shareholders (ex art. 123 bis, para. 1, subsection g), CLF)*

There are no intra-company agreements ongoing pursuant to art. 122 CLF.

*h) Change of control clauses (ex art. 123 bis, para. 1, subsection h), CLF) and statutory dispositions concerning public purchase bids "PPB" (ex arts. 104, para. 1 ter, and 104 bis, para. 1, CLF)*

There are no significant contracts in which the Company or its subsidiaries are involved and which become effective, are amended or are terminated if the control of the Company changes.

As regards PPB, the Company By-Laws do not derogate to the dispositions concerning the passivity rule provided by art. 104, paragraphs 1 and 1 bis of the CLF and do not provide for the application of the neutralisation rules contemplated in art. 104 bis, paragraphs 2 and 3 of the CLF.

*i) Indemnities for the Directors in the case of resignation, dismissal without just cause or termination of working relations following a public purchase bid (ex art. 123 bis, para. 1, subsection i), CLF)*

The information required by art. 123 bis, first paragraph, subsection i) of the CLF is provided in the section of the Report concerning the remuneration of the directors.

*l) Appointment and replacement of Directors and statutory amendments (ex art. 123 bis, , para. 1, subsection l), CLF)*

*i) Appointment and replacement of Directors*

The information required by art. 123 bis, first paragraph, subsection l) of the CLF is provided in the section of the Report on the Board of Directors.

*ii) Statutory amendments*

The dispositions of the law are applicable as regards statutory amendments. The Board of Directors may adjust the corporate By-Laws to take into account regulatory dispositions as established in the Corporate By-Laws themselves.

*m) Delegated powers regarding share capital increase and authorisation to purchase of own shares (ex art. 123 bis, para. 1, subsection m), CLF)*

There were no delegated powers issued to the Board of Directors regarding share capital increase pursuant to article 2443 of the Civil Code and the Board itself does not have the power to issue shareholding financial instruments.

On 28 April 2012, the Shareholders' Meeting authorised the Board of Directors for a duration of eighteen months to purchase in one or more times a maximum number of treasury shares representing 3% of the share capital. Simultaneously, the Shareholders' Meeting authorised the Board of Directors to sell the aforementioned shares in one or more times.

On 17 October 2013 the Company, according to the Shareholders' Meeting authorization, sold all its 705,647 treasury shares. Today MARR does not hold treasury shares.

*n) Management and coordination activities (ex art. 2497 and following of the Civil Code)*

Pursuant to art. 2497 and following of the Civil Code, MARR is subject to the management and coordination of the majority shareholder Cremonini S.p.A., with legal headquarters in Castelvetro di Modena (MO), Via Modena 53, Internal Revenue Code and Modena Register of Enterprises number 001062810360.

In turn, MARR exercises management and coordination activities over the subsidiary companies identified in the annual financial report as at 31 December 2013.

### **3. COMPLIANCE**

(ex art. 123 bis, para. 2, subsection a), CLF)

Since its listing on the stock exchange in June 2005, the Company has adopted an internal Rules of Self-Discipline aimed at making corporate governance compliant with the principles in the Code.

The Company's Rules of Self-Discipline was subsequently adjusted:

- in 2007 to the dispositions of the new Rules of Self-Code drawn up by the corporate governance committee of Borsa Italiana S.p.A. in March 2006;
- in 2011 in order to acknowledge the new drafting of art. 7 of the Code published in March 2010 and adjust the contents to the amended regulatory dispositions in force;
- in 2012 to include the amendments made to the Code in December 2011.

The Company and its subsidiaries <sup>2</sup> are not subject to dispositions of the law other than Italian law affecting the MARR corporate governance structure.

#### **4. BOARD OF DIRECTORS**

The management of the Company is assigned to a Board of Directors which can be composed of a minimum of five and a maximum of nine members, appointed by the Shareholders' Meeting on the basis of the lists of candidates submitted.

The members of the Board are appointed for not more than three business years and step down on the date of the Shareholders' Meeting for the approval of the financial statements for the last business year of their term and may be re-elected.

If the shareholders' meeting has not already done so, the Board of Directors elects the Chairman from amongst its members. The Board may also elect a Deputy-Chairman who replaces him if he is absent or hindered and a Secretary, choosing one who is not necessarily a Board member.

The Board meets on a regular basis and is organised and operates so as to ensure the effective and efficient execution of its own functions. It is properly qualified and has full powers of an ordinary and extraordinary nature, in respect of the applicable laws and regulations in force, the statutory regulations in force and the Company's Rules of Self-Discipline.

The Corporate By-Laws provide that the Board of Directors meets at the Company headquarters or elsewhere in the European Union whenever the Chairman deems it necessary or whenever a written request is made by at least two of its members or at least two Auditors.

Meetings are called by the Chairman by notification to be sent at least five days prior to the date of the meeting to each Director and Standing Auditor; in cases of urgency, it must be sent at least two days prior. The notification can be written on any means of support (paper or magnetic) and may be dispatched using any communications system (including fax and electronic mail) which guarantees proof of receipt.

Meetings may also be held by teleconference/videoconference or audio conference on condition that each of the participants is able to be identified by all others and that each of the participants is able to follow the discussions and intervene in real time during the discussion of the items to be examined. Should these conditions be in place, the meeting shall be deemed to have been held at the location where the Chairman and Secretary are present.

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

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<sup>2</sup> It should be noted that none of the MARR subsidiaries is of strategic relevance.



Decisions are taken on the basis of the majority of votes of those present, and in the case of parity, the Chairman of the meeting shall have the casting vote.

The decisions of the Board of Directors are ascertained in the minutes of the meeting, signed by the Chairman and Secretary.

#### ***4.1 Appointment and replacement*** *(ex art. 123 bis, para. 1, subsection I), CLF)*

The appointment and replacement of Directors are disciplined by the Corporate By-Laws and the laws and regulations in force on the matter.

In fulfilment of art. 147 ter, paragraph 1 ter, of the CLF, on 14 November 2013, the Board of Directors adapted the Corporate By-Laws in order to include a clause stating that its composition must ensure gender equality, in respect of the applicable legal and regulatory dispositions in force from time to time.

Art. 13 of the Corporate By-Laws provides that the members of the Board of Directors are elected on the basis of lists of candidates.

Should there be more than one list, one of the members of the Board of Directors must be from the list which obtained the second highest number of votes.

Only those shareholders who, either individually or together with others, hold a total number of shares with the right to vote representing at least 2.5% of the share capital have the right to submit lists. This percentage of shares may be otherwise established or recalled by the inderogable dispositions of the law or regulatory dispositions.<sup>3</sup>

Shareholders, and also shareholders linked by control or connection relations pursuant to the Civil Code, may not submit or vote for more than one list, even through an intermediary individual or trust company. Candidates may only be listed on one list, on penalty of being ineligible.

The candidates included in the lists must be listed by progressive number and possess all the suitability requirements provided by the law.

The lists must indicate which of the candidates are in possession of the independence requirements established by the law and regulations in force. The candidate listed as number one in the progressive order must also be in possession of the independence requirements.

The lists which contain three or more candidates must also include candidates of different genders so as to ensure that the composition of the Board of Directors respects that provided by the laws and regulations in force concerning gender equality.

The lists submitted must be deposited at the company headquarters at least twenty-five days prior to the date of the first call of the Shareholders' Meeting and this must be mentioned in the notification of call.

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<sup>3</sup> In deliberation 18775 dated 29/1/2014, Consob established that, the lesser quota provided by the Corporate By-Laws holding firm, the shareholding quota required for the submission of lists of candidates for election to the administrative and auditing bodies for MARR must amount to 2.5 %

In order to legitimise the submitted lists, an appropriate communication issued by the authorised brokers, proving the ownership of the shareholding in the company determined with regard to the shares registered in the name of the shareholders on the day on which the lists are deposited at the Company, has to be provided to the Company. The communication may also be received subsequently to deposit, as long as it is produced within the deadline laid down for the publication of the lists by the Company.

The declarations in which individual candidates accept their candidatures and certify, under their own responsibility, the possession of the prescribed requirements must be deposited. Candidates who do not observe the above rules shall be deemed ineligible.

The lists are available to the public at the company headquarters, the company website and in the other methods provided by the applicable regulatory dispositions at least twenty-one days prior to the meeting.

The election of the members of the Board of Directors is carried out as follows:

(i) all but one of the Directors to be elected will be taken from the list obtaining the highest number of votes, on the basis of the progressive order in which the candidates are listed on the list;

(ii) in compliance with the legal dispositions, one director is elected from the list obtaining the second highest number of votes, who may not be connected in any way, even indirectly, with the shareholders who submitted or voted for the list obtaining the highest number of votes, on the basis of the progressive order in which the candidates are listed in the list.

That outlined above holding firm, in the case in which more than one list has obtained the same number of votes, the majority list shall be considered to all effects to be that voted for by the most shareholders and, in the case of parity, the list deposited first.

The same rules are applicable in the case in which several minority lists have obtained the same number of votes.

For the purposes of dividing the Directors to be elected, lists which obtained a percentage of votes of less than half of that required for the submission of lists shall not be taken into account.

If only one list is submitted, or if the minority lists submitted have not obtained a percentage of votes equal to at least half of that provided in the above paragraph, the members of the Board of Directors will be taken from the only valid list.

Should the laws in force concerning gender equality not have been requested after the above voting and operations, the candidate of the most represented gender elected last in progressive order from the list obtaining the highest number of votes shall be replaced by the first candidate of the less represented gender not elected from the same list according to the progressive order.

Lastly, should this procedure not ensure the respect of the laws in force on gender equality, the replacement shall be made by majority resolution of the Shareholders' Meeting, after the presentation of candidatures from individuals of the less represented gender.

Should the candidates elected by the above methods not ensure the appointment of the minimum number of directors in possession of the requisites of independence foreseen by the applicable laws in relation to the overall number of directors, the non-independent candidate elected last in progressive order from the list obtaining the highest number of votes shall be replaced by the first candidate – in possession of the legal requisites of independence – according to the progressive order not elected from the same list, or otherwise by the first independent candidate according to the progressive order not elected from the other lists, taking into account the number of votes obtained by each list, as long as in respect of the laws in force concerning gender equality.

Should said procedure not ensure that the Board of Directors does not include the minimum number of directors in possession of the legal requisites of independence foreseen by the law, replacement shall be made by resolution of the Shareholders' Meeting with the legal majorities, after presentation of candidatures in possession of said requisites, always in respect of the laws in force concerning gender equality.

If no lists have been presented within the required deadline or no list has been found to be admissible, the Shareholders' Meeting shall proceed, at the Chairman's invitation, to appoint the Directors by resolution passed by the majority of voters, in any case safeguarding the appointment of the minimum number of directors in possession of the legal requisites of independence required by the laws in force at the time and in respect of the laws in force concerning gender equality.

Art. 14 of the Corporate By-Laws establishes that should one or more Directors step down from office during the business year, the procedure pursuant to art. 2386 of the Civil Code will be followed, according to that indicated below:

(i) the Board of Directors will appoint replacements from the names on the list which the Directors no longer in office were included in and the Shareholders' Meeting will reach a decision, with the legal majority required, respecting the same principle;

(ii) should there be no candidates left on the list from which the directors were elected, the Board of Directors will appoint replacements without observing that indicated in point (i) above, and the Shareholders' Meeting will reach a decision on the basis of the majority required by the law.

In any event, the replacement of the board members stepping down is done by the Board of Directors, ensuring the respect of the laws and regulations in force concerning gender equality.

However, should the majority of the Directors appointed by the Shareholders' Meeting resign or step down from office for any other reason, the entire Board of Directors shall be deemed to have resigned and an urgent meeting of the Shareholders' Meeting shall be called for the appointment of the new Board by the Directors still in office, who in the meantime may carry out everyday management activities.

The Company has not adopted any plans for the succession of the executive directors.

#### ***4.2 Composition***

*(ex art. 123 bis, para. 2, subsection d), CLF)*

The Shareholders' Meeting on 28 April 2011 established that there should be 7 members of the Board of Directors and appointed them by voting from lists according to that established by the Corporate By-Laws and in respect of the laws and regulations in force.

Taking into account that only Shareholders who individually or together with others possess shares bearing the right to vote representing at least 2.5% of the share capital have the right to submit lists, only the list of the majority shareholder Cremonini S.p.A. was submitted within the required deadline.

According to that established by the Corporate By-Laws, the list submitted was deposited at the company headquarters at least twenty-five days prior to the date of the meeting with the relevant communication released by the authorised broker proving ownership of the shareholding in question. The declarations required by the Corporate By-Laws and the laws and regulations in force were deposited together with the list, in addition to exhaustive information on the personal and professional qualifications of the candidates.

Subsequently, the Shareholders' Meeting on 28 April 2012 raised the members of the Board of Directors from 7 to 9 and simultaneously appointed to the office of Director Mr. Vincenzo Cremonini and Mr. Pierpaolo Rossi by voting from lists. In this case, the sole list of the majority shareholder Cremonini S.p.A. was submitted as well.

The aforementioned meeting also confirmed Mrs. Claudia Cremonini in the office of Director, who had previously been co-opted to the Board of Directors following the resignation of Mr. Vincenzo Cremonini during the course of 2011.

The Board shall remain in office until the Shareholders' Meeting called for the approval of the financial statements as at 31 December 2013.

In its meeting on 27 June 2012, following the resignation of Mr. Ugo Ravanelli, the Board of Directors appointed Mr. Pierpaolo Rossi as Chief Executive Officer effective from 1 July 2012. Mr. Ugo Ravanelli retained the position of Chairman of the Board of Directors to which he was appointed in June 2011.

As of 15 September 2013, Mr Ugo Ravanelli was appointed as Chief Executive Officer following the resignation from this position of Mr Pierpaolo Rossi, who has been attributed the powers concerning his corporate position of Chief Financial Officer.

The Board of Directors in office as at 31 December 2013 was composed of the following members:

<b>Member</b>	<b>Position</b>	<b>Years in office since initial appointment (years)</b>
Ugo Ravanelli	Chairman of the Board of Directors	18
Illias Aratri	Non executive director	14
Alfredo Aureli	Independent director	9
Giosuè Boldrini	Non executive director	9
Claudia Cremonini	Non executive director	3
Vincenzo Cremonini	Non executive director	9
Paolo Ferrari	Independent director	9
Giuseppe Lusignani	Independent director	9
Pierpaolo Rossi	Chief Executive Officer	2

The following are included in Annex A to this Report:

- a) structure of the Board of Directors and Committees;
- b) pursuant to art. 1.4 of the Rules of Self-Discipline of the Company, the indication of the positions of Director or Auditor filled by the members of the Board of Directors in other listed companies on regulated stock markets, in financial companies, banks, insurance companies or others of significant dimensions, specifying if the company in which the position is held is a member of the Group to which the Company belongs or not;
- c) an informative note on the personal and professional skills of the members of the Board of Directors.

#### *Maximum number of positions held in other companies*

By decisions taken on 20 March 2007 and 12 May 2008, the Board of Directors integrated the Rules of Self-Discipline of the Company by establishing the maximum number of management and auditing positions held in other companies that can be considered compatible with the effective performance of the role of Director of the Company.

The Board established that:

- a) an executive director should not hold:

- i) the office of executive board member in another Italian or foreign listed company or a financial, banking or insurance company or a company with a net equity in excess of 5 billion Euros;
  - ii) the office of non executive board member or statutory auditor in more than three of the aforementioned companies;
- b) a non executive director should not hold the following in addition to the post held in the company
- i) the office of executive director in more than one listed company or in more than two financial, banking or insurance companies or companies with a net equity in excess of 5 billion Euros;
  - ii) the office of non executive director or auditor in more than ten of the aforementioned companies.

The offices held in other companies in the MARR Group are excluded from the maximum limit.

The current Board of Directors complies with the above criteria.

### *Induction Programme*

The Chairman of the Board of Directors ensures that the directors acquire an adequate knowledge of the sector of activity in which the company operates, the corporate dynamics and their development and also the reference regulatory framework, through constant informative updates.

### ***4.3 Role of the Board of Directors***

*(ex art. 123 bis, para. 2, subsection d), CLF)*

#### *Board meetings*

The regular holding of board meetings is ensured by the provision that there should be at least four meetings each year. The annual calendar of corporate events, with the planned dates for the meetings for the approval of the draft financial statements, the half-yearly financial report and the interim reports, is notified to the stock market within 30 days of the start of the year and is available on the company website.

The Board of Directors held 9 meetings during the course of 2013. 3 meetings have already been held since the beginning of 2014, including that for the approval of the annual financial report as at 31 December 2013 and of this Report. The meetings lasted for an average of about one hour.

Participation in the meetings of the Board of Directors by the Directors and standing statutory auditors has always been very good, as shown by the percentages of attendance (see annex A subsection a).

Using electronic mail, the Chairman provides all the documentation and information required for decision-making purposes to the members of the Board in a timely manner.

The Manager responsible for preparing of the company's financial reports also regularly attended the meetings of the Board related to the approval of Annual Report and Financial half year report and interim report, on proposal by the Board and seconded by the others present.

#### *Functions of the Board*

In fulfilment of point 1.3, subsection a) of the Company's Code Rules of Self-Discipline, the Board examines and approves the strategic, industrial and financial plans of the Company and the Group,

periodically monitoring their implementation, and defines the Company's corporate governance system and Group structure.

The Board of Directors has judged the organisational, administrative and accounting set-up of the Company to be adequate, with specific reference to the system of internal auditing and risk management.

Lastly, the matters not delegable pursuant to art. 2831 of the Civil Code and the laws in force are the exclusive responsibility of the Board of Directors.

In addition, in the framework of the duties assigned to it by the Rules of Self-discipline, the Board:

- assesses the general performance, taking into particular attention to the information received from the Chief Executive Officer and periodically comparing the results achieved with those planned.
- decides about the transactions of the Company and its subsidiaries if such transactions have a significant strategic, economic, equity or financial relevance to the Company itself.

The Board of Directors has laid down certain limits to the powers of the Chief Executive Officer as regards the execution of transactions of significant strategic, economic, equity or financial relevance (see the following chapter); it has also adopted a suitable internal procedure for the transactions with related party (see the relevant chapter).

As required by the Rules, in its meeting on 14 November 2013, the Board of Directors performed an assessment of the functioning, dimensions and composition of the Board itself and its committees, expressing a positive opinion in this regard.

This assessment was conducted using some parameters as a reference point such as the number of Board members, the presence of non executive and independent Directors, the number of meetings held during the year and the index of attendances, comparing them with the average figures for listed companies belonging to "FTSE MID CAP" index and all the "non financial" listed companies. The assessment of the functioning of the Board and its Committees was also made on the basis of subjective considerations shared by the Board itself.

The Shareholders' Meeting did not generally or preventively authorise any derogations to the ban on competition provided by art. 2390 of the Civil Code.

#### ***4.4 Executive Bodies***

##### The Chief Executive Officer

Pursuant to art. 21 of the Corporate By-Laws, the Board of Directors may delegate, within the limits laid down by the law, part of its duties and powers, including that of corporate signature, to one or more of its members with the qualification of Chief Executive Officer, determining the contents, limits and methods of exercising the proxy.

In its meeting on 13 September 2013, the Board of Directors appointed Mr. Ugo Ravanelli as Chief Executive Officer, effective from 15 September 2013, following the resignation of Mr. Pierpaolo Rossi.

In the framework of the powers conferred, the Chief Executive Officer is the legal representative of the Company.

Those concerning the following transactions are among the powers conferred:

- the stipulation with all the opportune clauses, including the arbitration clause, amendment, termination, transfer and acquisition by transfer of contracts for the sale and purchase and mortgaging of stocks and shares in general, including vehicles and other means of transport, for an amount per single transaction not exceeding 600,000.00 (six hundred thousand/00) Euros;
- participation in tenders issued by Public Administrations of the State and public and private bodies for the supply of goods, services and provisions in general, presenting offers and in the case of adjudication, signing the relevant contracts, for a total amount per transaction not exceeding 12,000,000.00 (twelve million/00) Euros, with the right in this context to delegate to officers of the Company and third parties the powers deemed necessary for the execution of the functions and duties assigned to them;
- the incorporation of the Company in temporary associations of enterprises, including those 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 supplies not exceeding 12,000,000.00 (twelve million/00) Euros per year, pursuant to art. 10 of Legislative Decree 163 dated 12 April 2006, with the right in this context to delegate to officers of the Company and third parties the powers deemed necessary for the execution of the functions and duties assigned to them;
- the stipulation with all the opportune clauses, including the arbitration clause, amendment, termination, transfer and acquisition by transfer of leasing contracts with a duration not exceeding the limit laid down by the law, for an amount per single transaction not exceeding 1,300,000.00 (one million three hundred thousand/00) Euros per year;
- the acquisition of services concerning intellectual property rights, in any case concerning the corporate purpose, with the right to begin working relations of a continuing nature, for an amount per single transaction not exceeding 400,000.00 (four hundred thousand/00) Euros;
- the issuing of fidejussions and guarantees, in a measure which does not individually exceed 1,500,000.00 (one million five hundred thousand/00) Euros, in favour of credit institutes and/or financial and insurance bodies and firms for the authorisations concerning the use of overdrawn company bank accounts, the importing of goods and products and the unfreezing of exchange bonds, bills of exchange, banking receipts and trade invoices requested by the companies over which the Company directly or indirectly exercises control;
- the granting of fidejussions in favour of credit institutes and/or financial and insurance bodies and firms for all the transactions to be completed by companies over which the Company directly or indirectly exercises control, within the limits of the amount decided upon by the Board of Directors; in cases of particular urgency, the Chief Executive Officer may grant new fidejussions or increase those already granted in a measure which does not exceed the amount of 1,500,000.00 (one million five hundred thousand/00) Euros per single transaction, the obligation to make this known during the next meeting of the Board holding firm;
- requesting fidejussions and guarantees from credit institutes, financial and insurance bodies and firms and third parties in general, up to the maximum amount of 2,000,000.00 (two million/00) Euros for each transaction, aimed at participation in tenders issued by subsidiary companies for supplies and/or provisions to public bodies which require cautionary payments and/or guarantees to be granted by credit institutes;
- granting all additional financing to the loans already ongoing as of now or, if in excess, authorised as of now, in favour of companies directly or indirectly controlled in any form, in a measure which does not exceed the amount of 5,000,000.00 (five million/00) Euros per single transaction, establishing the required methods and conditions;
- the definition and settlement of payments for damages and accidents, up to a maximum amount per single transaction of 10,000,000.00 (ten million/00) Euros, designating for this purpose experts, physicians and accident and legal commissioners, making the relevant payments and receiving and issuing the required receipts;

During the 2012 business year, the Chief Executive Officer exercised the powers conferred upon him for everyday management, while significant transactions in terms of quality or value were submitted for examination by the Board of Directors.

Pursuant to art. 4.2 of the Company's Rules of self-discipline, the Chief Executive Officer was also attributed the following roles and responsibilities, which were punctually carried out during the business year:

- a) ensuring the timely and valid formulation of objectives, strategies, macro-organisational choices and policies for the expansion, conduction and management of the Company in the areas of his competence and for the purpose of assessment and decision-making by the Board of Directors;
- b) reporting to the Board of Directors on the expansion, conduction and management of the Company, More specifically, he is responsible for the results achieved, on the basis of the approved objectives, strategies and policies.

Pursuant to art. 2.10 of the Company's Rules of Self-Discipline, the Chief Executive Officer is not a director in another listed company not belonging to the same group, of which the Chief Executive Officer is a director of the Company.

#### The Chairman of the Board of Directors

The Corporate By-Laws provide that the Board should elect a Chairman from among its members should the Shareholders' Meeting not already have done so.

Mr. Ugo Ravanelli had held the office of Chairman of the Board of Directors since 6 June 2011.

Powers of legal representation of the Company are conferred upon the Chairman of the Board of Directors.

The Chairman, who has the powers provided by the Civil Code, the Corporate By-Laws and the Code, usually presides over:

- the meetings of the Board of Directors, which he calls, ensuring that all the members receive with adequate notice all the documentation and information required to enable them to express themselves knowledgably and with awareness on the items on the agenda;
- the Shareholders' Meeting, also exercising the wide-ranging powers conferred by the Assembly Regulations to ensure that meetings are held properly and correctly.

#### Informing the Board

Within the context of his own responsibilities, the Chief Executive Officer has periodically informed the Board of the activities carried out in exercising the proxies attributed to him. He also provided detailed information to the Directors and Auditors, in compliance with the laws in force and the Corporate By-Laws, on the activities carried out, the general management performance and outlook, and also on the transactions deemed most significant from an economic, financial and equity viewpoint carried out by the Company or by its subsidiaries, on at least a quarterly basis.



#### ***4.5 Other executive directors***

In its meeting on 13 September 2013, the Board of Directors conferred upon Mr Pierpaolo Rossi the powers concerning his corporate position of Chief Financial officer, as of 15 September 2013.

The details of the powers conferred can be consulted in the Chamber of Commerce certificate of the Company.

#### ***4.6 Independent Directors***

The non executive and independent members of the Board of Directors are such, in terms of number and authority, as to ensure they have a significant say in the decisions made by the Board.

In the absence of any objective indications in the Code, this consideration is supported by the fact that the number of independent directors is more than that required by the Instructions for the Regulation of the Stock Markets organised and managed by Borsa Italiana S.p.A. for the STAR segment ("Segmento Titoli Alti Requisiti", high requirement shares segment), which establishes that 3 independent directors are adequate if the Board has between 9 and 14 members.

In compliance with that prescribed by the Rules of Self-Discipline, the independence of the directors was assessed in the first meeting after their appointment by the Board of Directors, held on 28 April 2011, and in the meetings held on 9 March 2012, 14 March 2013 and 14 March 2014. The assessments were made on the basis of the information provided by the interested parties or in any case available to the Company, using the criteria of independence provided by art. 148 of the CLF and art. 3 of the Code.

The Board of Statutory Auditors ascertained the correct application of the assessment criteria and procedures adopted by the Board in assessing the independence of its members.

In consideration of the influence of the independent directors in board decisions and the internal committees during the course of 2013, they themselves did not deem it necessary to hold additional meetings without the other directors.

In compliance with art. 13, paragraph 2 of the Corporate By-Laws, the loss of the independence requirements by a director does not constitute a reason to step down should the minimum number of components, as provided by the laws in force, in possession of the legal independence requirements remain in office.

#### ***4.7 Lead Independent Director***

Following the appointment of the Chairman Mr Ugo Ravanelli as Chief Executive Officer, on 14 November 2013, the Board, in fulfilment of the Company's Rules of Self-Discipline, designated the independent director Mr Paolo Ferrari as lead independent director, in order to provide a reference and coordination point for the requests and contributions of the non-executive directors, and especially the independent ones.

## **5. PROCESSING OF CORPORATE INFORMATION**

In 2005, the Company adopted an “Internal regulation for the management and processing of confidential information and the external communication of privileged documents and information”. On 3 August 2012, the Board approved some amendments to this Regulation, in order to adjust its text to the regulatory dispositions in force and the Company’s Rules of Self-Discipline.

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

Confidential information concerning single subsidiary companies is the responsibility of their respective directors, who may only divulge such information in agreement with the Chief Executive Officer of MARR.

All relations with the press and other means of communication, and also those 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 be carried out exclusively through the Company’s Investor Relator.

## **6. INTERNAL COMMITTEES OF THE BOARD**

*(ex art. 123 bis, para. 2 subsection d), CLF)*

In compliance with the dispositions of the Code, the Board of Directors has set up a Control and Risk Committee and a Remuneration and Nomination Committee as part of the Board itself.

For organisational reasons, the Board, in respect of the rules concerning the composition of each committee, has decided to group together within the Remuneration and Nomination Committee the functions of the committees provided by principles 5.P.1 (Nomination Committee) and 6.P.3 (Remuneration Committee) of the Code.

The Control and Risk Committee and the Remuneration and Nomination Committee are both composed of the independent directors Messrs Alfredo Aureli, Paolo Ferrari and Giuseppe Lusignani.

The position of Chairman of the Remuneration and Nomination Committee was conferred upon Mr. Paolo Ferrari, while that of the Control and Risks Committee was conferred upon Mr. Giuseppe Lusignani.

The following chapters contain more information concerning the composition and functioning of the Internal Committees of the Board.

## **7. REMUNERATION AND NOMINATION COMMITTEE**

*(ex art 123-bis, para. 2, subsection d), CLF)*

In its meeting on 12 November 2012, the Board of Directors established that the “Remuneration Committee” should also take over the function of “Nomination Committee”, and consequently be renamed “Remuneration and Nomination Committee”.

### *Functions of the Nomination Committee*

The Nomination Committee performs the following functions:

- a) formulating opinions to the Board of Directors on its dimensions and composition and providing recommendations as regards the professional figures whose presence on the Board is deemed opportune and also on the matters of which in arts. 1.C.3 and 1.C.4 of the Code;
- b) proposing candidates for the post of director to the Board of Directors in cases of co-opting, should independent directors need to be replaced.

In relation to its duties concerning appointments, the Committee did not hold any meetings during the course of 2013. In consideration of the upcoming renewal of the corporate positions, the Committee met on 21 February 2014 to formulate its opinion to the Board of Directors as regards its size and composition.

### *Functions of the Remuneration Committee*

The Committee met third times in 2013 to formulate proposals on the remuneration of executive Directors to be submitted to the Board. The meetings schedule has still not been released for the current year, but two meetings have already been held since the beginning of 2014.

On appointment, the Board deemed the financial and management experience acquired in an entrepreneurial, professional and academic context by the components of the Committee to be suitable.

Pursuant to the Company's Rules of self-discipline, the Directors must abstain from participating in the meetings of the Committee in which proposals to the Board concerning their remuneration are formulated.

Pursuant to that established by the Company's Rules of self-discipline, the Remuneration Committee:

- proposes to the Board of Directors the policy for the remuneration of the directors and managers with strategic responsibilities;
- periodically assesses the adequacy, overall consistency and concrete application of the policy for the remuneration of the directors and managers with strategic responsibilities, using the information provided by the Chief Executive Officer with regard to the latter, and formulates proposals on the matter to the Board of Directors;
- submits proposals and expresses opinions to the Board of Directors on the remuneration of the executive directors and the other directors who fill specific positions and also on the establishment of the performance goals related to the variable component of such remuneration; monitors the application of the decisions taken by the Board itself, specifically verifying the effective achievement of the performance goals.

The Chairman of the Board of Statutory Auditors participated in the work of the Committee.

The meetings of the Committee were properly minuted.

In performing its functions, the Committee has the possibility of accessing corporate information and departments to carry out its activities, the use of external consultants being deemed unnecessary.

## 8. REMUNERATION OF DIRECTORS

On 11 November 2011, the Board of Directors, on proposal by the Remuneration Committee, defined the Remuneration Policy for the directors, the directors invested with specific positions and the managers with strategic responsibilities.

After that the Board of Directors, on proposal by the Remuneration and Nomination Committee and after hearing the positive opinion of the Board of Statutory Auditors, modified the Company's Remuneration Policy:

- on 20 February 2013 in consideration of that disposed by art. 18, paragraph 2 of the Corporate By-Laws as regards the specific emoluments due to the directors invested with specific positions and/or duties;
- on 14 March 2014, in order to make the Remuneration Policy more suited to the structure of the management body.

The Remuneration Policy provides the following criteria for the executive directors and the managers with strategic responsibilities, consistently with that stated in the Code:

- a) the fixed component and the variable component are suitably balanced on the basis of the strategic objectives and risk management policy of the Company, also taking into account the sector of activity in which it operates and the characteristics of the business activities performed on a daily basis;
- b) there are maximum thresholds imposed for the variable components;
- c) the fixed component is sufficient to remunerate the performance of the director in question should the variable component not be paid due to the failure to achieve the performance objectives stated by the Board of Directors;
- d) the performance objectives – in other words the economic results and any other specific objectives on which the payment of the variable components is based – are predetermined, measurable and related to the creation of added value for the shareholders in the medium and long-term;
- e) there are no indemnities provided for the advance termination of employment of the director in question or in the case of failed renewal of same.

There are currently no incentive plans involving company shares in favour of the Chief Executive Officer, the other Directors and the Managers of the Company.

The remuneration of the non executive Directors is not linked to the economic results achieved by the Company.

There are no agreements between the Company and the Directors providing for indemnities in the case of resignation, revocation or dismissal without just cause or if their working relations cease following a public purchase bid.

Taking the characteristics and dimensions of the Company into account, there are no incentives mechanisms in place for the manager of the internal audit department and the director responsible for the preparation of the corporate documents.

Further details concerning the remuneration of the directors and the remuneration policy adopted by the Company are provided in the Report on remuneration, which will be submitted to the next meeting of the Shareholders' Meeting pursuant to art. 123 of the CLF.

## **9. CONTROL AND RISK COMMITTEE**

*(ex art. 123 bis, para. 2 subsection d), CLF)*

A Control and Risk Committee has been set up within the Board of Directors, composed entirely of non executive and independent directors, with consultancy and proposal functions aimed at ensuring the adequacy of the structure and efficiency of the functioning of the internal auditing system and also to fulfil all the functions indicated by the Code.

The "Control and Risk Committee" met 6 times during the course of 2013. The meetings schedule for the current year has not yet been decided, but 2 meetings have been held since the beginning of 2014.

On its appointment, the Board of Directors acknowledged that the members of the Committee had acquired adequate experience in accountancy and financial aspects during their business careers and in professional and academic terms.

Persons who were not members of the Committee participated in its meetings on invitation by the Committee itself and on the basis of the items on the agenda.

### Functions attributed to the Control and Risk Committee

The Control and Risk Committee provides the Board with prior opinions for the completion of the duties assigned to the latter by the Code concerning internal auditing and risk management. These opinions are binding in the case of decisions concerning the appointment, dismissal and allocation of resources of the manager of the internal audit department.

In assisting the Board of Directors, the Control and Risk Committee also:

- a) assesses, together with the Manager responsible for preparing the company's financial reports, having heard the opinion of the independent auditor and Board of Auditors, the proper use of the accounting principles and their consistency in terms of the preparation of the consolidated financial statements;
- b) expresses opinions on the specific aspects concerning the identification of the main corporate risks;
- c) examines the periodical reports concerning the assessment of the internal auditing and risk management system, and those of particular significance prepared by the internal audit department;
- d) monitors the autonomy, adequacy, effectiveness and efficiency of the internal audit department;
- e) may request that the internal audit department perform audits on specific operational areas, simultaneously notifying the Chairman of the Board of Statutory Auditors of this;
- f) reports to the Board on at least a half-yearly basis when the annual and half-yearly financial reports are submitted for approval as regards the activities performed and also on the adequacy of the internal auditing and risk management system.

During the meetings in 2012, the Internal Auditing Committee:

- held discussions with the management team on the status of the implementation of the Internal Auditing System, and specifically concerning the activities of the Quality Insurance and Control Office, transactions with related parties, activities for the implementation of the Organisational Model in Legislative Decree 231/01 and the financial situation;

- acknowledged the activities performed for the implementation of the Organisational Model in Legislative Decree 231/01 and assessed the adequacy of the Code of Ethics and its proper implementation;
- expressed its opinion as regards the integrations to be made to the Organisational Model in Legislative Decree 231/01;
- assessed the proper use of the accounting principles and the criteria used for drafting the half-yearly financial report and the annual and consolidated financial statements;
- discussed some specific matters with the representative of the independent auditing firm;
- assisted the Board of Directors in the activities for the annual assessment of the adequacy, effectiveness and effective functioning of the internal auditing system.

The Chairman of the Board of Statutory Auditors attended all meetings of the Committee.

The meetings of the Committee were properly minuted.

The Control and Risk Committee has the right to access the corporate information and departments required for the performance of its duties. The Committee did not call upon external consultants, as the Directors comprising the Committee were competent enough in the matters discussed.

## **10. INTERNAL AUDITING AND RISK MANAGEMENT SYSTEM**

The Company's internal auditing system is the rules, procedures and organisational structures that enable the proper and correct management of the company consistently with the established objectives, through an adequate process of identification, measurement, management and monitoring of the main risks.

The internal auditing system contributes towards ensuring:

- the safeguarding of the corporate equity;
- the effectiveness and efficiency of corporate business transactions;
- the reliability of financial information;
- the respect of laws and regulations.

In its meeting on 11 November 2009, the Board of Directors updated the guidelines for the internal auditing system, which were originally defined by the Board in its meeting on 10 November 2005, to ensure that the main risks concerning the Company are properly identified and adequately measured, managed and monitored, and also determined the criteria for the compatibility of these risks with the proper and correct management of business activities.

In the meeting on 12 November 2012, the Board of Directors, with the assistance of the Internal Auditing Committee, assessed the adequacy, effectiveness and effective functioning of the internal auditing system, expressing a positive opinion in this regard. The assessment concerned the aspects involving the greatest risks to the company, the corporate bodies responsible for managing and monitoring each risk and the structure of activities.

**10.1 *Information concerning the system of risk management and internal auditing in relation to the process of financial information***  
(ex art. 123 bis, para. 2 subsection b), CLF)

1. Introduction

The system of risk management should not be considered separately from the internal auditing system in relation to the process of financial information, in as much as they both constitute elements of the same system.

This system is aimed at ensuring the truthfulness, accuracy, reliability and punctuality of financial information.

In fulfilment of paragraph 3 of art. 154 bis of the CLF, the Manager responsible for preparing the company's financial reports has prepared adequate management and accounting procedures for the drafting of the annual and consolidated financial statements and all other financial communications.

The above-mentioned procedures have been implemented on the basis of the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission (CoSO Report), which is the reference model generally accepted at an international level.

2. Description of the main characteristics of the risk management and internal auditing system in relation to the process of financial information

*a. Existing phases of the risk management and internal auditing system in relation to the process of financial information*

The model provides for the identification of those risks which could compromise the effectiveness and efficiency of the processes, the reliability of economic and financial information and the respect of laws and regulations, and subsequently the identification of the activities aimed at reducing these risks.

The risks concerning economic and financial information identified by the Company concern the following categories:

- The existence and occurrence of events: assets, liabilities and the title of ownership exist on a given date. The transactions registered represent events which actually occurred during a given period.
- Completeness: all the transactions and other events and circumstances occurring during a given period, or which should have been reported in this period, are registered once and once only.
- Assessment/Reporting: the assets, liabilities, revenues and costs are accounted for the correct amount in compliance with the appropriate and pertinent accounting principles. The transactions are mathematically exact, correctly summarised, registered in the accounts books and documented.
- Rights and Obligations: the assets recorded in the financial statements derive from an acquired right, and all ongoing obligations must be reflected in the liabilities.
- Presentation and Information: the information contained in the financial statements is correctly described and classified. There is an internal coherence of all the components of the financial statements.

The Company has formalised some auditing activities aimed at reducing the aforementioned risks in the context of significant processes. The significant processes are those involving the management of transactions significant in terms of accounting in a significant area of the financial statements and the framework for the definition of these areas and processes is reviewed annually. The following have been identified as significant processes:

- liabilities cycle;
- assets cycle;
- warehouse inventory;
- closure of financial statements and consolidation.

In addition to this, the complexity of the area of the financial statements in question is assessed with reference to its contents, the organisational aspects, information system and the inherent risk.

In particular, the assessment of the risk inherent to the area in question is conducted in consideration of the following factors:

- whether it is susceptible to errors or has recently been rectified;
- whether it is due to the application of complex or recently modified accounting principles;
- whether it is characterised by complex transactions such as to require the intervention of an expert to assess it;
- whether it includes assessments which are the result of estimates characterised by a high level of subjectivity;
- whether it concerns corporate assets subject to theft, loss or undue appropriation;
- whether it refers to complex or anomalous transactions undertaken in proximity of the end of the business year;
- whether it summarises transactions that are not included in ordinary processing.

The auditing activities ordinarily conducted by personnel at various organisational levels include the following:

- Analyses by top management: the performance levels achieved are compared to the budget, forecasts, results achieved in previous periods and the concurrent results. To the extent that these activities are used to verify the unexpected results highlighted by the accounting system, they contribute towards the auditing of the economic and financial information system;
- Auditing of transactions: this is conducted to verify the completeness, accuracy and authorisation for insertion into the accounting system of transactions managed in corporate processes and relevant personal details in the reference archives;
- Auditing of information systems: the wide-ranging reliance placed on information systems, especially in relation to the processing of economic and financial information, means that they need to be kept under control. The auditing of information systems concerns the development and maintenance of applicative software, the protection of access, the activities of operators, back-up procedures, safety plans, etc.;
- Physical checks: equipment, stocks, securities, cash and other assets are physically protected and periodically inventoried and compared to the accounts;
- Separation of duties: in order to reduce the risk of errors or irregularities, these duties are divided between several people. For example, the authorisations for transactions, their accounting and the management of the corresponding assets must be carried out by different people;
- Policies and procedures: auditing activities are usually based on policies and procedures formalised and divulged within the company.

The model provides for the predisposition of adequate flows of information among the subjects involved in the internal auditing system. In this specific case, the communication of procedures to



those involved, the exchange of information among those with a role in the corporate governance model, reporting on the status of progress of any enhancements to the auditing system and reporting on any anomalies that may be found in monitoring activities.

Lastly, the model provides for the performance of verifications as to the effective application of the procedures and, in particular, the auditing of the above through the performance of specifically identified tests on an ongoing basis throughout the business year.

On conclusion of this process, the outcome of the auditing activities is reported on a quarterly basis to the Manager responsible for preparing the corporate accounting documents, and by the latter to the Chief Executive Officer.

#### *b. Roles and functions*

The proper functioning of the system requires the identification of specific roles to which the various phases are assigned. Specifically, the planning phase is the competence of the Manager responsible for preparing the company's financial reports together with the internal audit department and the Chief Executive Officer. The subsequent phases of implementation and monitoring are assigned to the internal audit department supported by the Accounting department. Lastly, the updating of the system over time, if required, is managed by the Manager responsible together with the internal audit department.

### ***10.2 Director responsible for the internal auditing and risk management system***

In the Company's Rules of self-discipline, the Board of Directors has provided that the role of "Director responsible for the internal auditing and risk management system" be filled by an executive director. This role is currently filled by the Chief Executive Officer

Pursuant to the Company's Rules of self-discipline, the Director responsible for the internal auditing and risk management system:

- a) identifies the principal corporate risks, taking into account the characteristics of the activities performed by the Company and its subsidiaries, and submits them for approval by the Board of Directors;
- b) makes the guidelines defined by the Board of Directors executive, dealing with the planning, realisation and management of the internal auditing and risk management system, constantly verifying their adequacy and effectiveness;
- c) deals with the adaptation of this system to the dynamics of the operating conditions and from a legal and regulatory viewpoint;
- d) may request that the internal audit department perform verifications on specific operating areas and as regards the respect of the internal rules and procedures in performing corporate transactions, simultaneously informing the Chairman of the Board of Directors, the Chairman of the Auditing and Risks Committee and the Chairman of the Board of Statutory Auditors;
- e) reports in a timely manner to the Auditing and Risks Committee (or Board of Directors) as regards problems and criticalities that arise during the performance of their activities or which they otherwise become aware of, so that the Committee (or Board) can take the necessary action.

### ***10.3 Manager responsible for the internal audit department***

On 27 June 2012, the Board, on proposal by the Director responsible for the internal auditing and risk management system, appointed, with effect from 1 July, Mr. Loris Piscaglia as manager responsible for the internal audit department, with the duty of verifying that the internal auditing and risk management system is properly functioning and adequate.

When the manager responsible for the internal audit department was appointed, the modifications made to the Code in December 2011 had not yet been implemented, and the Auditing and Risks Committee had not expressed its opinion in this regard. However, its members, who were all present at the meeting, gave their consent to the deliberation, being directors.

The Manager responsible for the internal audit department is not responsible for any operating area, does not respond hierarchically to any manager of an operating area and performs his duties in complete independence.

Taking the characteristics and dimensions of the Company into account, the Manager responsible for the internal audit department:

- a) verifies the operating and suitability of the internal auditing and risk management system, both on a continuing basis and in relation to specific requirements and in respect of the international standards;
- b) has direct access to all information useful to the performance of his duties;
- c) prepares periodical reports containing adequate information on his activities, the methods in which the management of risks is performed, and also on the respect of the plans defined for their containment. The periodical reports also contain an assessment of the suitability of the internal auditing and risk management system;
- d) prepares reports on events of particular significance, in a timely manner;
- e) transmits the reports of which in points c) and d) to the Chairman of the Board of Statutory Auditors, the Chairman of the Auditing and Risks Committee, the Chairman of the Board of Directors and the Director responsible for the internal auditing and risk management system;
- f) in the context of the audit activities, verifies the reliability of the information systems, including the accounts recording systems.

The preventive approval of the audit plan by the Board of Directors has been included as of the current business year. The Board approves the activities of the manager responsible for the internal audit department on at least an annual basis, after hearing the opinion of the Board of Statutory Auditors and the Director responsible for the internal auditing and risk management system.

The principal verification activities of the Manager of the internal audit department concerned the following risk areas:

- health and environmental regulations;
- regulations concerning safety in the workplace;
- corporate and fiscal regulations;
- reliability of the economic and financial information;
- fulfilments concerning Legislative Decree 231/2001 and the implementation of the Organisational Model;
- transactions with related parties;
- IT security.

#### ***10.4 Organisational Model ex Legislative Decree 231/2001***

The Company and its operating subsidiaries have adopted an organisational, management and control model pursuant to Legislative Decree 231/2001 (hereinafter also the "Organisational Model").

The MARR Organisational Model:

- a) identifies the activities in the context of which the crimes provided by the above-mentioned Decree may be committed;
- b) provides for specific protocols aimed at planning the drafting and implementation of Company decisions in terms of crimes to be prevented;
- c) identifies the methods of managing financial resources in such a way as to prevent crimes from being committed;
- d) provides obligations in terms of information to the body responsible for supervising the functioning and observance of the model;
- e) introduces a disciplinary system aimed at sanctioning the failure to respect the measures indicated in the model.

The Organisational Model has been periodically updated and integrated by the Board of Directors in order to adjust its contents to the regulatory dispositions introduced subsequently to the adoption of the Model. In its meeting on 20 February 2013, the Board of Directors made additional integrations to the Organisational Model of the Company in order to acknowledge the new aspects introduced by Law 190/2012 containing "Dispositions for the prevention and repression of corruption and illegalities in public administration". In the meeting held on 21 February 2014, the Board of Directors approved a new text for the Organisational Model, suitably reviewed in order to make the structure more organic and suited to the above-mentioned law.

The following are the crimes the model intends to prevent:

- Crimes against Public Administrations and against the heritage of Public Administrations;
- IT crimes and illegal data processing;
- Organised crime activities;
- Crimes concerning the circulation of false currency, public credit cards, stamp duty and recognition instruments or marks;
- Industrial and trade related crimes;
- Corporate crimes;
- Crimes committed with terrorism purposes or the overturning of democratic order;
- Crimes concerning the performance of female genital mutilation;
- Crimes against individual personality;
- Market abuse;
- Crimes concerning the protection of the health and safety of workers committed in breach of the injury prevention laws and regulations;
- Laundering, recycling and use of money, goods or utilities of dubious origin;
- Crimes concerning the breach of copyright;
- Crimes involving induction to not make statements or to make misleading statements to the judicial authorities;
- Environmental crimes;
- Crimes concerning the employment of nationals of third party countries staying in the country illegally;
- Transnational crimes.

The Manager responsible for the Organisational Model ("M.O.M."), who presides over the functioning and observance of the model itself, is the Manager responsible for the Internal Audit department.

Pursuant to that provided by the Organisational Model adopted by the Company, the M.O.M. produces an annual report on the implementation of the Model addressed to the Board of Directors and to the Board of Statutory Auditors.

In order to ensure increasing levels of transparency and efficiency in its governance system, the Company adopted a Code of Ethics since 2005, subsequently updated, which indicates the regulations in terms of conduct and the principles of legality, transparency and correctness to be applied to the Company's internal and external relations.

During the course of 2009, on suggestion by the Auditing and Risks Committee and the Board of Statutory Auditors, an e-mail account [rmo@marr.it](mailto:rmo@marr.it) was created, and notified to employees, to be used for reporting any behaviour contrary to the Code of Ethics adopted by the Company.

The MARR Organisational Model and Code of Ethics are available on the company website, [www.marr.it](http://www.marr.it), in the *corporate governance* section.

### ***10.5 Independent Auditing Firm***

On 20 April 2007, the Shareholders' Meeting conferred the following duties on the auditing firm Reconta Ernst & Young S.p.A. for the 2007-2015 business years:

1. the auditing of the MARR S.p.A. business year and consolidated financial statements for each of the nine business years closing on 31 December 2007 to 31 December 2015, pursuant to art. 156 of Legislative Decree 58/1998;
2. the verifications provided by art. 155, paragraph 1, subsection a) of Legislative Decree 58/1998;
3. the auditing of the MARR S.p.A. half-yearly reports (individual and consolidated) for each of the nine half-year periods closing on 30 June 2007 to 30 June 2015;
4. the verification activities required for the signing of fiscal statements (single form and simplified form 770) for the 2007-2014 business years.

### ***10.6 Manager responsible for preparing the company's financial reports***

Pursuant to the Corporate By-Laws, the Board of Directors appointed a Manager responsible for preparing the company's financial reports, after hearing the opinion of the Board of Statutory Auditors.

The Board confers upon the Manager responsible for preparing the company's financial reports the powers and means required for carrying out the duties assigned pursuant to the law and the regulations in force.

The Manager responsible for preparing the company's financial reports must have:

- multi-annual experience in the administration and accounting sector;
- the requirements in terms of honour provided by the law for the post of Director.

The Board of Directors meeting on 27 June 2012 appointed Mr. Antonio Tiso as the Manager responsible for preparing the company's financial reports, effective from 1 July 2012.

### ***10.7 Coordination between the subjects involved in the internal auditing and risk management system***

The periodical meetings of the Auditing and Risks Committee constitute the natural context for the coordination of the subjects involved in the internal auditing and risk management system. The Chairman of the Board of Statutory Auditors, or other Auditor designated by them, and, on invitation by the Committee, the Director responsible for the internal auditing and risk management system, the Manager responsible for preparing the company's financial reports, the Manager responsible for the internal audit department and the managers responsible for the corporate departments also involved in internal auditing participate in these meetings.

## **11. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES**

In fulfilment of that disposed by the Consob Regulation containing dispositions concerning transactions with related parties – Deliberation no. 17221 dated 12 March 2010, on 10 November 2010, the Board of Directors approved, with the favourable opinion of the Control and Risk Committee, the Procedure for the discipline of transactions with related parties. This Procedure has been the subject of further integrations during the course of 2013 in order to adjust its contents to the best practice that has defined over time.

The complete text of the Procedure for the discipline of transactions with related parties is available on the Company website [www.marr.it](http://www.marr.it) in the corporate governance section.

In determining the procedure for the approval and execution of transactions with related parties, the Board has:

- determined the criteria for the identification of the transactions which must be approved by the Board itself, after hearing the opinion of the Internal Auditing Committee;
- adopted operating solutions suited to facilitating the identification and proper management of the situations in which a Director has interests either on their own behalf or that of third parties.

## **12. APPOINTMENT OF THE STATUTORY AUDITORS**

The Corporate By-Laws, adapted to the laws and regulations in force concerning gender equality, as highlighted in the preceding point 4.1, provide that the Shareholders' Meeting appoint the Board of Statutory Auditors, composed of three standing auditors, at least one of the less represented gender, and designate the Chairman. The Shareholders' Meeting also appoints two replacement auditors, one of each gender, as per the law.

Auditors remain in office for three business years and step down on the date of the Shareholders' Meeting called for the approval of the financial statements for the third business year of their term of office.

Other mandatory legal or regulatory procedures holding firm, those who are not in possession of the honour and professional requirements established by the applicable regulations or those who are standing auditors in another 5 listed companies may not be appointed as Auditors.

Those to whom clauses of ineligibility or withdrawal are applicable pursuant to the law and regulations in force or who are not in possession of the necessary requirements may not be appointed as Auditors, and if appointed will step down from office. The requirement of which in art. 1, paragraph 2,

subsections b) and c) and paragraph 3 of Ministerial Decree 162 dated 30 March 2000, which is required for subjects not registered in the register of chartered accountants kept by the Ministry of Justice, is applicable should professional experience acquired concern respectively:

(i) the sector of operations of the company;

(ii) the juridical, economic, financial, technical and scientific matters concerning the sectors of which in subsection (i) above.

Auditors are appointed by voting from lists, in order to ensure that one standing and one replacement auditor are appointed from a minority list.

The lists contain a number of candidates not in excess of the number of members to be elected, listed in progressive order. Each candidate may be represented on one list only, on penalty of ineligibility.

The lists which contain three or more candidates must also include candidates of different genders in order to ensure that the composition of both the standing auditors and the replacement auditors respects that provided by the laws and regulations in force concerning gender equality.

Shareholders who individually or jointly with other shareholders represent at least 2.5% of the shares bearing the right to vote in ordinary Shareholders' Meeting, or representing the lower percentage that may be established by or recalled in mandatory legal and regulatory dispositions, have the right to submit lists. Lists must be signed by the shareholders submitting them and supplemented a) by information on the identity of the shareholders submitting them, indicating the percentage shareholding possessed overall; b) by a declaration by the shareholders other than those in possession, also jointly, of a relative controlling or majority shareholding, certifying the absence of the connection relations with the latter provided by the regulatory laws in force; c) the curricula vitae of the candidates containing detailed information on their personal and professional skills; and d) any other information or documentation required by the laws in force and the regulations in force from time to time. The lists must be deposited at the company headquarters at least twenty-five days prior to the date established for the first call of the Shareholders' Meeting, other deadlines that may be established by the legal or regulatory dispositions in force from time to time holding firm.

Should only one list have been deposited, or only lists submitted by shareholders related between each other according to that established by the laws and regulations in force, by the expiry date of twenty-five days prior to the date of the first call of the Shareholders' Meeting or the other deadline established by the laws or regulations in force from time to time, lists may be submitted up to the third day after said date, unless another mandatory deadline is required by the applicable regulations in force from time to time. In such an eventuality, the threshold of 2.5% of the shares bearing voting rights in the ordinary Shareholders' Meeting will be reduced by half.

Two standing auditors and one replacement auditor will be taken from the list obtaining most votes, in the progressive order in which they are listed on the list.

The third standing auditor and the other replacement auditor will be taken from the second of the lists in decreasing order of number of votes obtained. In the case of parity of votes, the eldest candidates on the two or more lists obtaining the same number of votes shall be elected as standing and replacement auditors.

Should, on completion of the voting and operations described above, the composition of the Board of Statutory Auditors not enable the respect of that provided by the laws and regulations in force concerning gender equality for both categories of standing auditors and replacement auditors, taking

into account the order of listing in the respective category, the last person elected from the list obtaining the most votes belonging to the most represented gender shall be replaced by the first candidate not elected from the same list and the same category belonging to the less represented gender.

Lastly, should this procedure not ensure the respect of the laws and regulations in force concerning gender equality, the replacement shall be made by deliberation of the Shareholders' Meeting with the relevant majority, after the submission of candidatures by individuals of the less represented gender.

The Chairman of the Board of Statutory Auditors will be appointed by the Shareholders' Meeting from among the Auditors elected from the minority list.

Should only one list of candidates be submitted, all the standing auditors and replacement auditors will be appointed from this list and the Chairman will be the first candidate on the list.

Should a standing auditor be replaced, the replacement auditor from the same list as the auditor to be replaced will take over.

When the Shareholders' Meeting needs to appoint the standing and/or replacement Auditors required for the expansion of the Board of Statutory Auditors, the following occurs:

- (i) should a standing and/or replacement auditor from the list obtaining the highest number of votes need to be replaced, the Shareholders' Meeting will decide on the basis of the majorities of the law without being bound to the list;
- (ii) Should it be necessary to appoint the Auditors from the list obtaining the second highest number of votes and is not related, even indirectly, according to that established by the legal and regulatory dispositions in force to the shareholder who submitted, were involved in submitting or voted for the list obtaining the highest number of votes, the Shareholders' Meeting proceeds on the basis of the relative majority, where possible choosing from the candidates in the minority lists. Should this not be possible, the Shareholders' Meeting will do so on the basis of a majority vote as per the law, it holding firm that the ascertainment of the results from the latter casting of votes shall not include the votes of shareholders who, according to the statements made as per the laws in force, possess the relative majority of the votes that can be cast at Shareholders' Meeting, even indirectly or jointly with other shareholders adhering to a significant intra-company agreement pursuant to article 122 of Legislative Decree 58/98, and neither shall shareholders who control, are controlled by or are subject to the control of same.

New appointees shall step down at the same time as those already in office.

The procedures for replacement and appointment must in any event ensure the respect of the laws and regulations in force concerning gender equality.

### **13. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS**

*(ex art. 123 bis, para. 2, subsection d), CLF)*

On 28 April 2011, the Shareholders' Meeting appointed the Board of Statutory Auditors by voting from lists according to that established by the Corporate By-Laws and in respect of the applicable legal and regulatory dispositions.

Only one list was submitted within the deadline provided, by the majority shareholder Cremonini S.p.A., and therefore all the standing and replacement auditors were appointed from this list. The same Shareholders' Meeting appointed Mr. Ezio Maria Simonelli, the first candidate on the list, as Chairman.

The Board of Statutory Auditors will remain in office until the Shareholders' Meeting called for the approval of the financial statements as at 31 December 2013.

The Board of Statutory Auditors held 4 (four) meetings in 2013, with an average duration of about 5 hours. 2 (two) meetings are scheduled for 2014 and until the expiry date of the office.

The Board of Statutory Auditors assessed the independence of its own members on the first possible occasion after their appointment, applying all the criteria provided by the Code with reference to the independence of Directors.

The Rules of self-discipline of the Company provides that if Auditors, either personally or through third parties, have an interest in a specific transaction by the issuer, they must punctually and exhaustively inform the other Auditors and the Chairman of the Board of Directors as regards the nature, terms, origin and extent of their interest.

The Board of Statutory Auditors supervised over the independence of the independent auditing firm, verifying both the respect of the regulatory dispositions in force on the matter and the nature and entity of services other than auditing provided to the Company and its subsidiaries by the independent auditing firm itself and the bodies belonging to the same network.

In performing its duties, the Board of Statutory Auditors coordinated with the Control and Risk Committee, through the timely exchange of information and constant participation in the meetings of the Committee by the Chairman of the Board or another auditor designated by the latter.

In the context of their activities, the auditors did not deem it necessary to request that the internal audit department carry out verifications on specific operating areas or corporate transactions.

On 17 October 2011, following the resignation of the standing auditor Mr. Mario Lugli, Mr. Davide Muratori took over the position of Standing Auditor, pursuant to art. 2401, paragraph 1 of the Civil Code, being the oldest of the Replacement Auditors. The Shareholders' Meeting on 28 April 2012 appointed Mr. Davide Muratori as standing auditor and Mrs. Stella Fracassi as replacement auditor respectively, by voting from lists. Also in this case, only the list of the majority shareholder Cremonini S.p.A. was submitted within the required deadline.

The Board of Statutory Auditors in office as at 31 December 2013 was composed as follows:

Ezio Maria Simonelli	Chairman of the Board of Statutory Auditors
Marinella Monterumisi	Standing Auditor
Davide Muratori	Standing Auditor
Stella Fracassi	Replacement Auditor
Simona Muratori	Replacement Auditor

The following are in Annex B to this Report:

- a) the structure of the Board of Statutory Auditors;
- b) the posts of Director or Auditor held by the members of the Board of Statutory Auditors in other companies listed on regulated stock markets and in financial, banking or insurance companies or those of significant dimensions, stating whether the companies in question are part of the parent group or group to which MARR belongs or not;



- c) an informative note on the personal and professional skills of the members of the Board of Statutory Auditors.

## **14. RELATIONS WITH SHAREHOLDERS**

The Board of Directors will ensure that access to information concerning the Company which is of significance to its shareholders is made as timely and easy as possible, so as to enable the latter to exercise their rights properly and with due awareness.

The company has set up a section on its website (<http://www.marr.it/it/investor-relations>), which is easily identifiable and accessible, in which it has made available the information which is of significance to its own shareholders, so as to enable the latter to exercise their rights properly and with due awareness.

During the course of 2013, the Company organised meetings and conference calls with its investors and analysts, concerning periodical economic and financial information, simultaneously making the matters presented and discussed during the events available to the public through the company website ([www.marr.it](http://www.marr.it)) and depositing them with Borsa Italiana.

In order to provide continuing and professional working relations with its shareholders and with institutional investors and the market in general and ensure the systematic distribution of exhaustive and timely information on its business activities, the Company has appointed an Investor Relations Manager, in the person of Mr. Antonio Tiso (e-mail: [atiso@marr.it](mailto:atiso@marr.it), Tel: 0541/746803) and set up a corporate department for the management of these relations.

The Investor Relator abides by the contents of the Guide for Market Information published by Borsa Italiana S.p.A. during his work.

## **15. SHAREHOLDERS' MEETINGS**

*(ex art. 123 bis, paragraph 2 subsection c), CLF)*

Pursuant to art. 8 of the Corporate By-Laws, Shareholders' Meeting may also be called outside the corporate headquarters, as long as they are held in Italy. The notification of call containing the date, time and place of the meeting, the list of the items to be discussed and the other information required by the legal and regulatory dispositions in force must be published within the terms of the law on the Company website and in the other methods provided by the applicable regulations.

Legitimacy to attend Shareholders' Meeting and the right to cast votes is attested by a communication addressed to the Company, made by the broker, in compliance with their own accounting documents, in favour of those who have the right to vote.

This communication is made by the broker on the basis of the findings at the end of the accounting day of the seventh day of market trading prior to the date established for the Shareholders' Meeting . Credit and debit registrations made in the accounts subsequently to said deadline do not affect the legitimacy to exercise voting rights in the Shareholders' Meeting .

The communication must be received by the Company within the deadlines provided by the applicable regulations. Legitimacy to attend and vote holds firm should the communication be received after the deadline, as long as it is received before the start of the Shareholders' Meeting proceedings.

Those who have the right to vote may be represented in Shareholders' Meeting pursuant to the law. Proxies can be conferred by electronic means in compliance with the applicable regulations. The electronic dispatch of proxies may be done using electronic mail, according to the methods indicated in the notification of call for the Shareholders' Meeting.

In order to encourage and facilitate the best possible attendance of Shareholders' Meeting by the shareholders, the Board of Directors is extremely careful in choosing the date, place and time of the meetings.

As far as possible, all the Directors and Statutory Auditors, and in particular the Directors who, on the basis of their duties, may make a useful contribution to the general proceedings, attend the meetings.

In 2005, the Company adopted a set of "Regulations for Shareholders' Meetings" which discipline the orderly and functional proceeding of ordinary and extraordinary Shareholders' Meeting of the Company, guaranteeing the right of each Shareholder to take the floor for the items on the agenda and to express their own opinions. The Regulations are available on the Company website, in the Corporate Governance section.

The Regulations for Shareholders' Meetings state that the Chairman establishes the methods of requesting interventions and the order of the interventions.

The Chairman, and, on invitation, those assisting him, respond to the speakers at the end of their interventions on the items to be discussed, or after each intervention.

Those requesting the floor have the right to a brief response.

Taking the scope and significance of the items included in the agenda into account, and also the number of people requesting the floor, the Chairman determines the duration of interventions and responses in advance, in order to ensure that the meeting may conclude its discussions in one meeting.

The Chairman asks speakers to finish before the expiry of the timeframe for their interventions or responses.

Once the interventions, replies and responses are finished, the Chairman declares the meeting closed.

The Board has reported on the activities carried out and scheduled during Shareholders' Meeting and taken action to ensure that the shareholders are properly informed on the relevant matters so that they can make the decisions required of the Shareholders' Meeting with due awareness.

## **16. CHANGES SINCE THE CLOSURE OF THE REFERENCE BUSINESS YEAR**

There have not been any changes to the MARR corporate governance structure since the end of the 2013 business year.

The Chairman of the Board of Directors  
Ugo Ravanelli

Rimini, 14 March 2014

## **ANNEX A – BOARD OF DIRECTORS**

- a) **STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES**
- b) **POSITIONS FILLED BY THE MEMBERS OF THE BOARD OF DIRECTORS IN OTHER COMPANIES LISTED ON STOCK EXCHANGES AND IN FINANCIAL, BANKING AND INSURANCE COMPANIES OR THOSE OF SIGNIFICANT DIMENSIONS IN 2013**
- c) **INFORMATIVE NOTE ON THE PERSONAL AND PROFESSIONAL SKILLS OF THE MEMBERS OF THE BOARD OF DIRECTORS**

**a) STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES**

Board of Directors											Control and Risk Committee		Remuneration and Nomination Committee	
Position	Member	In office since	In office until	List (M/m)*	Exec.	Non Exec.	Indep Code	Indep CAF	% **	Other positions ***	****	**	****	**
Chairman B.o.D. and CEO	Ugo Ravanelli	28/04/2011	Ass. F.S. 2013	M		X			100%	0				
Director	Illias Aratri	28/04/2011	Ass. F.S. 2013	M		X			100%	3				
Director	Alfredo Aureli	28/04/2011	Ass. F.S. 2013	M		X	X	X	56%	1	X	33%	X	33%
Director	Giosuè Boldrini	28/04/2011	Ass. F.S. 2013	M		X			89%	4				
Director	Claudia Cremonini	28/4/2012	Ass. F.S. 2013			X			100%	0				
Director	Vincenzo Cremonini	28/4/2012	Ass. F.S. 2013	M		X			89%	4				
Director	Paolo Ferrari	28/04/2011	Ass. F.S. 2013	M		X	X	X	100%	0	X	100%	X	100%
Director	Giuseppe Lusignani	28/04/2011	Ass. F.S. 2013	M		X	X	X	89%	3	X	100%	X	100%
Director	Pierpaolo Rossi	28/4/2012	Ass. F.S. 2013	M	X				100%					
<b>quorum required for submission of lists on date of last appointment: 2.5%</b>														
<b>No. of meetings held in the business year:</b>					<b>BOD: 9</b>					<b>CRC: 6</b>		<b>RNC: 3</b>		

**NOTES:**

\* M/m is indicated in this column according to whether the member was elected from the list voted by the majority (M) or a minority (m).

\*\* This column states the percentage attendance of the directors in meetings of the B.o.D. and committees respectively .

\*\*\* This column states the number of positions of director or auditor held by the individual in question in other companies listed on stock exchanges, including foreign, and in financial, banking or insurance companies or those of significant dimensions.

\*\*\*\* "X" in this column indicates that the Board member is a member of the Committee.

**b) POSITIONS FILLED BY THE MEMBERS OF THE BOARD OF DIRECTORS IN OTHER COMPANIES LISTED ON STOCK EXCHANGES AND IN FINANCIAL, BANKING AND INSURANCE COMPANIES OR THOSE OF SIGNIFICANT DIMENSIONS IN 2013**

Ugo Ravanelli	None	
Illias Aratri	Crekofin S.r.l. (1) Cremonini S.p.A. (1) Emilia Romagna Factor S.p.A.	Sole executive director Non executive director Chairman of the Board of Auditors
Alfredo Aureli	Banca d'Italia Forli	Non executive director
Giosuè Boldrini	Banca Popolare Emilia Romagna Scrl (2) Banco di Sardegna S.p.A.  Sibi Finanziaria S.p.A. (RSM) Fin World S.p.A. (RSM)  G,S,G.R. S.r.l.	Non executive director until 22 April 2013 Deputy Chairman of the Board of Directors since 18 April 2013 Standing Auditors until 29 June 2013 Chairman of the Supervisory Committee Non executive director since 18 April 2013 Commissioner ex art. 84 L 165/2005 Chairman of the Supervisory Committee since 7 March 2013
Claudia Cremonini	None	
Vincenzo Cremonini	Cremonini S.p.A. (1) Chef Express S.p.A. (1)  Emilia Romagna Factor S.p.A. Italia Alimentari S.p.A. (1)	Chief Executive officer Non executive director and Chairman of the Board of Directors until 7 February 2013 Non executive director Non executive director
Paolo Ferrari	None	
Giuseppe Lusignani	Banca Popolare Emilia Romagna Scrl (2) BPER International Sicav Optima SGR S.p.A. Ver Capital SGR S.p.A.	Non executive director Chairman of the Board of Directors Deputy-Chairman of the Board of Directors Chairman (Independent) of the Board of Directors since 1 June 2013
Pierpaolo Rossi	None	

(1) Company belonging to the Cremonini Group

(2) Company listed on the Italian stock exchange

**c) INFORMATIVE NOTE ON THE PERSONAL AND PROFESSIONAL SKILLS OF THE MEMBERS OF THE BOARD OF DIRECTORS**

**Annexed\* are 9 curricula vitae deposited by the directors at the Company headquarters on their appointment.**

*\* see Italian version of this document*

## **ANNEX B – BOARD OF STATUTORY AUDITORS**

- a) **STRUCTURE OF THE BOARD OF STATUTORY AUDITORS**
- b) **POSITIONS FILLED BY THE MEMBERS OF THE BOARD OF AUDITORS IN OTHER COMPANIES LISTED ON STOCK EXCHANGES AND IN FINANCIAL, BANKING AND INSURANCE COMPANIES OR THOSE OF SIGNIFICANT DIMENSIONS IN 2013**
- c) **INFORMATIVE NOTE ON THE PERSONAL AND PROFESSIONAL SKILLS OF THE MEMBERS OF THE BOARD OF AUDITORS**

**a) STRUCTURE OF THE BOARD OF STATUTORY AUDITORS**

Position	Member	In office since	In office until	List (M/m)*	Indep Code	% **	Other positions ***
Chairman	Ezio Maria Simonelli	28/4/2011	Ass. F.S. 2013	M	X	100%	2
Standing Auditor	Marinella Monterumisi	28/4/2011	Ass. F.S. 2013	M	X	100%	0
Standing Auditor	Davide Muratori	28/4/2012	Ass. F.S. 2013	M	X	100%	1
Replacement Auditor	Stella Fracassi	28/4/2012	Ass. F.S. 2013	M	X		
Replacement Auditor	Simona Muratori	28/4/2011	Ass. F.S. 2013	M	X		
<b>quorum required for submission of lists on date of last appointment: 2.5%</b>							
<b>No. of meetings held in the business year: 6</b>							

**NOTES:**

- \* M/m is indicated in this column according to whether the member was elected from the list voted by the majority (M) or a minority (m).
- \*\* This column states the percentage attendance of the auditors in meetings of the Board of Auditors .
- \*\*\* This column states the number of positions of director or auditor held by the individual in question in other companies listed on stock exchanges, including foreign, and in financial, banking or insurance companies or those of significant dimensions.



**b) POSITIONS FILLED BY THE MEMBERS OF THE BOARD OF AUDITORS IN OTHER COMPANIES LISTED ON STOCK EXCHANGES AND IN FINANCIAL, BANKING AND INSURANCE COMPANIES OR THOSE OF SIGNIFICANT DIMENSIONS IN 2012**

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Ezio Maria Simonelli	Alba Leasing S.p.A. Mediolanum S.p.A (1) Banca Popolare di Milano soc. coop. a r. l. (1)	Chairman of the Board of Auditors Chairman of the Board of Auditors Supervisory Committee
Marinella Monterumisi	None	
Davide Muratori	Libra Finanziaria S.p.A.	Standing Auditor

(1)Company listed on the Italian stock exchange

**c) INFORMATIVE NOTE ON THE PERSONAL AND PROFESSIONAL SKILLS OF THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS**

**Annexed\*** are 3 curricula vitae deposited by the auditors at the Company headquarters on their appointment.

*\* see Italian version of this document*