



## **CORPORATE GOVERNANCE REPORT**

in accordance with article 124bis of the Consolidated Finance Act, article 89 bis of the Consob Issuers' Regulations and article IA.2.6 of the Stock Exchange Regulation Instructions

Issuer: **Vianini Lavori S.p.A.**  
Website: [www.vianinigroup.it](http://www.vianinigroup.it)

Reference period: **2008**  
Date of approval of the Report: **March 23, 2009**

Information is provided below on the Corporate Governance system of Vianini Lavori S.p.A., prepared taking into consideration the instructions and recommendations of Borsa Italiana S.p.A., as well as the document "Guidelines on the compliance of the Corporate Governance Report" issued in February 2004 by Assonime and by Emittenti Titoli SpA and on the shareholder structure, in accordance with article 123 of Legislative Decree No. 58 of February 24, 1998.



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## CONTENTS

CONTENTS .....	<i>Errore. Il segnalibro non è definito.</i>
GLOSSARY .....	4
1. COMPANY PROFILE .....	5
2. DISCLOSURES on SHAREHOLDERS ( art. 123 of the Consolidated Finance Act).....	5
a) Share Capital Structure .....	5
b) Restrictions on the transfer of securities .....	5
c) Significant shareholdings .....	6
d) Securities which confer special rights .....	6
e) Employee shareholdings: method of exercise of voting rights .....	6
f) Restrictions on voting rights .....	6
g) Shareholder Agreements .....	6
h) Nomination and replacement of the Directors and changes to the company by-laws .....	7
i) Powers to increase Share Capital and authorisation to purchase treasury shares .....	7
l) Change of control clauses.....	7
m) Indemnity of the Directors in case of dismissal and termination of employment following a public purchase offer .....	8
3. COMPLIANCE.....	8
4. MANAGEMENT AND COORDINATION ACTIVITY .....	8
5. BOARD OF DIRECTORS .....	8
5.1. COMPOSITION.....	8
5.2. ROLE OF THE BOARD OF DIRECTORS .....	10
5.3. DELEGATED BODIES .....	11
5.4. OTHER EXECUTIVE DIRECTORS.....	14
5.5. INDEPENDENT DIRECTORS .....	14
5.6. LEAD INDEPENDENT DIRECTOR.....	15
6. TREATMENT OF CORPORATE INFORMATION .....	15
7. INTERNAL COMMITTEES.....	15
8. NOMINATIONS COMMITTEE .....	15
9. REMUNERATION COMMITTEE .....	16
10. REMUNERATION OF THE DIRECTORS.....	16



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<i>11. INTERNAL CONTROL COMMITTEE</i> .....	17
<i>12. INTERNAL CONTROL SYSTEM</i> .....	17
<i>12.1. EXECUTIVE DIRECTOR RESPONSIBLE FOR THE INTERNAL CONTROL SYSTEM</i> .....	17
<i>12.2. INTERNAL CONTROL MANAGER</i> .....	17
<i>12.3. ORGANISATION MODEL pursuant to Legislative Decree 231/2001</i> .....	18
<i>12.4. INDEPENDENT AUDIT FIRM</i> .....	18
<i>12.5. EXECUTIVE RESPONSIBLE FOR THE PREPARATION OF THE CORPORATE ACCOUNTING DOCUMENTS</i> .....	18
<i>13. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES</i> .....	19
<i>14. APPOINTMENT OF STATUTORY AUDITORS</i> .....	19
<i>15. BOARD OF STATUTORY AUDITORS</i> .....	20
<i>16. RELATIONS WITH SHAREHOLDERS</i> .....	21
<i>17. SHAREHOLDERS' MEETING</i> .....	21
<i>18. CHANGES SUBSEQUENT TO THE YEAR-END</i> .....	22



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## GLOSSARY

**Code:** the Self-Governance Code of listed companies approved in March 2006 by the Corporate Governance Committee and issued by Borsa Italiana S.p.A.

**Civ. Code.:** the civil code.

**Board:** the Board of Directors of Vianini Lavori S.p.A..

**Issuer:** Vianini Lavori S.p.A.

**The Year:** 2008

**Stock Exchange Instructions:** the Instructions to the Regulations for Markets organised and managed by Borsa Italiana S.p.A.

**Stock Exchange Regulations:** the Regulations for Markets organised and managed by Borsa Italiana S.p.A.

**Consob Issuer Regulations:** the Issuers' Regulations issued by Consob resolution No. 11971 of 1999.

**Consob Market Regulations:** the Market Regulations issued by Consob resolution No. 16191 of 2007.

**Report :** the corporate governance report drawn up by the company pursuant to arts.124 bis of the Consolidated Finance Act, art. 89 bis of the Consob Issuers Regulations and art. IA.2.6 of the Instructions for Stock Market Regulations.

**CFA:** Legislative Decree of February 24, 1998, No. 58 (Consolidated Finance Act).



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## 1. COMPANY PROFILE

Vianini Lavori S.p.A. was incorporated in 1980 following the conferment of a business unit and has operated for over a century in the civil engineering and construction sectors. The Company is part of the Caltagirone Group and is a subsidiary of the listed holding Caltagirone S.p.A. The present report illustrates the corporate governance adopted by the Company.

## 2. DISCLOSURES on SHAREHOLDERS (article 123 of the Consolidated Finance Act) at 31/12/2008

### a) Share Capital structure of the Issuer

Subscribed and paid-in share capital of Vianini Lavori at December 31, 2008: Euro 43,797,507.00  
Categories of shares that make up the share capital: Ordinary Shares with voting rights

	Number of shares	% of share capital	Listed	Rights and obligations
Ordinary shares	43,797,507	100%	Italian Stock Exchange	<ul style="list-style-type: none"><li>- Right to attend Shareholders' Meetings even through proxy;</li><li>- Voting rights at Shareholders' Meetings.</li></ul>

Other financial instruments which attribute the right to subscribe to newly issued shares were not issued. No share incentive plans have been introduced which resulted in an increase, including free, of the share capital.

### b) Restrictions on the transfer of securities

There are no restrictions on the transfer of securities.



### c) Significant shareholdings

The shareholders with holdings above 2% of the share capital, as per the shareholder registry, the communications received in accordance with article 120 of the CFA, and other information available are:

Shareholder	Direct shareholder	% of ordinary share capital	% of voting share capital
<b>Francesco Gaetano Caltagirone</b>	YES	2.802%	2.802%
<b>Francesco Gaetano Caltagirone</b>	NO through Caltagirone S.p.A., Pantheon 2000 S.p.A., Finanziaria Italia 2005 S.p.A., Capitolium S.p.A. and Finit 2006 S.r.l.	64.189%	64.189%
<b>Amber Capital LP Manager of Amber Master Fund</b>	YES	4.999%	4.999%
<b>Axa Rosenberg Investment</b>	YES	2.023%	2.023%

### d) Securities which confer special rights

There are no securities which confer special control rights.  
No special powers have been attributed to specific roles.

### e) Employee shareholdings: method of exercise of voting rights

No system of share participation has been created for employees, and therefore there is no particular mechanism for the exercise of voting rights by these latter.

### f) Restrictions on voting rights

There are no restrictions on voting rights expected.

### g) Shareholder agreements

There are no shareholding agreements between shareholders pursuant to article 122 of the Consolidated Finance Act relating to the exercise of rights of shares or the transfer thereof.



#### **h) Nomination and replacement of the Directors and changes to the company by-laws**

The Directors are appointed by the Shareholders' Meeting on the direct proposal of the Shareholders based on the provisions of the By-Laws and legislation in force. The appointment of the Directors is made through the voting of slates of candidates, which are listed by progressive numbering. The slates indicate the candidates who are independent in accordance with the law and are presented together with the curriculum vitae of the candidates which illustrate their professional and personal characteristics and their acceptance of the candidature. Each slate cannot contain more than fifteen candidates.

The slates of candidates must be filed at the registered office fifteen days before the date fixed for the shareholders' meeting in first convocation.

The percentage of share capital necessary to present a slate is 2% or the threshold established by law, where different.

For the inclusion of the Directors to be elected, consideration is not taken of the slates which have not obtained at least half of the votes of those present.

One director is elected to the Board of Directors as the first candidate of the minority slate that obtained the most number of votes.

The first candidate on the minority slate which obtains the largest number of votes and which is not related in any manner, even indirectly, with the slate which has the highest number of votes, is elected Director; the other members of the Board of Directors are taken in a progressive order from the slate which obtained the highest number of votes. In the event of the presentation of only one slate or in the case where only one slate receives votes, all the candidates will be taken from the same slate. For the appointment of Directors other than the renewal of the entire Board of Directors, the shareholders' meeting deliberates with statutory majority and without taking into consideration the procedures outlined above.

Should one or more vacancies occur on the Board, they shall be filled in accordance with article 2386 of the Civil Code.

#### **i) Powers to increase Share Capital and authorisation to purchase treasury shares**

The Board does not have the power to increase the Share Capital or to issue financial instruments.

The Shareholders' Meeting however has not authorised the purchase of treasury shares pursuant to article 2357 and thereafter of the civil code.

#### **l) Change of control clauses**

The Issuer and its subsidiaries have not signed significant agreements that are effective, or could be modified or void in the case of a change in control of the contracting company.



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**m) Indemnity of the Directors in case of dismissal and termination of employment following a public purchase offer**

The Issuer has not signed agreements with any Directors which provide indemnity in the case of resignation, dismissal, revocation of office without just cause or termination of a working relationship following a public purchase offer.

### **3. COMPLIANCE**

The Issuer has not formally adopted the Self-Governance Code of Listed Companies issued by the Corporate Governance Committee of Borsa Italiana S.p.A., in that the corporate governance system of the company is substantially in line with the code.

The Issuer, nor its strategic subsidiaries, are subject to laws in force outside Italy which affect the corporate governance structures of the Issuer.

### **4. MANAGEMENT AND CO-ORDINATION ACTIVITY**

The company is not subject to management and co-ordination pursuant to art. 2497 and subsequent of the Civil Code.

### **5. BOARD OF DIRECTORS**

#### **5.1. COMPOSITION**

The Board of Directors are responsible for operational activities and organisational and strategic direction, as well as the verification of the existence of the necessary controls to monitor the performance of the Issuer and the Group. The Board meets on a regular basis and is organised and operates in a manner which guarantees an effective and efficient performance of its functions.

Pursuant to article 7 of the Company By-Laws, the Issuer is governed by a Board of Directors composed of between 3 and 15 members, appointed by the ordinary Shareholders' Meeting, which determines the number of board members.

The Board of Directors is currently made up of nine members who will remain in office until the Shareholders' Meeting to approve the financial statements for the year ended December 31, 2010, as on February 10, 2009 the Director Mr. Roberto Grappelli resigned from the Board of Directors of the Company having undertaken new assignments.



Name	Office	In office from	Slate <sup>1</sup>	Exec.	Non exec.	Ind	Ind CFA	% BoD <sup>2</sup>	Other offices <sup>3</sup>
<b>Mario Delfini</b>	Chairman	21/04/2008	M	X				100%	8
<b>Franco Cristini</b>	CEO	21/04/2008	M	X				100%	1
<b>Alessandro Caltagirone</b>	Director	21/04/2008	M	X				100%	6
<b>Carlo Carlevaris</b>	Director	21/04/2008	M				X	100%	5
<b>Fabio Gera</b>	Director	21/04/2008	M		X			66,7%	3
<b>Albino Majore</b>	Director	21/04/2008	M	X				83,33%	6
<b>Arnaldo Santiccioli</b>	Director	21/04/2008	M				X	83,33%	-
<b>Massimiliano Capece Minutolo del Sasso</b>	Director	21/04/2008	M		X			83,33%	3
<b>Umberto Mosetti</b>	Director	21/04/2008	m		X		X	100%	2

The Board established an Executive Committee whose members nominated from the Board of Directors are:

- Mr. Mario Delfini (attendance at Committee meetings: 100%);
- Mr. Franco Cristini (attendance at Committee meetings: 100%);
- Mr. Alessandro Caltagirone (attendance at Committee meetings: 100%);
- Mr. Albino Majore (attendance at Committee meetings: 100%).

<sup>1</sup> M (Majority Slate), m (Minority Slate)

<sup>2</sup> Percentage indicated refers to the Board meetings held in 2008.

<sup>3</sup> A list of Directors in other listed companies, in financial, banking and insurance companies or other companies of significant size is attached (attachment A). The significant companies are identified based on the criteria established by Consob instructions contained in Attachment 5 bis of the Issuers' Regulations.



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

The Board of Directors of the Issuer has not defined general criteria regarding the maximum number of appointments in other companies that can be considered compatible with an effective fulfilment of the role of director; in each case, the Board continuously verifies that the number of offices held in other companies by its members is compatible with the efficient carrying out of office.

### **5.2. ROLE OF THE BOARD OF DIRECTORS**

The Board of Directors normally meet at least four times per year, however the Board is convened whenever necessary and in a timely manner.

In 2008, the Board of Directors held 6 meetings in the year, at which the Directors and the Board of Statutory Auditors attended regularly.

The average duration of the Board meetings in 2008 was one hour.

For the current year at least four meetings are planned.

It is noted that the by-laws do not specify a minimum number of meetings for the Board of Directors.

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Article 8 of the By-Laws confers to the Board of Directors the widest powers of ordinary and extraordinary administration of the Company, with the sole exclusion of those attributed by law or the By-Laws to the Shareholders' Meeting. The Board of Directors may also make deliberations in relation to: the incorporation or spin-off of the company, in cases in accordance with law; the opening and closing of secondary offices; the appointment of directors as company representatives; the reduction of the share capital in the case of withdrawal of the shareholders; the transfer of the registered office within the national territory.

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Based on the powers conferred by the By-Laws, the Board of Directors:

- a) examines and approves the corporate governance system of the Issuer and the structure of the Group;
- b) evaluates the adequacy of the organisational, administration and general accounting system of the Issuer, with particular reference to the internal control system and to the management of conflicts of interest;
- c) attributes and revokes powers to directors, defining the limits and procedures of exercise;
- d) determines, where not undertaken by the Shareholders' Meeting, the remuneration of the executive directors and of the other directors holding specific positions;
- e) evaluates the general performance of operations, taking into account, in particular, the information received from executive bodies;
- f) examines and approves the Issuers operations prior to being carried out, when these operations have a significant strategic, economic, or financial importance for the Issuer, paying particular attention to the situations in which one or more Directors have an interest on their own behalf or on behalf of third parties and, in general, in the transactions with related parties.

The Board did not consider it necessary to create a remuneration committee as remuneration is predominantly not related to results and in consideration of the absence of stock option plans and of the level of concentration of the shareholder base.

The Board did not consider it necessary to create a nominations committee in consideration of the fact that the mechanism for the nomination of the directors through the "voting of slates" (in accordance with article 147-ter, paragraph 1 of the Consolidated Finance Act) guarantees the minority shareholders the possibility of being represented on the Board.



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The Board also did not consider it necessary to establish general criteria to identify significant operations, considering it preferable to make this valuation from time to time based on the information received by the executive Directors.

The Board of Directors' resolution of June 28, 1996 established, in accordance with article 7 of the Company By-Laws, an Executive Committee which was delegated part of the Board's powers, in particular those relating to the analysis and the approval of the matters more specifically relating to business operations.

In relation to competition clauses, the Board evaluates matters of particular concern and reports to the Shareholders' Meeting on nomination.

### **5.3. DELEGATED BODIES**

#### **Chairman & CEO**

Article 7 of the By-Laws permits the Board of Directors to delegate, within the limits permitted by law, powers to an Executive Committee, comprising members of the board, or to individual directors appointing one or more Chief Executive Officers, and can appoint persons who are not members of the Board, senior management, proxies and mandate's in general to carry out deeds or certain categories of deeds.

The Board resolution of April 24, 2008 appointed the Chairman Mr. Mario Delfini and the Chief Executive Officer Mr. Franco Cristini, conferring to them the legal representative powers of the Issuer. In the same meeting, the Board confirmed Mr. Franco Cristini as the General Manager.

The Chairman of the Board of Directors is attributed powers, to be exercised in Italy and abroad (with the right of delegating these powers) to undertake solely all acts of ordinary and extraordinary administration of the Company, with the only exclusion being those tacitly reserved, by law or by the company By-Laws, to the Shareholders' Meeting and to the Board of Directors.

The Chairman of the Board of Directors and the Chief Executive Officer have delegated powers for the management of the Company.

The Chairman of the Board of Directors and the Chief Executive Officer were conferred the following powers, valid until the first Shareholders' Meeting that approves the 2010 annual accounts, to be exercised in Italy and Abroad (with the right to delegate) to undertake solely all acts of ordinary and extraordinary administration of the Company, with the sole exception of those tacitly reserved by law or by the company By-Laws, to the Shareholders' Meeting and to the Board of Directors:

1. Coordinate and control the activities of the company with particular reference to technical-operating aspects; ensure the implementation of the resolutions of the Board of Directors and of the Executive Committee;
2. Sign the correspondence and represent the Company in Italy and Abroad with Administrations in Italy and abroad;
3. Take all legal action necessary and defend all legal cases taken against the Company, appointing the relative attorneys;
4. Sign contracts for a maximum amount of Euro 50,000 relating to the following matters:
  - a) purchase and sale of registered and non-registered fixed assets;
  - b) tender, sub-tender, supply and provide services;
  - c) concessions;
5. Sign the communications to the Court offices, Chamber of Commerce, Consob etc.;
6. Accept sums and make payments into the bank current accounts of the Company;
7. Employ blue-collar workers and determine the relative remuneration; dismiss blue collar and white-collar workers;
8. Appoint proxies, within the powers conferred, to third parties or employees of the Company for individual acts or categories of acts with a duration up to December 31 of the year in which they were given.
9. Sign and cross cheques, bank, postal and similar drafts, sign and cross drafts, issue cheques, bank transfers and payment mandates also on open credits; all in compliance with the obligations



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undertaken by the Company;

10. Request and accept all sums and monies or in securities, for capital or for interest from any physical or legal person making the relative payments to the bank accounts of the Company; collect deposits and sign receipts;
11. Accept sureties, also as counter-guarantee;
12. Make payments and deposits at credit institutions, undertake currency operations and those related to imports and exports;
13. Represent the Company in the ordinary and extraordinary shareholders' meeting of Companies held with the widest powers in relation to the matters on the agenda.

The Chairman and the Chief Executive Officer, separately, are also conferred the following powers, to be exercised, with single signature, with prior approval of the Executive Committee and in execution of the resolutions taken by this latter;

1. Employ, appoint, or discharge executive and white-collar personnel and determine their relative remuneration, promote personnel, establishing bonuses and sanctions;
2. Define the annual expense budget of the Company also for individual contracts, both in Italy and abroad;
3. Participate at tenders ensuring the presentation and signing of the relevant offers and/or prequalification requests;
4. Create temporary regrouping of companies or consortiums; establish joint ventures both in Italy and abroad;
5. Provide guarantees to third parties including those relating to subsidiary Companies and other holdings;
6. Undertake legal action in any state and at any level with any authority, appointing attorneys or arbitrators in the name of and on behalf of the Company; appoint arbitrators;
7. Appoint consultants (legal, technical, fiscal etc.);
8. Sign settlements, also concerning reserves, with public or private entities;
9. Sign insurance contracts;
10. Define general contractual terms and conditions with private suppliers, sub-contractors and service operators;
11. Sign contracts with exceptions to the general conditions;
12. Sign contracts for the restructuring and renovation of buildings and relative authorisation and concession reports;
13. Sign contracts whose total value is above Euro 50,000 concerning:
  - a) purchase and sale of registered and non-registered fixed assets;
  - b) tender, sub-tender, supply and provide services.
  - c) concessions;
14. Sign rental contracts agreeing the relative rental terms.

The Chairman of the Board of Directors or the person substituting him is the legal representative of the company in legal matters concerning third parties.

### **Executive Committee**

The Board of Directors' resolution of June 28, 1996 established an Executive Committee of four Directors which were delegated powers relating to the analysis and the approval of the deeds more specifically relating to business operations.

The current members of the Executive Committee, appointed by the Board of Directors on April 24, 2008 are Mario Delfini, Albino Majore, Franco Cristini and Alessandro Caltagirone.



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In particular the Executive Committee were attributed all the ordinary and extraordinary administrative powers with the exception of those reserved by law or the Company By-Laws to the Board and those listed below:

1. Purchase and/or sale of investments, including equity holdings, in Companies and/or Enterprises and acquisition and/or conferment of business units;
2. Proposal to increase and decrease the share capital;
3. Involvement in the constitution of Companies or Enterprises;
4. Purchase, sale and exchange of buildings;
5. Registering and cancellation of mortgages, obtaining credit lines, determining the amount of the interest; sale of receivables of the Company;

In particular, the Executive Committee were conferred the powers listed below (examples only):

1. Employ and dismiss executive and white-collar personnel and the appointment of executives, determine their remuneration, approve salary increases and bonuses, approve promotions and disciplinary sanctions;
2. Define the annual expense budget of the Company also for individual contracts, both in Italy and abroad;
3. Participate at public tenders, bids, private agreements and tenders for the acquisition of concessions, supplies, determining the price and payment conditions and all other general and specific conditions and authorise the presentation and signing of the prequalification requests and the offers;
4. Authorise the creation of temporary regrouping of companies or consortiums and joint ventures, in Italy and abroad;
5. Authorise provisions of guarantee to third parties including those relating to subsidiary Companies and Companies in which it has a holding;
6. Authorise legal action in any state and at any level with any administrative, fiscal, judicial or arbitral authority, authorising the issue and/or revocation of lawyers and arbitrators;
7. Authorise the conferring of consultancy roles;
8. Authorise the signing of settlements, also concerning reserves, with public or private entities;
9. Authorise the signing of insurance contracts;
10. Define general contractual terms and conditions with private suppliers, subcontractors and service operators and the authorisation of the signing of same;
11. Authorise the signing of contracts with exceptions to the general conditions in use;
12. Authorise the signing of contracts for the restructuring and renovation of buildings and relative authorisation and concession reports with Public Administrations;
13. Authorise the signing of contracts whose total value is above Euro 50,000 concerning:
14. Purchase and sale of registered and non-registered fixed assets;
15. Tender, sub-tender, supply and provide services.
16. Concessions;
17. Authorise the signing of rental contracts agreeing the relative rental terms and the issue of termination notices;

In 2008, the Executive Committee met 8 times, examining all matters relating to the operating activities of the Company within the powers delegated. In particular, the Executive Committee undertook its duties in relation to the awarding of contracts and sub-contracts, to the creation of the Temporary Regrouping of Companies in order to participate at tenders, to the participation at the tenders, and matters relating to disputes.

The average duration of the meetings in 2008 was one hour.

As the Executive Committee meets whenever considered necessary for the undertaking of the decisions relating to the powers attributed, there is no calendar for the meetings.

In 2009, one meeting has been held.

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## **Reporting to the Board**



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The report of the executive bodies to the Board of Directors in relation to the activities undertaken during the year is made for each board meeting and is generally treated under the point “other matters”.

#### **5.4. OTHER EXECUTIVE DIRECTORS**

The Executive Directors:

- Albino Majore and Alessandro Caltagirone as members of the Executive Committee are involved in the ordinary management of the Company.

In the Board of Directors’ meetings, the Directors are constantly updated on the business activities, also in relation to regulatory provisions, so that they may correctly undertake their role.

#### **5.5. INDEPENDENT DIRECTORS**

The Board of Directors of the Company in office has three independent members:

- Mr. Carlo Carlevaris;
- Mr. Arnaldo Santiccioli;
- Mr. Umberto Mosetti;

persons that do not have, or recently had, even indirectly, with the Company or with parties related to the Company, relationships such as to affect their independent judgment.

The existence and the maintenance of the independence requisites are verified annually by the Board of Directors and the Board of Statutory Auditors.

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The independent Directors did not hold meetings in the absence of the other directors, as there were no circumstances to warrant such meetings.



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## **5.6. LEAD INDEPENDENT DIRECTOR**

The Board did not consider it necessary to appoint a lead independent director as all the operational decisions, even if contained in the powers of the Chairman and Chief Executive Officer, are taken together with the contribution of the independent directors.

## **6. TREATMENT OF CORPORATE INFORMATION**

Although there are no written procedures, it is normal practice that the Directors and Statutory Auditors maintain the most stringent confidentiality on the documents and information acquired in the performance of their functions. The directors are reminded of the confidentiality obligations by the Chairman before the commencement of the meetings which deal with matters and review documents requiring such confidential treatment.

The Board of Directors, in the meeting of March 23, 2006, in compliance with article 114 of the CFA, approved a new code of conduct to govern the disclosure obligations in relation to internal dealing, in accordance with the provisions of articles 152 and thereafter of Consob Regulation No. 11971 of May 14, 1999 and subsequent amendments.

This Code, in force since April 1, 2006, governs the disclosure obligations and conduct that the “relevant persons” (Directors, Statutory Auditors, Financial Director, Investor Relator, etc) must respect in relation to Consob and the Company; they must therefore communicate to the market, in accordance with the terms and conditions established by the above-mentioned Consob Regulation No. 11971/999, the operations on listed financial instruments or other related financial instruments, issued by the Company or its subsidiaries.

From April 1, 2006, the Company maintains a register of persons having access to privileged information in compliance with that prescribed by article 115 bis of the CFA, in accordance with articles 152-bis and thereafter of the aforementioned Consob Regulation No. 11971/99.

## **7. INTERNAL COMMITTEES**

No internal committees were created by the Board which undertake the functions of two or more of the committees contained in the code, nor have committees that have proposal and consultation functions in accordance with the code been created.

## **8. NOMINATIONS COMMITTEE**

The Directors are appointed pursuant to article 7 of the Company By-Laws which provides for the appointment based on slates presented by the Shareholders, in accordance with article 147-ter of the Consolidated Finance Act.

In view of this, and in consideration of the fact that the shareholders’ meetings have never encountered difficulties in the appointment of Directors, and considering that their constitution is optional according to the Self-Governance Code of listed companies, the Board did not consider it necessary to create a nominations committee.



## 9. REMUNERATION COMMITTEE

The remuneration of Directors is established by the Board on appointment.

The remuneration is therefore not related to the company results or the achievement of specific objectives, nor have any stock option plans been adopted.

In view of this and considering that their constitution is optional according to the Self-Governance Code of listed companies, the Board did not consider it necessary to create a nominations committee.

## 10. REMUNERATION OF THE DIRECTORS

The Shareholders' Meeting determines the remuneration of the Directors.

The remuneration of Directors and managers with strategic responsibilities, where existing, is not correlated to the results of the Issuer or to the reaching of specific targets.

Share-based incentive plans are not contemplated for Directors and managers with strategic responsibilities, where existing.

The Directors receive, based on the Shareholders' Meeting resolutions, an emolument of Euro 1,000 for each meeting they attend. Pursuant to article 2389 of the civil code, third paragraph, the Board established Euro 120 thousand and Euro 100 thousand as the annual remuneration respectively of the Chairman Mario Delfini and of the Chief Executive Officer Franco Cristini.

<i>Name</i>	<i>Emoluments for office</i>	<i>Non-monetary benefits</i>	<i>Bonuses and other incentives</i>	<i>Others</i>	<i>Total</i>
<b>Mario Delfini</b>	120,000.00	-	-	-	120,000.00
<b>Franco Cristini</b>	100,000.00	-	-	202,501.00	302,501.00
<b>Alessandro Caltagirone</b>	-	-	-	-	-
<b>Carlo Carlevaris</b>	6,000.00	-	-	-	6,000.00
<b>Fabio Gera</b>	4,000.00	-	-	132,969.00	136,969.00
<b>Albino Majore</b>	5,000.00	-	-	-	5,000.00
<b>Arnaldo Santiccioli</b>	3,000.00	-	-	-	3,000.00
<b>Massimiliano Capece Minutolo del Sasso</b>	3,000.00	-	-	70,275.00	73,275.00



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<b>Umberto Mosetti</b>	4,000.00	-	-		4,000,00
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## **11. INTERNAL CONTROL COMMITTEE**

The Company has for a number of years used a Quality Certification system verified, in accordance with the European community regulations (UNI EN ISO 9001:2000), by Det Norske Veritas Italia S.r.l. (DNV). This system guarantees compliance with the various internal operating and administrative procedures.

The Board of Directors considers that this system is appropriate to guarantee a correct and normal undertaking of the Company's activities in line with the objectives of the company. The Board of Directors therefore believes that the safeguarding of the company assets, the efficiency in the business operations, the reliability of the financial information and compliance with law and regulations are ensured.

In view of this and considering that their constitution is optional according to the Self-Governance Code of listed companies, the Board did not consider it necessary to create an Internal Control Committee.

## **12. INTERNAL CONTROL SYSTEM**

The operating activities of the Issuer are undertaken in accordance with rigorous consolidated procedures which provide for:

- A "first level control", comprising a series of controls which the managers of the individual operating divisions undertake in its processes and on the activities of the consultants of each sector.
- Regular reporting by the individual managers of the departments to the Chairman, to the Executive Directors and to the General Manager.
- A second level of reporting made by the Chairman, by the Executive Directors and by the General Manager to the Executive Committee in relation to their responsibilities. In relation to this second level, the Board of Statutory Auditors undertakes verifications, participating at the meetings of the Executive Committee.
- A third level of reporting is made to the Board of Directors and to the Board of Statutory Auditors by the above parties and by the Executive Committee for the responsibilities of the Board.

### **12.1. EXECUTIVE DIRECTOR RESPONSIBLE FOR THE INTERNAL CONTROL SYSTEM**

The Board of Directors did not consider it necessary to appoint an executive director responsible to overview the internal control system as the Company has a Quality Certified System which guarantees compliance with the internal operating and administrative procedures.

### **12.2. INTERNAL CONTROL MANAGER**

In view of this no such person has been appointed.



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### **12.3. ORGANISATIONAL MODEL pursuant to Legislative Decree 231/2001**

The Organisation Model pursuant to Leg. Decree 231/2001 and the Ethical Code is currently being implemented based on the indications contained in the Guidelines of Confindustria approved on March 7, 2002, as subsequently updated and communicated by the Justice Minister, and the best Italian practices existing on the matter.

### **12.4. INDEPENDENT AUDIT FIRM**

The Shareholders' Meeting of the Company on April 24, 2007 appointed PriceWaterhouseCoopers S.p.A. as independent auditors for the six-year period 2007 - 2012.

### **12.5. EXECUTIVE RESPONSIBLE FOR THE PREPARATION OF THE CORPORATE ACCOUNTING DOCUMENTS**

The Board of Directors' meeting of April 24, 2008, appointed the Executive Responsible for the preparation of the corporate accounting documents as Mr. Sergio Santopietro, administration executive of the Company and therefore in possession of all the professional requisites required by law and by the company By-Laws.

An engagement letter provides a detailed list of the powers and duties conferred to the Executive Responsible in order for a diligent undertaking of the role.

The executive responsible for the preparation of the corporate accounting documents;

- has a position of an adequate level which guarantees the autonomy and independence necessary to undertake the role;
- has free access to all information, both within the company and within the companies of the Group;
- may participate at any meetings of the Board of Directors concerning matters relating to the activities and responsibilities of the Executive;
- may undertake dialogue with all members of the board of directors;
- may approve the organisational procedures when these have an impact on the statutory and consolidated financial statements and on documents which must be certified;
- may participate at the definition and organisation of the IT system which have an impact on the economic, equity and financial situation;
- may undertake controls on any procedure or process which have an impact on the economic, equity and financial situation;
- may propose structural changes to the components of the internal control system considered inadequate;
- may report to the Board of Directors any procedures and processes considered adequate and suggest any countermeasures to adopt and incur any necessary expenses in the undertaking of the role;
- may implement an adequate structure in the area of activity assigned, utilising the resources available and, where necessary, requesting the implementation of these resources;
- may utilise, in the undertaking of its duties, IT and management control systems;
- may utilise the internal auditing function in order to identify processes within the role.



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### **13. DIRECTORS INTERESTS AND TRANSACTIONS WITH RELATED PARTIES**

The transactions with related parties are undertaken in accordance with procedures which guarantee transparency and correctness. These transactions are reported in the directors' report and in the notes to the financial statements in accordance with article 2391-bis of the civil code.

Before the approval of each resolution, the Board requests the directors to provide, where necessary, the declarations pursuant to article 2391 of the civil code.

### **14. APPOINTMENT OF STATUTORY AUDITORS**

Article 11 of the By-Laws provides that the Board of Statutory Auditors consists of a Chairman, two standing auditors and three alternate auditors. The Board of Statutory Auditors exercises control on the administration of the Company and all the functions required by law and by the company By-Laws. The duration of the appointment is in accordance with law; the statutory auditors may be re-elected.

The statutory auditors qualify as independent and possess the professional and honourable competencies prescribed by law. Persons who already cover the role of statutory auditor in more than five other listed companies, excluding the direct or indirect subsidiaries of the company or controlled by the same parent company that controls the Company, may not be elected nor can persons who do not have the requisites of honourability and professionalism as required by the relevant regulations, as well as incompatibility by law.

The Board of Directors are elected by the Shareholders' Meeting on the basis of slates presented by shareholders that hold at least 2% of the share capital or any other threshold in accordance with current regulations.

The slates must be filed at the registered office fifteen days before the date fixed for the shareholders' meeting in first convocation. The persons presenting the slates must file, together with the slate, the documentation certifying the number of shares necessary for the presentation of the slate.

Each shareholder, as well as shareholders belonging to the same group (i.e. holding companies and including individuals, as per article 2359 of the civil code and its subsidiaries), who adhere to a shareholder pact in accordance with article 122 of the Legislative Decree 24.2.1998 no. 58, cannot present, directly, by interposed persons, or through trust companies, more than one slate.

In the event where at the end of the period for the presentation of the slates only one slate has been presented, or only slates presented by shareholders belonging to the same group or belonging to a shareholder agreement, slates may be presented up to the fifth day after this date, provided that the notices are made in accordance with current regulations. In this case, the percentage threshold established by paragraph 4 of the same article 22 for the presentation of the slate is reduced by half.

The slates must be provided with the information relating to the shareholders presenting the slates, with an indication of the total percentage shareholding held, of the Curriculum Vitae of each person on the slate as well as a declaration by the candidate, under their own responsibility, that they possess the requisites required by law and the acceptance of their candidature.

The written acceptance of the candidature and the declaration of the inexistence of ineligibility must be filed together with the slate.

The slates for the election of the members of the Board of Statutory Auditors must include the names of one or more candidates, not above the number of statutory auditors to be elected, indicated by progressive order; the slates can be divided into two sections, each with a maximum of three candidates (progressive numbering) for the office of standing auditor and alternate auditor.

No shareholder may present or vote, even as proxy, on more than one slate and each candidate shall be presented on only one slate, at the risk of ineligibility.

The first two candidates of the slate which obtains the largest number of votes are elected as standing auditors ("the Majority Slate") and the first candidate of the slate presented and voted by the shareholders



which are not related, even indirectly, by the majority shareholders, which is second in terms of number of votes (the “Minority Slate”), is elected Chairman of the Board of Statutory Auditors.

An Alternate Auditor is also elected among the candidates indicated in the progressive order in the section “Alternate Auditors” of the Majority Slate and an Alternate Auditor among the candidates indicated in the progressive order in the section “Alternate Auditors” of the Minority Slate.

Should two lists receive the same number of votes, a second vote of the entire Shareholders’ Meeting will decide between them.

In the event of the presentation of only one slate or in the case where only one slate receives votes, all the candidates will be taken from the same slate.

Where it is not possible to proceed with the appointment of one or more Statutory Auditor through the voting of lists, the Shareholders’ Meeting will deliberate through the majority required by law. In the case of the substitution of a Standing Auditor, an Alternate Auditor is taken from the same list as the auditor leaving office.

As regards the rules for appointing any standing or substitute Auditors needed to make up vacancies on the Board of Statutory Auditors these shall be decided by resolutions of the Shareholders’ Meeting, adopted with the majorities required by law.

The Board of Statutory Auditors currently in office was appointed by the Shareholders’ Meeting on April 21, 2008 and remains in office until the approval of the financial statements at December 31, 2010.

## **15. BOARD OF STATUTORY AUDITORS**

<i>Name</i>	<i>Office</i>	<i>In office from</i>	<i>Slate</i>	<i>Ind as per the Code</i>	<i>% part. S.C.</i>	<i>Other offices</i>
<b>Antonio Staffa</b>	Chairman	April 21, 2008	Minority	X	100%	21
<b>Carlo Schiavone</b>	Statutory Auditor	April 21, 2008	Majority	X	100%	29
<b>Maria Assunta Coluccia</b>	Statutory Auditor	April 21, 2008	Majority	X	100%	48
<b>Stefano Giannuli</b>	Alternate Auditor	April 21, 2008	Majority	X		-
<b>Vincenzo Sportelli</b>	Alternate Auditor	April 21, 2008	Majority	X		-
<b>Mario Sica</b>	Alternate Auditor	April 21, 2008	Minority	X		-

During the year, the Board of Statutory Auditors met 5 times.

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The Board of Statutory Auditors evaluated the independence of its members.

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There are no specific obligations of the statutory auditors where they have interests on their own behalf or of third parties. Before the approval of each resolution, the Board requests its members to declare whether they hold any interests in the operations being deliberated upon.

The Board of Statutory Auditors evaluated the independence of the audit company and verified compliance with regulations and of the nature and size of any services provided to the Company.

In carrying out its activities, the Board of Statutory Auditors coordinated informal contacts with the administrative function.

## **16. RELATIONS WITH SHAREHOLDERS**

The Company has created a section on its website [www.vianinigroup.it](http://www.vianinigroup.it) to provide significant information to the shareholders, in order to ensure that these latter can exercise their rights in a knowledgeable manner.

The Company appointed Marco Maria Bianconi as person responsible for relations with investors.

A structure responsible for relations with investors was also created. In addition, a structure for communications is in place.

## **17. SHAREHOLDER MEETINGS**

Article 6 of the By-Laws establishes that shareholders may attend the shareholders' meeting if they have filed the appropriate certificates at the registered office of the company or the communications as required by article 2370 of the civil code within two days prior to the date for each shareholders' meeting.

Each shareholder who has the right to intervene at the shareholders' meeting can be represented by written proxy in accordance with current legislation and regulations.

The Company, for the present moment, does not consider it necessary to implement regulations for the shareholders' meetings, given the good and correct functioning of these meetings in the past.

The Chairman of the Shareholders' Meeting verifies the right to attend of each shareholder and ascertains whether the meeting is validly constituted by the presence of the necessary quorum. The Chairman directs and regulates the discussions at Shareholders' Meetings.

The Board reported to the Shareholders' Meetings on the activities undertaken and on the future programmes, in line with the requests made by the shareholders present.

During the year, the market capitalisation of the Company was impacted by the current economic crisis and therefore incurred declines in line with the negative market trend.



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The Board of Directors did not consider it necessary to propose to the Shareholders' Meeting proposals to change the Company By-Laws, also in consideration of the fact that the stock market capitalisation does not impact on the mechanism of nominating the corporate boards and on the functioning of the so-called "voting of slates".

## **18. CHANGES SUBSEQUENT TO THE YEAR-END**

No changes have been made to the corporate governance structure since the year-end.



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**Attachment A**

**VIANINI LAVORI S.p.A.**

<b>NAME</b>	<b>OFFICE</b>	<b>COMPANY</b>
– Mario Delfini	Director	Caltagirone S.p.A.
	Vice Chairman	Cementir Italia S.r.l.
	Director	Caltagirone Editore S.p.A.
	Director	Cementir Holding S.p.A.
	Director	Vianini Industria S.p.A.
	Director	Il Messaggero S.p.A.
	Director	Il Gazzettino S.p.A.
	Director	Piemme S.p.A.
– Alessandro Caltagirone	Chairman	Vianini Industria S.p.A.
	Director	Caltagirone S.p.A.
	Director	Cementir Holding S.p.A.
	Director	Cimentas S.A.
	Director	Il Messaggero S.p.A.
	Director	Il Gazzettino S.p.A.
– Carlo Carlevaris	Chairman	Banca Finnat Euramerica S.p.A.
	Vice Chairman	Cementir Holding S.p.A.
	Director	Caltagirone S.p.A.
	Director	Vianini Industria S.p.A.
	Director	Il Messaggero S.p.A.
– Fabio Gera	Director	Cimentas S.A.
	Director	Cimbeton A.S.
	Director	MPS Immobiliare S.p.A.
– Albino Majore	Director	Caltagirone S.p.A.
	Director	Caltagirone Editore S.p.A.
	Director	Cementir Italia S.r.l.



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	Chief Executive Officer	Il Messaggero S.p.A.
	Chairman	PIEMME S.p.A.
	Vice Chairman	Il Gazzettino S.p.A.
- Franco Cristini	Chairman	Metro C
- Massimiliano Capece Minutolo	Director	Cimentas S.A.
	Director	Caltagirone S.p.A.
	Director	Cementir Italia S.r.l.
- Umberto Mosetti	Represt. shareholders	Savings FIAT
	Director	Vincenzo Zucchi SpA