

Report on Corporate Governance and ownership structure

pursuant to article 123 bis of Legislative Decree 24 February 1998 no 58 as amended

referring to the year ended December 31, 2014

MARCH 27, 2015

**Buzzi Unicem SpA**

Registered Office: Casale Monferrato (AL) - via Luigi Buzzi n. 6

Share capital: euro 123,636,658.80 fully paid up

Chamber of Commerce of Alessandria: 00930290044

Website: [www.buzziunicem.it](http://www.buzziunicem.it)

# REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

## **Introduction**

This report contains the information on the corporate governance and ownership structure of Buzzi Unicem SpA (hereinafter referred to as Buzzi Unicem) pursuant to article 123 bis of Legislative Decree 24 February 1988 no. 58 as amended (hereinafter referred to as TUF), also in compliance with the Code of Conduct in the version adopted by Borsa Italiana S.p.A. in July 2014 (hereinafter referred to as “Code of Conduct” or simply “Code”) to which Buzzi Unicem adheres under the terms reported in this report.

The above Code of Conduct to which Buzzi Unicem adheres is available to the public on Borsa Italiana S.p.A.’s website ([www.borsaitaliana.it](http://www.borsaitaliana.it)).

## **Part I – General description of Buzzi Unicem SpA organizational structure**

Buzzi Unicem SpA’s organizational structure consists of the following main corporate bodies:

- Shareholders’ meeting;
- Board of directors;
- Chairman of the board of directors;
- One Vice Chairman of the board of directors;
- Two Managing Directors;
- Statutory auditors’ committee.

This structure corresponds to the “traditional management and control model” issuing from the rules provided by the corporate law reform implemented by Legislative Decree no. 6 of January 17, 2003 as amended.

For the time being, the alternative management and control systems provided by the corporate law reform shall not be adopted.

## **Part II – Information on ownership structure**

### ***a) Shareholding structure and rights of the categories of shares (article 123 bis, paragraph 1, letter a), TUF)***

As at the date of this report, Buzzi Unicem’s subscribed and paid up share capital amounts to 123,636,658.80 euro consisting of #165,349,149 ordinary shares (80.243% of share capital) and #40,711,949 savings shares (19.757% of share capital), all with a par value of 0.60 euro each.

The Extraordinary Shareholders’ Meeting of November 8, 2013 resolved to increase for cash the share capital, payable in tranches, excluding the pre-emption rights pursuant to art. 2441, paragraph 5, of civil code, for a total nominal amount of 8,257,224.60 issued in one or more times up to a maximum of #13,762,041 ordinary shares of the company of a par value of 0.60 euro each and bearing the same features as the ordinary shares already outstanding, to be

solely reserved for the purposes of the conversion of the equity-linked bond of an amount of 220,000,000 euro, with final maturity on 17 July 2019, intended only for qualified investors, named “Buzzi Unicem €220,000,000 1.375% Equity-Linked Bonds due 2019”. It is understood that the deadline for the subscription of the shares of new issue is set on 17 July 2019. In the event the capital increase should not be fully subscribed within the deadline for subscription, then the capital will be increased by the amount of subscriptions made and effective from the date of subscription, with the directors being specifically authorized to issue the new shares as they are subscribed.

Below are summary tables relating to the share capital structure and other financial instruments that give the right to subscribe for new shares:

<b>SHARE CAPITAL STRUCTURE</b>			
	Share no.	% vs. capital	Listed (Market)/not listed
Ordinary shares	165.349.149	80,243	MTA/FTSE MIB index Italy
Savings shares (with no voting rights)	40.711.949	19,757	MTA Italy
Multiple voting shares	-	-	-
Limited-voting shares	-	-	-
other	-	-	-

<b>OTHER FINANCIAL INSTRUMENTS (that give the right to subscribe for new shares)</b>				
	Listed (Market)/not listed	No. Of outstanding instruments	Share class to allow the conversion/exercise	No. of shares to allow the conversion/exercise
Convertible bonds (equity-linked notes)	MTF “Third Market”*/ Vienna	2.200	Ordinary shares	13.762.041
Warrant	-	-	-	-

\*refers to a multilateral trading facility (MTF)

Ordinary and savings shares bear the rights and privileges as per articles 6, 7, 25, 27 and 28 of the bylaws. The key provisions are provided here below.

Ordinary shares are registered shares; savings shares are either bearer or registered shares at the option of their holder or as required by the law. All shares are issued in dematerialized form and are listed for trading on the Electronic Share Market managed by Borsa Italiana S.p.A.

Each ordinary share is entitled to vote in all ordinary and extraordinary shareholders’ meetings without any restrictions whatsoever. Savings shares are not entitled to vote.

The share capital may be increased also through the issue of shares bearing rights which differ from those attached to the outstanding shares, as well as through contribution in kind or by way of receivables.

In the event of increases in the share capital, holders of shares in each category shall be entitled to a proportional right of pre-emption on the newly issued shares in the same

category or on newly issued shares in other categories, if shares of the same category are not available or their number is insufficient.

The capital can be increased within the limit of 10% of the existing share capital also in case of cash payment and with the exclusion of the pre-emption right, on condition that the issuing price corresponds to the market value of the shares and this is confirmed by a legal auditor or a legal auditing firm in a special report.

Resolutions authorising the issuance of new shares bearing the same features as those already outstanding, either through capital increases or through the conversion of shares of another category, do not require further approval by special shareholders' meetings.

In case of reduction in share capital to cover losses, savings shares par value shall not be reduced, save to the extent to which the losses in question exceed the overall par value of the other shares.

In case savings shares should be delisted, they shall be converted into preferred shares, without any change in their dividend rights and assets distribution, with the features and procedures to be established by resolution of the extraordinary shareholders' meeting to be held within three months from delisting.

In case ordinary shares should be delisted, the additional dividend payable on savings shares in excess of the dividend payable to ordinary shares shall be automatically increased so as to represent 4.5% of the par value.

In order to ensure that the common representative is adequately informed about the transactions which may affect the listed prices of savings shares, the company's legal representative shall promptly inform the common representative of any such issues.

Net profit as indicated in the financial statements shall be allocated as follows:

- a) five percent to legal reserve until the amount of the latter reaches one fifth of the company's share capital;
- b) by way of a preferential dividend on savings shares up to the amount of five percent of the par value thereof;
- c) save where otherwise resolved by the shareholders' general meeting, the remainder by way of dividend on shares, in such manner that savings shares receive an overall dividend that exceeds the dividend payable to ordinary shares by four percent of the par value of the said savings shares.

In case, in a given fiscal year, savings shares should be assigned a dividend of less than five percent of their par value, the difference shall be compensated by an increase in the preferential dividend borne by such savings shares, during the two following fiscal years.

Dividends unclaimed for 5 years from the day they became payable shall be forfeited to the benefit of the company.

In case of distribution of reserves, savings shares shall have the same rights as ordinary shares.

In case of dissolution, the company's assets shall be distributed as follows, in order of priority:

- a) to the savings shares up to their par value;
- b) to the ordinary shares up to their par value;

c) the remainder, if any, shall be equally shared between the two categories of shares.  
No financial instrument grant schemes exist.

**b) Restrictions on share transfer (article 123 bis, paragraph 1, letter b), TUF)**

There are no restrictions on share transfer or acceptance clauses.

**c) Significant shareholdings (article 123 bis, paragraph 1, letter c, TUF)**

As resulting from Buzzi Unicem shareholders' register, integrated with Consob communications and available information, Buzzi Unicem's shareholders that, as at the date of this report, directly or indirectly hold shares with voting rights in the ordinary general meeting representing more than 2% of the ordinary stock or a number of shares equal to or greater than the other thresholds established by the applicable regulations, are the following:

	no of ordinary shares	% of ordinary stock
<b>Fimedi Group</b>		
PRESA SpA	79,200,000	47.899
FIMEDI SpA	17,750,000	10.735
	<b>96,950,000</b>	<b>58.634</b>
BUZZI UNICEM SpA *	500,000	0.302
GREENLIGHT CAPITAL INC**	3,488,000	2,110
ASSICURAZIONI GENERALI SpA	3,311,890	2,003

\*with voting rights suspended, being treasury shares

\*\* under discretionary asset management

As at the date of this report, based on the above mentioned ownership, Fimedi S.p.A. directly or through Presa S.p.A. (subsidiary with a stake of 100%% of ordinary stock) is Buzzi Unicem majority shareholder.

**d) Shares granting special rights of control (article 123 bis, paragraph 1, letter d, TUF)**

No shares granting special rights of control have been issued.

**e) Employees' shareholding: system of voting rights exercise (article 123 bis, paragraph 1, letter f), TUF)**

There are no employees' shareholding plans in which the voting right is not directly exercised by the same.

**f) Restrictions on voting right (article 123 bis, paragraph 1, letter f), TUF)**

There are no restrictions on voting rights nor terms imposed for the exercise of the voting rights nor systems in which, with the company's cooperation, the financial rights attached to shares are separate from their ownership.

**g) Shareholders' agreements (article 123 bis, paragraph 1, letter g,) TUF)**

As far as Buzzi Unicem is aware, no shareholders agreements, as per art. 122 of TUF, exist related to Buzzi Unicem shares.

**h) Clauses of change of control (article 123 bis, paragraph 1, letter h,) TUF) and statutory provisions on offers to purchase (articles 104, paragraph 1 ter, and 104 bis, paragraph 1 TUF)**

As regards the existence of significant agreements which become effective, are modified or terminate in the event of direct and/or indirect change in the control of the company, it is important to note the following.

The Senior Unsecured Notes (USPP) issued on the US private placement market by the subsidiary RC Lonestar Inc., presently outstanding for an overall amount of 279 million euro and guaranteed by Buzzi Unicem, contain clauses that, as it is customary in financial transactions of this kind, mandate call option within 90 days from the acquisition disclosure, if more than 50% of the voting rights of Buzzi Unicem are acquired by parties other than the current controlling shareholder.

The revolving credit facility for a maximum amount of 300 million euro obtained at the end of June 2011 (in replacement of a previous similar credit facility of July 2008) and syndicated among some primary and foreign banks, as it is customary, contains a clause that in case of decrease of the controlling shareholder's stake under 50.1% of Buzzi Unicem's voting rights or in case of purchase by a third party of more than 50% of the voting rights, if no agreement is reached among the financing banks on the amendment, if necessary, of the loan terms, each bank can require the advance repayment of the part of the loan granted.

The bond "Buzzi Unicem S.p.A. € 350,000,000 - 5.125% Notes due 2016" issued on 9 December 2009 for an amount of €350 million and the bond "Buzzi Unicem S.p.A. €350,000,000 – 6.250% Notes due 28 September 2018" for an amount of €350 million, contain a clause that, as it is customary, mandates call option if more than 50% of the voting rights of Buzzi Unicem are acquired by parties other than Buzzi Unicem's current controlling shareholder, on condition that, in the period of time elapsing from the disclosure of the prospective change of control and the expiry of the 120<sup>th</sup> day subsequent to the announcement that the change of control has occurred, the notes would no longer be rated or the rating would be downgraded (from investment grade to non investment grade or, if they were already rated as non investment grade, any downgrade).

The bond "Buzzi Unicem €220,000,000 1.375% Equity-Linked Bonds due 2019", issued on 17 July 2013 for an amount of €220 million contains a clause that, as it is customary, grants each bondholder the right to require early redemption of their Bonds (put option) at 100% of par value plus accrued interest as well as an adjustment to the conversion price in the event a party other than the current controlling shareholders should acquire more than 50% of the voting rights of Buzzi Unicem.

As for the companies w&p Cementi SpA and Salanit Anhovo Gradbeni Materiali d.d., of which Buzzi Unicem holds an interest of 25% in the share capital, some shareholders' agreements

have been entered into and are in force with the majority shareholder of the two companies which provide, among other things, that in the event of a change of control of either party, the other party is entitled to sell the whole of its shareholding to the part for which there has been a change of control at a price determined on the basis of the assessment by an independent expert appointed by the parties or, in case of disagreement, respectively, by the Court of Padova and Ljubljana.

Moreover, regarding the Mexican Company *Corporación Moctezuma S.A.B. de C.V.*, of which Buzzi Unicem owns 50% of the controlling stake, a shareholders' agreement has been entered into and is in force with the other partner holding the remaining 50% of the controlling stake, which provides that in the event of changes in the control of either of the parties involved, the other party is entitled alternatively to (i) buy *Corporación Moctezuma S.A.B. de C.V.*'s shares at the same price as they were valued in the transaction which involved the change of control, or (ii) ask to sell to the third party also its own shareholding interest in *Corporación Moctezuma S.A.B. de C.V.*, always at the same price as the shares were valued in the transaction which involved the change of control or (iii) accept the change of control.

Moreover regarding *Kosmos Cement Company*, a company operating in the United States with a cement plant located in Kentucky, and of which the subsidiary *RC Lonestar Inc.* owns a stake of 25% of the capital stock, an agreement exists with the other partner, which provides that in the event of changes in the control of either of the parties involved, the other party is entitled to sell its whole shareholding interest in *Kosmos Cement Company* to the other party for which the change of control has occurred at a price fixed on the basis of the company's book value reported in the latest financial statements.

Buzzi Unicem has not introduced any statutory provisions concerning takeover bids pursuant to Article 104, paragraph 1 ter, and 104 bis, paragraph 1, of TUF.

***i) Agreements between the company and the directors (article 123 bis, paragraph 1, letter i), TUF)***

No agreements have been entered into between Buzzi Unicem and the directors which provide for an indemnity in the case of resignation or dismissal without just cause or termination following a takeover bid.

No agreements exist which provide for the granting or maintaining of non-monetary benefits in favor of subjects whose assignments or "ad hoc" consultancy contracts for a period subsequent to the termination of the employment relationship have ceased.

Since no non-compete agreements exist, equally no agreements exist that provide for compensation for non-compete pledges.

For further information reference is made to the Report on remuneration drawn up pursuant to art. 123 ter of TUF.

***l) Appointment and replacement of the directors and bylaws amendments (article 123 bis, paragraph 1, letter l), TUF)***

Pursuant to art. 147 ter of TUF, art. 13 of the bylaws provides slate voting mechanism for the appointment of directors.

Specifically art. 13 of the bylaws, as lastly amended by resolution of the Extraordinary Shareholders' Meeting of 10 May 2013 in order to introduce mechanisms aimed at guaranteeing that the distribution of directors to be elected be effected according to criteria that ensure the gender balance pursuant to art. 147 ter, paragraph 1 ter of TUF in short provides the following rules for the appointment of the board of directors:

- the possibility to submit lists by shareholders with voting rights representing at least 2.5% of the voting stock in the ordinary general meeting or a different percentage fixed by Consob's regulation; Consob set this threshold at 1% for the year 2014 and 2015 of the voting stock;
- the obligation to deposit the lists within the terms provided by the applicable regulations (the 25th day prior to the shareholders' meeting day) and to include in the lists consisting of at least three candidates at least two directors that qualifies as independent directors according to the article 147 ter of TUF and to complete the lists with the candidates' curricula;
- the obligation to form lists consisting of at least three candidates so that the gender less represented in the list would reach at least the minimum number provided by the regulations in force, rounded up, in case of fractional number, to the next higher whole number;
- a voting system which provides that all directors be elected from the list which got the majority of the votes except one who will be reserved to the list that obtained the second greatest number of votes, being understood that the lists which did not achieve a percentage of votes equivalent at least to half the percentage required to submit the list shall be disregarded;
- a voting system that provides that in the event the number of independent directors ex art. 147 ter of TUF provided by the applicable regulations, should not be elected, instead of the last one or, if need be, the second-last elected in the list which got the majority of votes, the first or, if need be, the second independent director ex art. 147 ter of TUF included in the list shall be considered as elected;
- the replacement within the majority list of the last elected candidates belonging to the gender more represented by others belonging to the gender less represented, in the event a gender should be less represented than what provided by the regulations in force as a consequence of slate vote;
- in case only one list should be submitted, the shareholders' meeting shall resolve by the simple majority of votes and should this list obtain the majority of the votes, the candidates shall be elected as directors in progressive order up to the number fixed by the shareholders' meeting;



- should it not be possible in whole or in part to appoint the directors according to the above rules, or in case of directors appointed as a consequence of the earlier termination from office of directors or as a consequence of the resolution to increase their number, the shareholders' meeting resolves by the simple majority of votes, in compliance with the regulations in force, including the rules that ensure the gender balance;
- in the event of replacement of directors pursuant to art. 2386, 1<sup>st</sup> paragraph of the civil code, the appointment shall be effected in compliance with the regulations in force, including the rules that ensure the gender balance.

No provisions exist for the amendments of the bylaws other than those provided by the law and the applicable regulations, being understood that pursuant to art. 2365, paragraph 2 of the Civil Code, the Board of Directors is vested with the non-exclusive competence on (i) the resolutions on mergers by incorporation of companies in which the company holds the whole share capital or at least ninety percent of the share capital; (ii) the resolution on reduction of share capital in case of withdrawal of shareholders; (iii) the amendments of the bylaws to make them consistent with law provisions; (iv) the transfer of the registered office within the national territory, (v) the setting-up, change or closing-down of secondary offices.

***m) Powers to increase the capital (article 123 bis, paragraph 1, letter m), TUF)***

The extraordinary shareholders' meeting of May 11, 2012, renewing the powers already granted by the shareholders' meeting of May 11, 2007, granted the board of directors, for a length of 5 years from the shareholders' meeting resolution, the power to increase, in one or successive tranches, for a consideration or without consideration, the capital up to a maximum amount of 25,000,000 euro, through the issue of ordinary and/or savings shares, also excluding the pre-emption right, in the case of capital increase for a consideration, in the following circumstances:

- pursuant to article 2441, 4<sup>th</sup> paragraph, first sentence, of the civil code against contribution of companies and/or equity interests in companies whose activities fall within the corporate purpose or are similar to or complementary to;
- pursuant to article 2441, 5<sup>th</sup> paragraph of the civil code in favour of Italian or foreign institutional investors or of companies whose activities fall within the corporate purpose or are similar to or complementary to, when the company's interest requires it.

The directors, without prejudice to their competence to issue bonds under the law, have also the power, for a length of 5 years from the resolution of the extraordinary shareholders' meeting of May 11, 2012, to issue, in one or more tranches, convertible bonds and/or warrants up to a maximum amount of 300,000,000 euro, ensuring, however, that the amount issued through each tranche does not exceed the limits imposed by the law, with the additional power for the corresponding capital increase, also excluding the pre-emption right pursuant to article 2441, 5<sup>th</sup> paragraph of the civil code, pursuant to article 2441, 5<sup>th</sup> paragraph of the civil code, in favour of Italian or foreign institutional investors or of companies whose activities fall within the corporate purpose or are similar to or

complementary to, when the company's interest requires it as well as pursuant to article 2441, 4<sup>th</sup> paragraph, second sentence, of the civil code, within the limits hereunder stated.

The same shareholders' meeting granted the board of directors, for a length of 5 years from the shareholders' meeting resolution, the additional power to increase for a consideration, in one or more tranches, the capital up to an additional maximum amount of 12,000,000 euro, through the issue of ordinary and/or savings shares, also subject to the issue of convertible bonds and/or warrants, excluding the pre-emption right, pursuant to article 2441, 4<sup>th</sup> paragraph, second sentence of the civil code, in favor of Italian or foreign institutional investors or of companies whose activities fall within the corporate purpose or are similar to or complementary to.

***n) Authorization to the purchase of treasury shares (article 123 bis, paragraph 1, letter m), TUF)***

The shareholders' meeting of May 9, 2014 authorised the board of directors to buy back, in one or more tranches, treasury shares up to a maximum of #4,000,000 ordinary shares and/or savings shares (in addition to those held at the date of the shareholders' meeting) for a purchasing price ranging from a minimum of 0.60 euro to a maximum of 10 euro for savings shares and 19 euro for ordinary shares or the highest price allowed by the market general rules approved by Consob by resolution no. 16839 of 19 March 2009, in case these rules should be adopted by the company.

The maximum overall amount of purchase and total and/or partial exercise of the pre-emption right is 76,000,000 euro, to be withdrawn from the reserve Merger Surplus.

This authorization entitles the board of directors also to dispose of treasury shares in portfolio and to use them as a payment in extraordinary transactions, also of equity interest swaps, as well as for distribution, if any, for a consideration or without consideration, to directors and employees of the company and its subsidiaries pursuant to art. 2359 of the civil code as well as for the allocation, if any, to shareholders without consideration, with the power to establish, each time, terms and conditions for the disposal of treasury shares, although their price or value shall not be lower than the value corresponding to the official average of the trading prices recorded in the calendar month prior to the transaction minus 10%, or to a consideration not lower than the cheapest price allowed by the market general rules approved by Consob by resolution no. 16839 of 19 March 2009, in case these rules should be adopted by the company, except for distribution, if any, of treasury shares to directors and employees of the company and its subsidiaries pursuant to art. 2359 of the civil code as well as for allocation, if any, to shareholders, in which cases they can be granted also without consideration.

Moreover the company can avail itself of the procedure for the purchase of treasury shares provided by the market rules approved by Consob by resolution 16839 of 19 March 2009.

The authorization to the purchase and/or the exercise of the pre-emption right lasts 18 months from the date of the shareholders' meeting resolution.

As at the date of year end 2014 and at the date of this report, the company owns #500,000 ordinary treasury shares and #29,290 savings treasury shares.

The board of directors, in the meeting held on the date of this report, resolved to ask the shareholders' general meeting to renew the aforesaid resolution for an additional length of 18 months, authorising the board of directors to purchase up to a maximum #4,000,000 ordinary shares and/or savings shares (in addition to those held at the date of the shareholders' meeting) for a purchasing price ranging from a minimum of 0.60 euro to a maximum of 11 euro for savings shares and 19 euro for ordinary shares and to dispose of own shares held or acquired by virtue of the authorizing resolution, without prejudice to other contents as in the previous authorization.

***o) Direction and coordination activities (article 37 of Consob Regulation no. 16191/2007)***

Buzzi Unicem is not subject to direction or coordination activities by companies or entities, since the company's management decisions and strategic and operational guidelines are defined in full autonomy with no directions from the holding company.

**Part III – Information on Buzzi Unicem corporate governance system and on the adoption of the Code of Conduct**

***1. Board of directors***

***1.1 Role and competence of the board of directors***

The board of directors is the collective body for the government of the company vested with all powers relating to the ordinary and special management of the company.

The board of directors primarily performs a guideline and control function with respect to the general activities of the company and of its group, without prejudice to the tasks assigned by law to the various entities of the group.

Specifically, the board of directors inter alia shall:

- a) adopt the company's rules of corporate governance and lay down the guidelines for the group's corporate governance and assess the adequacy of the group's organizational structure, particularly as regards the internal control and risk management system;
- b) establish the strategic, operational and financial plans of the company and the group, with special reference to the subsidiaries of strategic relevance, identified on the basis of book value of the equity investment compared to Buzzi Unicem SpA's assets;
- c) delegate and revoke powers to the Chairman, the Vice Chairmen, the Managing Directors and, where appointed, the executive committee, establishing limits and manner of exercising them;
- d) approve the transactions that, by virtue of the limits of the powers delegated as stated in paragraph 1.5. below, are the exclusive responsibility of the board of directors;
- e) resolve on the transactions having a significant impact on the company's profitability, assets and liabilities or financial position, meaning those for which Buzzi Unicem SpA is

obliged to inform the market of the communications required by the regulations in force. As for transactions with related parties, please refer to article 4.1 below;

- f) examine the transactions having a significant impact on the group's profitability, assets and liabilities or financial position, which are considered to be those which Buzzi Unicem S.p.A. is required to disclose to the market according to the rules in force. However it is pointed out that the management activity on the subsidiaries is assigned to Buzzi Unicem SpA's executive directors, who sit on the major subsidiaries' board of directors and act within the directions established by Buzzi Unicem SpA's board of directors, to which they periodically refer;
- g) determine, after consulting the statutory auditors' committee, the remuneration of the directors appointed to special positions within the company and, should not the shareholders' meeting have already provided, allocate the total amount to which the single members of the board are entitled;
- h) supervise the general performance of the company with special reference to transactions involving related parties, paying special attention to the information received from the executive directors;
- i) report to shareholders at general meetings on the activity performed and scheduled, in observance of the rules on inside information;
- l) appoint and revoke the manager responsible for preparing the company's financial reports.

Moreover, the bylaws, pursuant to art. 2365, 2<sup>nd</sup> paragraph of the civil code, attribute to the non-exclusive competence of the board of directors (i) the resolutions on mergers by incorporation of companies in which the company holds the whole share capital or at least ninety percent of the share capital; (ii) the resolution on reduction of share capital in case of withdrawal of shareholders; (iii) the amendments of the bylaws to make them consistent with law provisions; (iv) the transfer of the registered office within the national territory, (v) the setting-up, change or closing-down of secondary offices.

The board of directors meets at regular intervals, at least quarterly, as provided by article 15 of the bylaws in force.

Moreover the bylaws require the directors to provide, at least quarterly, the board of directors and the statutory auditors' committee, with adequate information on the activities performed on the exercise of their delegated powers, on the most significant transactions carried out by the company or its subsidiaries, especially on those in which they have a personal interest or an interest on behalf of third parties and those influenced by the subject that may exercise the activity of management and co-ordination.

To this purpose the board of directors has prepared and approved a quarterly report scheme which the executive directors have to render to the board itself and to the statutory auditors' committee about management activities and transactions having a significant impact on the company's profitability, assets and liabilities or financial position (especially transactions concerning purchase or sale of equity interests, companies, real estate and joint ventures for an amount exceeding 5 million euro, company's re-organization or restructuring and major

corporate transactions) of the company and its subsidiaries. Based on the reports received, the board of directors has periodically assessed the operating performance of the group and the company.

During 2014 the board of directors approved the group's five-year economic plan, examined the strategic guidelines and resolved on the main transactions having a significant impact on the company's profitability, assets and liabilities or financial position.

## **1.2 Structure of the board of directors**

The company's board of directors is made up of a variable number of members from a minimum of 7 up to a maximum of 15. The number of members is resolved by the shareholders' meeting.

The board of directors presently in office, appointed by the ordinary shareholders' meeting of May 9, 2014, is made up of 13 members.

The mandate of the board will expire on the date of the meeting called to approve the financial statements as at December 31, 2016.

The following table reports the composition of the board with reference to the respective positions and qualifications of each director:

<b>Name and Surname</b>	<b>Position</b>	<b>Qualification</b>
Enrico Buzzi	Chairman	Executive
Veronica Buzzi	Vice Chairman	Non-executive
Michele Buzzi	Managing Director	Executive
Pietro Buzzi	Managing Director	Executive
Oliviero Maria Brega	Director	Non-executive - independent
Paolo Burlando	Director	Non-executive
York Dyckerhoff	Director	Non-executive - independent
Elsa Fornero	Director	Non-executive - independent
Aldo Fumagalli Romario	Director	Non-executive - independent
Linda Orsola Gilli	Director	Non-executive - independent
Gianfelice Rocca	Director	Non-executive - independent
Maurizio Sella	Director	Non-executive - independent
Marco Weigmann	Director	Non-executive

It should also be noted that Alessandro Buzzi (previously Chairman of the company from 2003 to 2014) was awarded the post of Honorary Chairman of the company, and he does not sit on the board.

Attached to this report are the curricula of the members of the board of directors, which report exhaustive information about them on both a personal and professional level. Please find below information about the positions currently held by the directors in other companies listed on regulated markets, including foreign markets, as well as those held in financial companies, banks, insurance companies and large companies not belonging to Buzzi Unicem group:

<b>Name and Surname</b>	<b>Company</b>	<b>Position in the company</b>
Enrico Buzzi	Fimedi S.p.A.	CEO
	Presa S.p.A.	CEO
	Corporacion Moctezuma S.A.B. de C.V.	Chairman
Veronica Buzzi	-	-
Michele Buzzi	-	-
Pietro Buzzi	Fimedi S.p.A.	Chairman
	Presa S.p.A.	Chairman
	Corporacion Moctezuma S.A.B. de C.V.	Director
Oliviero Maria Brega	-	-
Paolo Burlando	Presa S.p.A.	Director
	Mutui On Line S.p.A.	Regular auditor
	Yarpa Investimenti SGR S.p.A.	Regular auditor
	United Ventures S.p.A.	Director
York Dyckerhoff	Green Aqua Farming GmbH & Co. KG	CEO
	Garnelen Farm GVM GmbH & Co. KG	CEO
Elsa Fornero	Centrale del Latte di Torino S.p.A.	Director
Aldo Fumagalli Romario	SOL S.p.A.	Chairman and CEO
Linda Orsola Gilli	INAZ S.r.l.	CEO
Gianfelice Rocca	Tenova S.p.A.	Chairman
	San Faustin N.V.	Chairman
	Humanitas S.p.A.	Chairman
	Humanitas Mirasole S.p.A.	Chairman
	Allianz S.p.A.	Director
	Brembo S.p.A.	Director
	Cliniche Gavazzeni S.p.A.	Director
	Tenaris S.A.	Director
	Ternium S.A.	Director
Maurizio Sella	Banca Sella Holding S.p.A.	Chairman
	Banca Sella S.p.A.	Chairman
	Banca Patrimoni Sella & C. S.p.A.	Chairman
	Maurizio Sella S.A.p.A.	Chairman
	Finanziaria 1900 S.p.A.	Chairman
	Finanziaria 2006 S.p.A.	Chairman
	Selban S.p.A.	Chairman
	Finind S.p.A.	Director
	Sofise S.p.A.	Director
Compagnie Financière Martin-Maurel	Director	
Marco Weigmann	Società Reale Mutua di Assicurazioni Italiana Assicurazioni S.p.A.	Director
	Reale Immobili S.p.A.	Director
	Auchan Italia S.p.A.	Director
	Banca Reale S.p.A.	Director
	ASTM S.p.A.	Director

The appointment of the board of directors took place by slate voting, as specified in art. 13 of the bylaws.

Specifically, for the appointment purposes, two lists were deposited by the submittal deadline and under the terms provided by the bylaws:

- the one submitted by the controlling shareholders Fimedi S.p.A. and Presa S.p.A, jointly holders, at the list's submittal date, of 58.634% of the voting stock, from which all the directors were taken, except for the last mentioned in the list (Wolfgang Bauer), due to the fact that one of the directors must be appointed from the minority list as required by the bylaws ;
- the one submitted by a group of international and national institutional investors, which in total are holders of 1,296% of the voting stock, from which the director Oliviero Maria Brega was taken.

Both lists, complete with the documents required by Consob Regulation no. 11971/99, were deposited at the registered office and were made available to the public in accordance with the procedures and terms of the laws and bylaws.

The lists deposited with the list of their candidates as well as the outcome of the vote at the meeting are available on the company's website [www.buzziunicem.it](http://www.buzziunicem.it) Investor Relations section /Shareholders' Meetings.

The shareholders' meeting which appointed the board of directors in office authorised a partial derogation to the ban on competition provided by art. 2390 of the civil code, limited to the assumption of offices as director or general manager in subsidiary, associated or investee companies of Buzzi Unicem SpA, directly or indirectly controlled, or in companies controlled by the aforementioned associated companies of Buzzi Unicem.

Moreover the directors have been advised to inform the board of directors in the event they should take up such activities in other companies than the ones which are directly or indirectly controlled by Buzzi Unicem, in order to enable the board of directors to properly assess the situation and, if need be, inform the first useful shareholders' meeting on possible critical aspects, if any.

The board of directors in office until May 9, 2014, which ceased after the expiration of the term, was made up of 13 directors: Alessandro Buzzi (Chairman - executive), Enrico Buzzi (Vice President - executive), Veronica Buzzi (Vice President - non-executive), Michele Buzzi (Managing Director - executive), Pietro Buzzi (Managing Director - executive), Wolfgang Bauer (executive), Paolo Burlando (non-executive), York Dyckerhoff (non-executive - independent), Ester Faia (non-executive - independent), Aldo Fumagalli Romario (non-executive - independent), Gianfelice Rocca (non-executive - independent), Maurizio Sella (non-executive - independent) and Marco Weigmann (non-executive), all of them elected from the list submitted by the controlling shareholders Fimedi SpA and Presa S.p.A.

The board of directors, unanimously, has not deemed to issue guidelines with regard to the maximum number of positions as director or member of the statutory auditors' committee which could be held in other Companies listed on regulated markets, including foreign

markets, or in financial companies, banks, insurance companies and large companies, thinking that the single members of the board of directors would be the most fit to assess the engagements deriving from their other assignments in the above companies and their respective time availability.

The board of directors has also provided to assess the size, the composition and the functioning of the board of directors and its committees, as well as the number and functions of the Committees.

The self-assessment process was carried out through a specific questionnaire, filled in by the members of the board of directors. The results were submitted to the board of directors in the meeting held on November 7, 2014. Being in the first phase of the mandate, the self-assessment activity affected all areas of operation of the board in general; in the following years the self-assessment will take place by differentiated procedures, taking into account the work of the board.

The process especially touched the aspects relating to the size of the board, the proportion of executive, non-executive and independent directors and the expertise of the members (especially with regard to the assessment of the directors' professional characteristics, expertise - also managerial and international - gender and length of office) as well as some issues regarding the works organisation and the analysis of the board's internal committees. Based on the outcome of the self-assessment process, the board of directors, taking into account also the comments and recommendations ensuing from the questionnaire has deemed proper the size, composition and functioning of the board of directors and its internal committees. As for the previous term of office of the board of directors, no need has arisen to designate a lead independent director since the Chairman, although granted major management powers, as indicated further below, is not the main responsible officer for the management, such responsibility being subdivided among the different legal representatives with management powers and he is not the person controlling the company. Moreover, as of now, the majority of independent directors has not requested the appointment of the lead independent director.

The board of directors, following a proper evaluation, has deemed it not necessary to adopt succession plans for the replacement of executive-directors, if any.

### **1.3 *Independent directors***

The board of directors unanimously decided to apply the independence criteria required by the Code of Conduct, except for the criterion relating to the presence on the board for nine years out of the last twelve years. The board believes that the continued stay in the role of director not only does not affect independence, but rather permits the directors to acquire information and specific experience about the company which allow them to execute their functions as independent directors with great effectiveness and competence.

The board of directors, in the meeting held after the appointment and in today's meeting, has provided to assess, on the basis of the information supplied by the single directors and of the available information, the degree of independence of the directors themselves.



Following this assessment, 7 non-executive members (Oliviero Maria Brega, York Dyckerhoff, Elsa Fornero, Aldo Fumagalli Romario, Linda Orsola Gilli, Gianfelice Rocca, Maurizio Sella), have been classified as independent (and consequently the majority of the directors in office) in relation to the criteria stipulated by the Code of Conduct, as applied by the company.

Should the members of the board of directors change, the board of directors shall provide to assess the independence of each new member, on the basis of the information supplied by the same and of the available information, and shall communicate the results of the assessments to the market by means of the press release issued on the occasion of the meeting.

Moreover, directors Oliviero Maria Brega, Elsa Fornero and Gianfelice Rocca have the necessary criteria of independence as per joint provision of articles 147 ter, paragraph 4 and 148, paragraph 3sub-paragraph, of Legislative Decree no. 58/98.

Pursuant to the principles stated in the Code of Conduct, the independent directors met at least once in the year 2014 without the other directors.

The statutory auditors' committee, in the framework of the duties attributed to it by the law, has ascertained the correct application of the assessment criteria and procedure adopted by the board of director for evaluating the independence of its members. The result of such control is hereunder reported:

*"The statutory auditors' committee has ascertained the correct application of the criteria adopted by the board of directors to evaluate the independence of its members as well as the correct application of the related assessment procedure.*

*The committee deems that such assessment criteria and procedure are essentially and as a whole, consistent with the spirit and the letter of the Code of Conduct. Consequently, no objections are raised by the statutory auditors' committee".*

#### **1.4. Meetings of the board of directors**

In the year 2014, the board of directors met 7 times. The meetings had an average length of around 3 hours 15 minutes. Such length of time was deemed adequate and properly articulated with regard to the issues on the agenda, during the board of directors' self-assessment process.

In the year 2015 the board of directors is expected to meet 6 times, considering the meetings held till the date of this report.

In preparation of the meetings of the board of directors, the Chairman communicates the agenda and provides the directors with the documentation and information needed to enable them to make a knowledgeable and informed contribution to the board discussion. The related documents are sent by e-mail to the directors and the statutory auditors two or three days prior to the meetings, depending on the different items on the agenda. Such term was deemed adequate during the board of directors' self-assessment process. As a rule, the documents relating to the meetings of the board of directors held during the year 2014 were sent in the manner and within the time-limit here above mentioned.

Within the initiatives aimed at providing directors and statutory auditors with adequate knowledge of the business sector in which Buzzi Unicem operates, of the business dynamics and their evolution, as well as of the regulatory and self-regulatory framework of reference, the company, after the renewal of the mandate to the board of directors and the statutory auditors' committee, organized the board of directors meeting on November 7, 2014 at the production plant of Vernasca (Piacenza). In particular, after the meeting, the directors and statutory auditors attended a detailed tour of the plant during which the Chairman, the Managing Directors, the plant manager and the technicians in charge of the different production stages showed, including practical demonstrations, the entire production cycle as well as the various legal and regulatory aspects governing the activities, with particular reference to environmental and health and safety issues, the improvement of which is one of the main objectives of the company and the group.

Moreover, the board of directors' meetings are also attended by the heads of the concerned corporate functions, when the Chairman deems it proper or on request of one or more directors for an in-depth analysis of specific issues on the agenda. In 2014 managers in charge of the concerned corporate functions did attend the meetings of the board of directors. Pursuant to art. 15 of the bylaws, the board of directors is called by the Chairman or by one of the Vice Chairman, whensoever the same deems it proper or on request of a managing director or the majority of the board members.

The call is effected through a written notification sent at least five days prior to the scheduled date of the meeting, save urgencies.

### ***1.5 Role of the Chairman of the board of directors, of the Vice Chairman and of the Managing Directors***

The board of directors, in the meeting of May 9, 2014, following the appointments resolved by the ordinary shareholders' meeting of same date, provided to appoint Enrico Buzzi as Chairman (former Vice Chairman during the previous mandates) and to confirm Veronica Buzzi as Vice Chairman and Pietro Buzzi and Michele Buzzi as Managing Directors. The same board of directors assigned to the Chairman and the two Managing Directors the same powers as granted by the previous mandate, as below listed:

- powers to perform operations on securities and equity holdings, real estate, companies or lines of business, transactions and in general management activities up to an amount limit of euro 50 million with single signature and euro 100 million with joint signature with at least one among the Chairman or the Managing Directors. Moreover they are delegated the powers to perform financial and banking transactions (excluding transactions on futures and granting of sureties on behalf of third parties that are not subsidiaries or associated companies) up to an amount limit of euro 100 million euro with single signature and of euro 200 million euro with joint signature with at least one among the Chairman or the Managing Directors.

The delegated bodies are also vested with the function of establishing the organisational, administrative and accounting structure of the Company and the Group.

As of now, no situation exists in which the Managing Directors or other directors with delegated powers hold the position of director in another listed company not belonging to the group whose chief executive officer is another Buzzi Unicem's director.

Moreover, the board of directors in its meeting of May 9, 2014, assigned to the Chairman, within the powers delegated to him, the following duties:

- operational coordination of ready-mix concrete operations;
- executive supervision of group's Mexican operations;
- group's foreign operations operational coordination.

The same board of directors of May 9, 2014 assigned to Director Paolo Burlando the following duties:

- assistance to the managing directors for international development projects and initiatives concerning group's operations;
- representation in group's associated companies, also abroad;
- co-ordination of the corporate and financial extraordinary transactions.

Pursuant to art. 21 of the bylaws the Chairman, the Vice Chairman and the Managing Directors have the legal representation of the company.

As provided by art. 15 of the bylaws in force the Chairman and the Vice Chairman are assigned the power to call the board of directors' meeting.

The Chairman moreover shall preside the meetings of the board of directors and act as moderator.

The decision to grant management powers to the Chairman stems from the special competence, standing and expertise of the same in relation to the group's activities and based on the fact that, nevertheless, the board of directors believes that the transfer of powers to the chairman does not negate either the guarantee function that the same holds or the debate within the board itself.

## **2. *Internal Committees of the board of Directors***

### **2.1 *Nomination Committee***

The board of directors, after proper evaluation, has deemed, unanimously, not to establish a nomination committee on the ground of the company's highly concentrated shareholding and considering that both the role and high standing of the independent and non-executive directors and the board of directors' self-assessment process enable it to fulfil the tasks the Code of Conduct assigns to the Nomination Committee, especially in light of the composition of the new board of directors, of which the majority of its members is represented by independent directors.

The board of directors hopes that the proposed candidates will be identified for their professional experience and qualifications as well as for their independence of judgement and assessment and however, based on the results of the self-assessment, has decided to express its opinion (published as part of the explanatory memorandum for the meeting to appoint the board of directors held on May 9, 2014) on the professional figures whose presence inside the board of directors is deemed proper.

Moreover, as previously stated, the board of directors has deemed it not necessary to adopt succession plans for the replacement, if any, of executive-directors.

## ***2.2 Remuneration of Directors and Managers with strategic duties and remuneration Committee***

The board of directors, in the meeting held on the date of this report, also following the changes introduced by the Code of Conduct in July 2014, finally modified the policy for the remuneration of the directors and managers with strategic duties. Buzzi Unicem's remuneration policy aims at attracting, keeping and motivating qualified people having skills and expertise adequate to the management requirements of the company or the group to which the company belongs. This aim is pursued in a logic of cautious management and sustainability of costs and results over time and with a view to aligning the management interests with those of the company and the shareholders so as to create value over the medium-long term.

The guidelines of Buzzi Unicem's remuneration policies are reported here below, such as resulting from the amendments made by the board of directors held on the date of this report. For further information, please refer to the information contained in the Remuneration report pursuant to art. 123 ter of T.U.F.

### ***Board of Directors, non-executive Directors and Statutory Auditors' Committee***

The board of directors' remuneration is established by the general shareholders' meeting and within the board of directors it is equally subdivided among all the directors, allotting a double share to the Chairman by virtue of the general function of representation assigned to him and with the exception of the Managing Directors who are remunerated in their capacity of employees of the company,

The remuneration of the non-executive directors is independent of the economic performance of Buzzi Unicem. Moreover the non-executive directors are not recipients of share incentive plans.

The remuneration of the Chairman and the Vice-Chairmen of Buzzi Unicem SpA who are entrusted with special duties, as well as that of the Directors with special tasks or called to be members of Committees, is resolved by the board of directors upon independent directors' proposal and subject to the opinion of the Statutory Auditors' Committee.

The Statutory Auditors' remuneration is determined by the shareholders' general meeting as a fixed amount for the duration of the assignment, plus reimbursement of expenses incurred during the assignment.

### ***Executive Directors and other Managers with strategic duties***

The two Buzzi Unicem SpA's Managing Directors are paid in their capacity of executives employed with the company and they also receive fees related to positions held in subsidiaries. Overall, the Managing Directors' remuneration does not exceed the average market level for companies of similar size and structure.

The remuneration of the Managing Directors and of the other Managers with strategic duties identified since January 1, 2014 in the Managing Director and the General Manager (where

appointed) of the subsidiaries Dyckerhoff, RC Lonestar and Alamo Cement Company, in the heads of Buzzi Unicem Corporate Managements that have coordination and control functions within the group (Manager responsible for the preparation of the financial reports, Finance and Treasury, Quality Assistance & Sustainability) comprises a prevailing fixed portion and a variable portion linked to the company's financial results and for the other Managers with strategic duties also to the achievement of single targets.

The fixed portion is sufficient to remunerate the services of the Managing Directors and the other Managers with strategic duties, should the variable portion not be paid due to failure in achieving the targets linked to such portion. Maximum limits are set for the variable portion of the remuneration.

The remuneration variable portion of the Executive Directors and the other Managers with strategic duties is based on a Management by Objectives (MBO) mechanism, as follows:

- the variable component is objective, not discretionary, and it depends on the achievement of annually pre-fixed corporate targets (in part referred to as a two-year calculation basis) and related to other corporate efficiency indicators, and for the other Managers with strategic duties also of single targets, each with a different weight, the measurable economic ones prevailing;
- for each of the single or corporate targets, a minimum threshold exists, under which the variable remuneration is not due and, similarly, a maximum threshold is set.

In particular, the individual targets of the Manager responsible for preparing the financial reports and the Head of Internal Audit are consistent with the functionality of the respective areas of responsibility.

The fixed portion of the remuneration of the Managing Directors and the other Managers with strategic duties is prevailing over the variable one so as to ensure the consistency of the remuneration policy with the aim of pursuing the company's long-term interests as well as with a proper management of corporate risks.

The variable portion of the Managing Directors and of the other Managers with strategic duties is regulated by monetary way.

The payment of the variable portion is made after the approval of the financial statements referring to the year in respect of which the variable portion is accrued. A further postponement is not provided in view of the fact that the company management is a stable expression of the controlling shareholders and represents a direct part in social management, ensuring the alignment of interests between management and shareholders after a complete evaluation of the medium to long term risks.

To the extent required by applicable regulations and collective agreements, the variable portion of the remuneration is subject to refund, in whole or in part, to the company that paid it, in case it was calculated on the basis of data that proved thereafter to be clearly erroneous. Nevertheless, the refund is provided only in case the erroneous figure, on the basis of which the variable portion of the remuneration was calculated, deviates from the correct value by more than 5%.

Nevertheless the refund of the variable portion of the remuneration is provided in every case in which it was calculated on the basis of fraudulent behaviour ascertained, without prejudice to other remedies available to the company under law or contract.

At present no stock-based remuneration plans exist for directors or employees.

No special indemnities are provided in the event of earlier termination of directorship or failure of renewing it or earlier termination of the employment relationship. The local law provisions apply, such as the severance indemnity and what provided by the respective collective agreements for permanent workers.

The board of directors has unanimously decided not to establish a remuneration committee since the role and high standing of the independent and non-executive Directors enable, during the board's meetings, a reliable and independent analysis about the policy for the remuneration of the Managing Directors and the other Managers with strategic duties. Moreover, as mentioned, the proposals for the remuneration of the executive Directors and Directors entrusted with special duties are submitted to the board of directors by the independent directors, who, above all, in the composition of the new board of directors represent the majority of its members.

### **2.3 Control and Risk Committee**

The board of directors, in the meeting of May 9, 2014, following the renewal of the corporate bodies, renewed the appointments of the control and risk committee, setting the number of members at 3, in the persons of the independent directors Maurizio Sella, Chairman, and Aldo Fumagalli Romario and of the non-executive director Paolo Burlando. With such a composition the committee is guaranteed an adequate experience in accounting and finance. The Control and Risk Committee is entrusted with the advisory and propositional duties provided by the Code of Conduct. As provided by the Regulation, the control and risk committee is charged with the task of supporting, through a proper preliminary investigation, the assessments and decisions of the board of directors regarding the internal control and risk management system as well as those concerning the approval of the periodical financial reports.

As part of the activity of supporting the decisions of the board of directors, the control and risk committee has been charged with the task of providing the board of directors with the prior opinion on the performance of the duties assigned by the Code of Conduct as regards internal control and risk management.

The committee's opinion shall be prior and binding in case of decisions regarding the appointment, revocation, remuneration and resource assignment of the head of the internal audit function.

Specifically, in supporting the board of directors the committee shall,:

- assess, together with the manager responsible for preparing the company's financial reports and after consulting the auditing firm and the statutory auditors' committee, the

- proper application of the accounting principles and their consistency for the purpose of drawing up the consolidated financial statements;
- express opinion on specific aspects concerning the identification of the main corporate risks;
  - examine the periodic reports regarding the assessment of the internal control and risk management system and the most important ones prepared by the internal audit function;
  - monitor the independence, adequacy and effectiveness and efficiency of the internal audit function;
  - request, if need be, the internal audit function to carry out inspections on specific operational areas, informing at the same time the chairman of the statutory auditors' committee;
  - report to the board of directors on its activity as well as on the adequacy of the internal control and risk management system, at least once every six months, on the occasion of the approval of the full-year and half-year financial reports as well as at the end of its term of office for the period elapsing between the latest report and the end of its term of office.

Moreover, the Committee shall:

- express its opinion on the actions not provided for by the audit plan and suggested by the officer appointed to run the internal audit in order to solve possible lacks of information or operational deficiencies and to take the corrective measures to remove anomalies, as they are identified and proposed.
- express, upon request of the board of directors, and after consulting the statutory auditors' committee, its opinion on the consultancy assignments entrusted to the auditing firm different from the one of account auditing;
- examine the frauds, if any, which might have been reported by group structures involving major positions in respect of the internal control and risk management system and express the suitable suggestions;
- carry out those additional preliminary investigations which the board of directors deems it useful to assign specifically for single occurrences or on a periodical or continuous basis.

As part of its functions, the Committee shall be entitled, inter-alia, to access the corporate information and departments necessary for the performance of its duties as well as, within the limits set by the board of directors, avail itself of external consultants that would directly report to it, in case specific knowledge and expertise are required which are not peculiar to the committee's members.

The meetings of the control and risk committee, duly recorded, are usually attended also by the Chairman of the Statutory Auditors' Committee or another statutory auditor appointed by him, in addition to other persons, as the committee deems it useful based on the issues on the agenda.

The control and risk committee, during the year 2014, met 7 times. The meetings had an average length of around 1 hour and 30 minutes. In the framework of the meetings, the control and risk committee availed itself of the cooperation of the corporate functions deemed each time relevant, also to gather specific information. The Director in charge of the internal control and risk management system has always attended the meetings.

In the year 2015 the control and risk committee will meet 7 times. As at the date of this report, the committee has already met 3 times.

#### **2.4 Committee for related party transactions**

The board of directors, in its meeting of November 11, 2010, following the adoption of the Procedures on related party transactions, established the Committee for related party transactions, in charge of issuing the necessary recommendations required by Consob Regulation no. 17221/2010 as amended.

The board of directors, in the meeting of May 9, 2014, following the renewal of the corporate bodies, renewed the appointment of the Committee for related party transactions, confirming as regular members the independent directors Maurizio Sella, Chairman and Aldo Fumagalli Romario and appointing as a regular member the independent director Elsa Fornero.

For additional information please refer to paragraph 4.1 below.

### **3. Internal control and risk management system**

#### **3.1 Description of the key features of the internal control and risk system**

The Internal Control and Risk Management System consists of the set of rules, procedures and organisational structures aimed at identifying, monitoring and managing the main risks. Such a system is integrated in the more general organizational structure and corporate governance adopted by Buzzi Unicem and based on the models and best practice in place nationally and internationally. It contributes to:

- promoting the efficiency and effectiveness of the business processes enabling an adequate management of the risks which might hinder the attainment of the company's business targets;
- ensuring the reliability of the financial information, of the internal and external reporting system through use of processes, procedures and systems which can generate a flow of reliable information both inside and outside the company;
- ensuring compliance with laws, rules, bylaws and internal procedures;
- safeguarding corporate assets and resources from inappropriate or fraudulent use or loss;

The internal control and risk management system based on the national and international best practices is organized on the following three degrees of control:

- 1st level: the operational functions perform "line" controls;
- 2nd level: the operational and administrative central functions perform also controls and risk assessments, apply methods and instruments to ensure the process regularity. They are responsible of and monitor the risks in their respective area of competence;



- 3rd level: the Internal Audit function verifies the structure and operability of the whole system.

The board of directors in the meeting of August 3, 2012, also in compliance with the provisions introduced by the Code of Conduct in 2011, approved the "Guidelines for the Internal Control and Risk Management System" which provide a description of the roles and responsibilities of the entities involved in the internal control and risk management system as well as the identification of the level of risks deemed consistent with the group's strategic objectives.

The board of directors has the ultimate responsibility of the internal control and risk management control and performs the functions as per art. 7.C.1. of the new Code of Conduct, with the help of the following corporate bodies identified within the board:

- the control and risk committee, which is entrusted with the functions as per paragraph 2.3. here above;
- the director in charge of the internal control and risk management system, identified in the group's Chief Executive Finance, Pietro Buzzi, who is entrusted with the functions as per art. 7.C.4. of the Code of Conduct, in addition to the task of proposing to the board of directors the appointment, revocation and compensation of the head of the Internal Audit function.

Within the internal control and risk management system a decisive role is played by the function of Internal Audit. The above mentioned guidelines approved by the board of directors confer to the head of the Internal Audit function that has been confirmed in the person of Marco Fabruzzo, the functions as per art. 7.C.5. of the Code of Conduct. As stated by International Standards, the Internal Audit function performs its functions by virtue of a specific power assigned by the board of directors with the aim of defining the objectives, the organizational structure, the reliability, the reporting duties and requirements of the Internal Audit function.

The officer in charge of the Internal Audit function is not responsible for any operational areas and reports directly to the board of directors, and within the objectives of designing, implementing and managing the internal control and risk management system, constantly communicates with the Director responsible for the internal control and risk management system, without prejudice to the mutual independence of the respective functions.

The remuneration of the Head of Internal Audit has been approved by the board of directors at its meeting of March 27, 2014, following the favorable opinion of the Control and Risk Committee.

The identification and management of the main risks is based on a Risk Management system implemented in the parent Buzzi Unicem SpA and the major subsidiaries, through which, on a half-year basis, the main risks are analysed and recorded.

In addition, the board of directors shall approve annually the group audit Plan prepared by the head of Internal Audit, after consulting the statutory auditors' committee and the manager in charge of the system of internal control and risk management. The plan for 2014 was

approved by the board of directors at its meeting on February 7, 2014, while the plan for 2015 was approved at the meeting held on February 10, 2015.

The board of directors, in the meeting held on the date of this report, upon prior favorable opinion of the control and risk committee, has assessed the group's organizational structure as adequate and effective, especially as regards the internal control and risk management system.

In addition, during the year 2014, also in response to organizational changes due, among other things, to the delisting of the subsidiary Dyckerhoff, the board assessed the organizational structure of the company and the group, thus also approving the revision of the identification of managers with strategic responsibilities.

Within the scope of the control system, the board of directors adopted the Organization, Management and Control model pursuant to legislative decree 231/01, of which the Code of Conduct is an integral part.

The Supervisory body has been identified in the Internal Audit function.

The Model and the Code of Conduct are constantly updated so as to include the new criminal offences and identify the relevant sensitive processes.

An outline of the features of the Model and the Code of Ethics, where the cases of offenses relevant for the Company are indicated, are available on the Company's website [www.buzziunicem.it](http://www.buzziunicem.it) Investor Relations section/corporate governance.

### **3.2 Main features of the internal control and risk management system in place in relation to financial reporting**

#### **3.2.1 Introduction**

As described, Buzzi Unicem's internal control and risk management system consists of a set of rules, procedures and organizational structures which, through an adequate process of identification, assessment, management and monitoring of the main risks, aims at allowing a sound and effective management of the company, consistent with the objectives set, ensuring the safeguard of the corporate assets, the efficiency and effectiveness of the corporate transactions, the reliability of the finance reporting and the compliance with laws and regulations.

The internal control and risk management system, as outlined, has thus a broad meaning: it is not limited to the simple accounting controls and financial reporting, but includes other key aspects of the business, such as the safeguard of resources, the operating efficiency and effectiveness, as well as the compliance with the corporate law, rules and policies.

In Buzzi Unicem, the Board of Directors is ultimately responsible for the internal control and risk management system and to this purpose it has established the Control and Risk Committee, identified the Director in charge of supervising the functionality of the internal control and risk management system and appointed the head of Buzzi Unicem's Internal Audit function.

As for financial reporting, the company has appointed the manager responsible for preparing the company's financial reports and has charged the Internal Audit function with the task of

checking the compliance with the operating and administrative internal procedures, established in order to ensure a reliable, sound and timely financial reporting.

In laying down its internal control and risk management system, Buzzi Unicem has referred to the guidelines of COSO, Committee of Sponsoring Organizations of the Treadway Commission, adapting the same to its organizational situation.

As a section of the previously defined internal control and risk management system, it is thus possible to identify and extract a set of rules, procedures and structures aiming only at the management, preparation and control of financial reporting.

This section of the internal control and risk management system, made up of rules and procedures, has been designed and implemented in two steps.

Initially Buzzi Unicem has adopted control tools called "entity level controls" which describe and assess the risks and controls at company or group's level. They are periodically updated to account for the changes in risks and internal control environment. This environment encompasses the "Code of Conduct", the "Code of Ethics", the "Organizational Model ex Legislative Decree 231/01" and the high level procedures such as "Financial Closing", "Financial Investment Policy", "Non-routine transaction accounting" "Preparation of the management Report" "Procedures for transactions with related parties", "Operating Instructions to subsidiaries ex Law 262/05". In this context Buzzi Unicem implemented and distributed to the subsidiaries the group's "Accounting Manual". Similarly, general controls on the Information System Governance have been provided for as well as an e-mail box for the employees to report possible infringements of the Code of Ethics and a "system of risk assessment and management" which complete the internal control environment.

At operating level, Buzzi Unicem has thus formalized a set of procedures aimed at governing the activities of the company's main managements and production units. The procedures which refer to processes affecting different managements, such as Purchasing or Sales, also for the administrative aspects, are monitored and updated by the Internal Control upon indication by the concerned Managements. Lower level procedures and operating instructions, issued by Managements, functions or production units, govern in detail the single activities.

Subsequently, and specifically for financial reporting, this section of the internal control and risk management system has been completed by introducing a set of risk and control matrices, reporting the risks, controls and tests for the main corporate processes. The matrix structure stems from the international best practices and the control identification is structured based on the potential risk level on the respective process. Risk and control matrices are monitored and updated by the Internal Audit jointly with the Legal Affairs and Administration Management.

The entity level controls, the procedures and the control matrices are thus geared to achieve reliable, sound and timely financial reporting.

### **3.2.2 Description of the main features of the internal control and risk management system in place in relation to financial reporting**

#### **Stages of the internal control and risk management system in place in relation to financial reporting**

##### Identification of risks on financial reporting

Buzzi Unicem is a group operating through a lot of subsidiaries, not only in Italy but also in different foreign countries. Given the group's complexity and the existence also of small-size companies, in the first stage, which is carried out at the beginning of each year, the group's relevant companies must be identified.

The process to determine the scope of the companies and of the "relevant" processes for their potential impact on the financial reporting aims at identifying, with regards to group's consolidated financial statements, the balance sheet accounts, subsidiaries and accounting and administrative procedures that are to be considered as relevant, based on assessments made using qualitative and quantitative parameters.

Specifically, such parameters are set by:

- determining the quantitative threshold values by which to compare both the accounts concerning the consolidated financial statements and the related contribution of the subsidiaries within the group;
- making qualitative assessments based on the knowledge of the company's situation and of the existing specific risk factors that the accounting and administrative procedures entail.

To the balance-sheet accounts classified as relevant are linked the underlying corporate processes in order to identify the controls suited to achieving the objectives of the internal control and risk management system for financial reporting.

In the second stage the significant processes are identified, which might have a material impact on financial reporting, and consequently are to be periodically tested. For the companies which are relevant under the quantitative aspect, the significant processes identified are as follows: Assets, Financing and other financial assets, Information Systems, Equity investments, Inventories, Goods and Services Purchasing, Sales, Treasury, Tax, Personnel, Financial Reporting. The same companies are subject, on a three-year basis, to specific tests on the functioning of the internal controls. The Legal Affairs and Administration Management and the Internal Audit identify the processes to submit to test on an annual basis, thus all processes are tested at least once every three years. For some companies not included in the scope, but significant for typically qualitative aspects, some specific control checklists are completed which highlight, for the main processes, the internal controls implemented and the potential weaknesses, if any, to set right. To perform the tests, operating instructions are sent every year to the CFO of the main subsidiaries indicating the procedures to submit to updating analysis and functioning test. Procedures and control matrices are filed in a single database with the parent Buzzi Unicem.

##### Risk assessment on financial reporting

The matrices report, for each process, the control principles which highlight the main risks that would jeopardize the achievement of the objectives of accuracy, reliability and timeliness of financing reporting.

A “control principle”, if applicable to the processes analyzed, implicitly highlights the risk of error or fraud on financial reporting.

*Identification and assessment of controls against identified risks*

Within the matrices, the further step is represented by the identification of the control objective and by the description of the specific control implemented. As for the controls identified to respond to the most significant risks, specific testing methods have been adopted with broader sampling.

In Dyckerhoff’s group the internal control and risk management system have additional specific features. In compliance with the introduction in the German laws of the adjustments to the 8<sup>th</sup> EU Directive, in 2009 Dyckerhoff integrated its internal controls, the risk management system and its Internal Audit in a single IICS System, called integrated internal control system. As already reported for Buzzi Unicem, the IICS covers also the risk management and internal control in place in relation to financial reporting. A “scope definition” has been carried out through the identification of three groups of companies in relation to their relative importance and having the same extent of internal controls. Subsequently, the significant processes are identified, which might have a material impact on financial reporting, such as Purchasing and Inventories, Production, Sales, Human Resources, Treasury, Tax Management, Fixed Assets, preparation of Statutory Financial Statements, preparation of Consolidated Financial Statements, Information Systems, Governance, Insurances. The internal control and risk management system, assisted by a specific software, provides that the same operating personnel of the specific process perform a set of partly automatic and partly manual tests. During this self-assessment, the operating personnel must test the completeness and effectiveness of internal controls, documenting the work done. When this work is over, Dyckerhoff’s Internal Auditing checks the tests performed on the basis of its own sampling. The companies identified in the scope and the significant processes are every year checked, together with the parent Buzzi Unicem’s Internal Auditing, to assess their consistency and compliance with the guidelines of law 262/05.

On the basis of the schedule defined with the Officer in charge and the operating instructions sent every year, the local Internal Audit structures, as here below specified, as well as the parent Buzzi Unicem’s Internal Auditing, provide to update the procedures and the control matrices, in relation to the level of risk corresponding to each single process or part of it. The local Internal Audit functions and the parent company’s Internal Auditing for Buzzi Unicem and the other subsidiaries perform, during the year, the tests on the selected processes. Quarterly, each local auditing structure sends to the parent company a report which outlines all the activities performed in the period, included the one related to the typical tests of financing report. In the quarterly report the potential weaknesses found, if any, are highlighted as well as the corrective actions to take, if already identified. The completeness and reliability of the tests performed by the local audit functions, as well as the corrective actions to the

potential weaknesses are periodically checked directly by the parent company's Internal Auditing at the foreign subsidiaries' offices.

Consequently, through both the tests on the above significant processes (Assets, Inventories etc.) underlying the accounting entries and the checks on the continuous and proper application of the procedures "Financial Closing", Financial Investment Policy" "Non-routing transactions Accounting", Preparation of the management Report" and "Procedure for transactions with related parties", the risks of both non-intentional error and fraud which may affect financial reporting are brought under control.

#### **Roles and functions involved**

The parent company's Internal Auditing quarterly prepares a Report which includes for Buzzi Unicem and all the subsidiaries, the summary of the required adjustments to the procedures and the results of the test activities with the potential weaknesses found and the corrective actions suggested. The report is sent to the Chairman of the Board of Directors, to the Director in charge of supervising the functionality of the internal control and risk management system, to the Statutory Auditors' Committee, to the Control and Risk Committee and to the Manager responsible for preparing the company's financial reports and is being evaluated during specific meeting which are quarterly held by the same bodies.

Moreover, on an annual basis, once the testing activity on the procedure "Financial Closing" has been completed, the parent company's Internal Auditing prepares an additional report on the specific potential weaknesses related to financial reporting and send it to the Director in charge of the internal control and risk management system and to the Manager responsible for preparing the company's financial reports. The report outlines all the control activities performed throughout the year on the application of administrative and accounting procedures and the related test implemented. For the Italian and foreign companies, the same report certifies the reliability of the internal control and risk management system or the existence of anomalies, if any, such as to require a broader sampling, or of significant weaknesses in the administrative and accounting procedures or in the financial statements. On an annual basis as well, once the updating and testing activities locally performed have been completed, the foreign sub-holdings (Dyckerhoff, RC Lonestar, Alamo Cement Company and Corporación Moctezuma) send to the Manager responsible for preparing the company's financial reports a statement, signed by the CEO and the CFO. In this statement they confirm that the procedures for the preparation of their financial statements are adequate and have been effectively applied. They also certify that the financial statements comply with the international financial reporting standards, they correspond to the results, documented in the books and the accounting records and they provide a true and correct representation of the financial conditions, results of operations and cash flows, highlighting the weaknesses identified, if any. Similar statements are issued with reference to the half-year interim financial report.

The general structure of the bodies in charge of the internal control and risk management system is organic, well-balanced and present in the different countries of group's operations. In the parent company, the Director in charge of supervising the functionality of the internal control and risk management system and the Manager responsible for preparing the

company's financial reports monitor, through the head of the Internal Auditing, also in his capacity of Supervisory Body ex Legislative Decree no 231/01, and certify that the administrative and accounting procedures for the preparation of the financial statements are adequate and have been effectively applied. The head of the Internal Audit function, together with the parent Buzzi Unicem's structure, updates the procedures, the control matrices and perform the tests for the Italian operations, monitors and coordinates the activity of the different foreign functions in relation to the procedures adjustments, the control matrices and the testing activity. A symmetrical structure exists in the four foreign sub-holdings Dyckerhoff, RC Lonestar, Alamo Cement Company and Corporación Moctezuma. As already reminded, the local CEO and CFO monitor and certify to the Italian parent company that the administrative and accounting procedures for the preparation of the financial statements are adequate and have been effectively applied. In the subsidiary Dyckerhoff, the Auditing Officer performs the tests also for the companies in Germany, Luxembourg, the Netherlands and Eastern Europe (Poland, the Czech Republic, Slovakia, Ukraine and Russia). To complete the local presence, structures have been set up in the following countries: Ukraine, the Czech Republic, USA, Mexico. These structures complete the Internal Audit activity performed centrally and cover respectively the following countries:

- Ukraine: associated companies in Russia and Ukraine
- The Czech Republic: associated companies in the Czech Republic and Poland
- USA: associated companies in the United States of America
- Mexico: associated companies in Mexico

Following the organizational changes occurred within the group, specifically with regards to the purchase of the 100% of Dyckerhoff's share capital and the subsequent delisting, the company provided to adjust the organizational structure of the Internal Audit function. The Board of Directors of 7 February 2014, within the approval of the Charter of Internal Auditing, streamlined the organizational structure of the Internal Audit function. Specifically, as from February 2014, the local Internal Audit functions functionally refer to the Responsible Officer of Buzzi Unicem Internal Auditing. Local Internal Audit functions have been set up in Dyckerhoff for German, Luxembourg and Dutch operations, in TOB Dyckerhoff for Ukraine and Russia, in Cement Hranice for the Czech Republic, Slovakia, Poland and Hungary, in Buzzi Unicem USA for the United States of America and in Corporación Moctezuma for Mexico. The local function of Internal Auditing in Dyckerhoff coordinates the activities of the local functions in TOB Dyckerhoff and Cement Hranice.

#### **4. Company's procedures**

##### **4.1 Procedures for related party transactions and directors' interests**

Pursuant to Consob Regulation no. 17221/2013 as amended, the Board of Directors of Buzzi Unicem SpA, in the meeting of November 11, 2010 - following the favorable opinion unanimously adopted by a Committee of independent directors especially formed to release such an opinion - adopted , effective as from January 1, 2011, the Procedures for related party transactions (hereinafter the "Procedures") aiming at ensuring substantial and

procedural fairness of related party transactions, which replace the procedure for related party transactions already adopted by the company in March 2003 and amended in March 2006.

The Procedures were revised in the second half of 2013 and the Board of Directors of 8 November 2013, following the favorable opinion unanimously adopted by the Committee for related party transactions, resolved not to make any substantial amendment to the Procedures.

Subsequently, the Board of Directors of 7 February 2014 upon the favorable opinion unanimously adopted by the Committee for related party transactions, resolved to adjust the scope of related parties to make it consistent with the redefinition of managers with strategic duties based on the group's new organizational structure adopted following, inter alia, the delisting of the subsidiary Dyckerhoff.

The Procedures, after having identified Buzzi Unicem's related parties pursuant to the definition contained in Consob Regulation, regulates the way to define and approve related party transactions based on their category.

Specifically, the transactions of "greater importance", identified as those which exceed the parameters provided by Consob Regulation, shall previously be approved by the Board of Directors, following the favorable opinion of the Committee for related party transactions, without prejudice to the possibility, in case of unfavorable opinion of the Committee, to approve such transactions provided that the same are authorized by the ordinary shareholders' meeting through the so called "whitewash" procedure. Moreover, in relation to transactions of greater importance, the company is required to make an information document available to the public.

The other transactions, unless they should fall within the residual category of transactions of smaller amounts – i.e. transactions for an amount equal or lower than 1,000,000 euro – are defined as "of lesser importance" and may be carried out following the reasoned, non binding opinion of the above committee. Transactions of lesser importance concluded despite the unfavorable opinion of the Committee, require the quarterly release of a document containing an indication of the counterpart, the object and the consideration of the transactions.

To this purpose, the Board of Directors appointed a single Committee for transactions with related parties, in charge for the release of the required opinions both on transactions of greater importance and on transactions of lesser importance. The committee is made up of three independent directors, as regular members, and of two independent and/or non-executive directors, as alternate members. Procedures provide for a system of automatic replacement of the regular members by the alternate members, should one or more of the regular members be a "related director" in connection with the transaction on which the Committee is asked to express opinion, so as to ensure the proper composition of the committee in relation to the category of transactions on which the opinion is asked (presence of at least two independent directors and one non-executive director of the transaction of lesser importance and presence of three independent directors for the transactions of greater importance). Should the proper composition of the committee not be possible, the opinion on



transactions of both greater importance and lesser importance shall be issued by the non-related independent board members or, failing that, by a non-related independent expert.

The above mentioned procedures apply also to the preparation by the Board of Directors of resolution proposals to submit to the shareholders' meeting in connection with related party transactions pertaining to the shareholders' meeting, as well as related party transactions carried out by the parent company Buzzi Unicem in case they are submitted to the approval or the prior consideration of Buzzi Unicem's competent bodies.

Moreover the Procedures identify the cases which the procedures do not apply to, including specifically transactions of smaller amounts, resolutions on remuneration of executives with strategic responsibilities, regular transactions completed in market-equivalent or standard terms, transactions with or among subsidiaries and associated companies, provided that they do not involve significant interest of other company's related parties.

Finally the Procedures have identified the amendments to the bylaws required for an effective application of some of the rules provided by the Procedures, especially in relation to the shareholders' meeting competence and to some exemptions adopted. Such amendments to the bylaws were approved by the extraordinary shareholders' meeting held on May 13, 2011.

As regards the situations in which a director is bearer of an interest on his behalf or on behalf of third parties, the Procedures confirm what already provided by the previous procedure in relation to the manner to inform the board of directors and the statutory auditors' committee about the nature, terms, source and scope of the interest leaving to the discretionality of the concerned directors to abstain from the discussion and the voting on resolutions in relation to which they bear a specific interest.

The Procedures are available on the company website, [www.buzziunicem.it](http://www.buzziunicem.it) Investor Relations section/Corporate Governance.

#### **4.2 Reporting to the board of directors and disclosure of confidential information**

As stated, in compliance with the bylaws in force, the executive directors at least quarterly provide the board of directors and the statutory auditors' committee with adequate information on the activities performed in the exercise of their powers, and on transactions having a significant impact on the company's profitability, assets and liabilities or financial position carried out by the company or by the subsidiaries, especially on those in which they have a personal interest or an interest on behalf of third parties and those influenced by the subject that may exercise the activity of management and co-ordination activities.

The board of directors, in the meeting of March 30, 2006, approved the Manual on market abuse and inside information which sets out the procedures and systems the group adopted in relation to the disclosure of inside documents and information concerning the company (namely the procedure for the disclosure of inside information adopted on March 27, 2002), updated in compliance with Consob regulations on Market Abuse.

This procedure, specifically, identifies in the Managing Directors the entities responsible for managing and handling inside information concerning the company and the group. They shall

be assisted by the Legal Affairs and Administration (Affari Legali e Amministrazione) and Investor Relations' functions in all activities of corporate communication.

Moreover, after reporting the notion of inside information and the consequences deriving from the breach of the rules on market abuse, the Manual sets forth the method to identify inside information within the group and the procedures to follow in order to ensure the proper flow and the external communication.

The Manual regulates the preparation, maintaining and updating of Insider Lists which the group adopted effective as from April 1, 2006, pursuant to Consob Regulation no. 11971/99.

#### **4.3 Procedure on Internal Dealing**

The board of directors, in the meeting of March 30, 2006, in compliance with the new provisions introduced by the amendments to Consob Regulation no 11971/99 following the Market Abuse Directive, adopted a new Procedure on Internal Dealing and consequently cancelled the Code of Conduct on Internal Dealing, adopted on November 12, 2002, pursuant to art. 2.6.3, title 2.6 of the Rules of the Markets organised and managed by Borsa Italiana SpA.

This procedure (effective as from April 1, 2006), after identifying the "Significant Persons" and the financial instruments concerned, reflects the rules and regulations provided on Internal Dealing.

Moreover Buzzi Unicem fulfils the communication obligations on behalf of directors, statutory auditors and other "significant" managers as well as at the holding companies, upon previous agreement with the same.

#### **5. Relations with institutional investors and shareholders**

An officer has been designated for the relations with institutional investors and shareholders (Investor Relator) in the person of Agostino Pieressa who, following the guidelines laid down by the executive directors, has the task of establishing a continuous dialogue with the institutional investors and the shareholders. The board of directors deems that the function's structure is adequate for such purposes.

It is reminded that in compliance with the shareholders' meetings rules the Chairman can invite to attend the meetings experts, financial analysts and qualified journalists.

The company, in order to ensure a continuous and timely information to the shareholders so as to allow them an informed exercise of their rights, has established a specific section on its website [www.buzziunicem.it](http://www.buzziunicem.it), in which it makes available, among other things, the notices of shareholders' meetings with the procedure for the participation and the exercise of the voting rights, the documentation relating to items on the agenda of the shareholders' meetings, the lists of candidates for the positions of director and auditor with the candidates curricula, and the minutes of the shareholders' meetings.

Moreover, on the above-mentioned website, the bylaws and the shareholders' meeting rules are made available as well as the annual reports and the interim reports released according to the law and all press releases issued by the company.

Contact details of the Investor Relations' function are available on the company's website, Investor Relations section.

## **6. Shareholders' meetings**

The board of directors has laid down a set of rules to govern the conduct of the ordinary, extraordinary and special shareholders' meetings, guaranteeing the right of each shareholder to speak on the matters under discussion. These rules have been drawn up on the basis of the facsimile-model prepared by Assonime.

The Rules have been approved by the shareholders' meeting of May 11, 2001 and subsequently amended by the shareholders' meeting of April 30, 2004 to make them consistent with the new provisions introduced by the corporate law reform and by the shareholders' meeting of May 11, 2007 to make them consistent with the amendments introduced in the bylaws following the new Savings Law.

The rules are available on the company's website [www.buzziunicem.it](http://www.buzziunicem.it).

Neither the bylaws nor the shareholders' meeting rules provide rules different from those set by the applicable legislative and prescribed provisions in relation to the conduct of the shareholders' meetings, their main powers, the shareholders' rights and the way to exercise them.

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

The board of directors of May 9, 2014 appointed the manager responsible for preparing the company's financial reports, in the person of Silvio Picca, provided with the statutory requirements, throughout the board of directors' term of office, i.e. till the date of the shareholders' meeting called to approve the financial statements as at December 31, 2016.

## **8. Members of the Statutory Auditors' Committee**

The statutory auditors' Committee presently in office, following the resolutions of the ordinary general meeting of May 9, 2014 is made up of three regular auditors and two alternates, in the persons of:

Fabrizio Riccardo DI GIUSTO	-	Chairman
Mario PIA	-	Regular auditor
Paola Lucia GIORDANO	-	Regular auditor
Massimo CREMONA	-	Alternate
Margherita GARDI	-	Alternate

The auditors presently in office do not hold positions in other listed companies.

Attached to this report are the curricula of the regular auditors, which report an exhaustive information on their personal and professional features, as well as the statements they issued on their having the qualifications provided by the law and specifically the criteria of independence required by the regulations in force.

The appointment of the statutory auditor's committee took place by slate voting, as provided by art. 23 of the bylaws and last amended by resolution by the Extraordinary Shareholders'

Meeting of 10 May 2013 in order to introduce mechanisms aimed at guaranteeing that the distribution of statutory auditors to be elected be effected according to criteria that ensure the gender balance pursuant to art. 148 of T.U.F.

Specifically, for the appointment purposes, two lists were deposited by the submittal deadline and under the terms provided by the bylaws:

- the one submitted by the controlling shareholders Fimedi S.p.A. and Presa S.p.A, jointly holders, at the list's submittal date, of 58.634% of the voting stock, from which the auditors Mario Pia and Paola Lucia Giordano and the alternate auditor Margherita Gardi were taken (except for the candidate for the office of regular auditor Gianfranco Barzaghini and the candidate for the office of alternate auditor Roberto D'Amico);
- the one submitted by a group of international and national institutional investors, which in total are holders of 1,296% of the voting stock, from which both the proposed candidates were appointed, and in particular the Chairman of the statutory auditors' committee, Fabrizio Riccardo Di Giusto and the alternate auditor Massimo Cremona.

Both lists, complete with the documents required by Consob Regulation no. 11971/99, were deposited at the registered office and made available to the public in accordance with the procedures and terms of the laws and bylaws.

The lists submitted including the list of their candidates as well as the outcome of the vote at the meeting are available on the company's website [www.buzziunicem.it](http://www.buzziunicem.it) Investor Relations section /Shareholders' Meetings.

The statutory auditors' committee term of office will expire at the date of the shareholders' meeting convened for the approval of the financial statements as at December 31, 2016.

The statutory auditors' committee in office until May 9, 2014, ceased after the expiration of the term, was made up of 3 regular auditors and 2 alternates, in the same persons of Mario Pia, Chairman, Gianfranco Barzaghini and Giorgio Giorgi, regular auditors, Paola Lucia Giordano and Roberto D'Amico, alternate auditors, all elected from the list submitted and voted by the majority shareholders, since no minority lists were submitted.

Article 23 of the bylaws provides the following rules for the appointment of the statutory auditors' committee:

- a statutory auditors committee consisting of three regular auditors and two or three alternate auditors; minority shareholders can appoint one regular auditor and one or two alternate auditors;
- the possibility to submit lists by the holders of shares with voting rights representing at least the percentage required for the submission of lists of candidates for the appointment of the board of directors. Consob set this threshold at 1% of the voting stock for 2014 and 2015. If, by the submittal deadline as hereinafter indicated, only one list has been deposited or only lists submitted by shareholders linked among them pursuant to Consob Regulation no. 11971/99, the above threshold shall be reduced by 50%;
- the obligation to deposit the lists within the terms provided by the applicable regulations (the 25th day prior to the shareholders' meeting day, except when only one list is

submitted or only lists from by shareholders linked among them pursuant to Consob Regulation no 11971/99, in which case lists can be submitted within the deadline set for the purpose by Consob Regulation no. 11971/99, i.e. up to three days after that date). The lists shall be complete with (i) information about the identity of the shareholder and the percentage of shareholding, (ii) a statement by the shareholders other than the majority ones declaring the absence of links with the latter ones and (iii) an exhaustive information about the personal and professional features of the candidates;

- the obligation for the lists consisting of at least three candidates (computing both the section of candidates to the position of regular auditor and the section of candidates to the position of alternate) to include in each section, if consisting of at least two candidates, candidates belonging to different genders;
- a voting system such as to ensure the appointment of one regular auditor and one or two alternate auditors from the second list that has got the most votes after the majority list; in the case of a tied vote among more minority lists, the candidates are appointed from the list submitted by the shareholders having the greater equity interest or, subordinately, by the greatest number of shareholders;
- the replacement within the majority list of the last elected candidates belonging to the gender more represented by others belonging to the gender less represented, in the event a gender should be less represented than what provided by the regulations in force as a consequence of slate vote;
- the chair of the statutory auditors committee to the regular auditor appointed by the minority;
- a replacement system for the minority auditor such as to ensure in any case the presence of a regular auditor from the minority;
- in the event of termination during the term of office, the replacement in compliance with the regulations which ensure gender balance within the respective lists submitted and, failing that, the prompt call of the shareholders' meeting to restore the gender balance;
- in case only one list should be submitted, the shareholders' meeting shall resolve by the simple majority of votes and should this list obtain the majority of the votes, the candidates shall all be elected and the chair shall be due to the first candidate on the list;
- should it not be possible in whole or in part to appoint the directors according to the above rules, the shareholders' meeting shall resolve by the simple majority of votes, in compliance with the regulations in force, including the rules that ensure the gender balance.

Also during 2014, the statutory auditors' committee, in carrying out its activities coordinated with the Internal Audit and the Control and Risk Committee. Specifically, the Chairman of the statutory auditors' committee, together with the head of Internal Audit, attended all the meetings of the Control and Risk Committee, reporting then to the statutory auditors' committee; to some meetings of the Control and Risk Committee the entire statutory auditors' committee also participated. In addition, the statutory auditors' committee has held regular

meetings with the Head of Internal Audit, within which the audit activities carried out by the function were analyzed.

The statutory auditors' committee, in the first meeting after the appointment, checked the existence of the independence requirements of its members on the basis of the independence criteria required by the Code of Conduct referring to the independence of directors, as they are applied by the company and, therefore, with the removal of the criterion relating to the presence in the statutory auditors' committee for more than nine years out of the last twelve years.

Moreover the result of the assessment made by the statutory auditors' committee on March 20, 2015 on the continuing compliance with the independence requirements of its members is hereunder reported:

*"The statutory auditors' committee, has ascertained the correct application of the criteria which allow to qualify its members as independent, with respect also to the Code of Conduct as adopted by the company as regards the directors' independence requirements.*

Moreover, the statutory auditors' committee has monitored the independence of the auditing firm.

Finally, the statutory auditors' committee has complied with the principle by which an auditor who has an interest, either directly or on behalf of third parties, in a certain transaction of the company, he timely informs the other auditors and the chairman of the board of directors about the nature, the terms, origin and extent of his interests. To be pointed out that during the year 2014 no such situations occurred which would require the above reporting.

## **9. Auditing firm**

The auditing firm appointed to audit Buzzi Unicem financial statements is Reconta Ernst & Young S.p.A. The auditing appointment was conferred on the justified proposal by the statutory auditors' committee by resolution of the shareholders' meeting of May 9, 2014 for the years 2014-2022 and consequently it will expire with the shareholders' meeting convened for the approval of the financial statements as at December 31, 2022.

The structure of the board of directors and of the statutory auditors' committee as at December 31, 2014 is summarized in the two attached tables.

Casale Monferrato, March 27, 2015

For the Board of Directors

The Chairman

Enrico Buzzi

**TABLE 1: BOARD AND COMMITTEES (as at December 31, 2014)**

Board of Directors													Control and Risk Committee		Related party Committee	
Position	Incumbents	Year of birth	Date of first appointment*	In office since	In office till	List (M/m)**	Exec.	Non-exec.	Indep. ex Code	Indep. ex T.U.F.	No. of other positions held***	(*)	(*)	(**)	(*)	(**)
Chairman	Enrico BUZZI	1938	1999	09/05/2014	Appr. fin. stat. at 31/12/2016	M	X				3	7/7				
Vice-Chairman	Veronica BUZZI	1971	2011	09/05/2014	Appr. fin. stat. at 31/12/2016	M		X			-	7/7				
Managing Director	Michele BUZZI	1963	2005	09/05/2014	Appr. fin. stat. at 31/12/2016	M	X				-	7/7				
Managing Director	Pietro BUZZI	1961	2000	09/05/2014	Appr. fin. stat. at 31/12/2016	M	X				3	7/7				
Director	Oliviero Maria BREGA	1944	2014	09/05/2014	Appr. fin. stat. at 31/12/2016	m		X	X	X	-	3/3				
Director	Paolo BURLANDO	1962	2008	09/05/2014	Appr. fin. stat. at 31/12/2016	M		X			4	7/7	7/7	M		
Director	York DYCKERHOFF	1963	2008	09/05/2014	Appr. fin. stat. at 31/12/2016	M		X	X		2	7/7				
Director	Elsa FORNERO	1948	2008	09/05/2014	Appr. fin. stat. at 31/12/2016	M		X	X	X	1	3/3				M
Director	Aldo FUMAGALLI ROMARIO	1958	2011	09/05/2014	Appr. fin. stat. at 31/12/2016	M		X	X		1	7/7	7/7	M	1/1	M
Director	Linda Orsola GILLI	1953	2014	09/05/2014	Appr. fin. stat. at 31/12/2016	M		X	X		1	3/3				
Director	Gianfelice ROCCA	1948	2003	09/05/2014	Appr. fin. stat. at 31/12/2016	M		X	X	X	9	3/7			1/1	AM
Director	Maurizio SELLA	1942	1999	09/05/2014	Appr. fin. stat. at 31/12/2016	M		X	X		10	6/7	6/7	C	1/1	C
Director	Marco WEIGMANN	1940	1999	09/05/2014	Appr. fin. stat. at 31/12/2016	M		X			6	6/7				AM
<b>DIRECTORS CEASED DURING THE YEAR UNDER REVIEW</b>																
Chairman	Alessandro BUZZI	1933	1999	13/05/2011	Appr. fin. stat. at 31/12/2013	M	X					4/4				
Director	Wolfgang BAUER	1959	2008	13/05/2011	Appr. fin. stat. at 31/12/2013	M	X					4/4				
Director	Ester FAIA	1973	2012	08/03/2012	Appr. fin. stat. at 31/12/2013	M		X	X	X		2/4				
<b>Number of meetings held during the year under review</b>						Board of Directors: 7			Internal Control Committee: 7			Related party Committee : 1				
<b>Quorum required to submit lists on the occasion of last appointment: 1% of the entire voting stock in the ordinary shareholders' meeting</b>																

**NOTES**

\* The date of first appointment of each director is the date on which the director has been appointed for the first time (ever) to the Board of Directors of the issuer

\*\* M/m indicates whether the director has been elected through the majority slate (M) or through a minority slate (m); "CdA" refers to: list presented by the Board of Directors

\*\*\* Number of other memberships in boards of directors or of statutory auditors' committee in other companies listed on regulated markets in Italy and abroad, in financial, banking and insurance companies or in large companies not belonging to Buzzi Unicem group. The report provides details as to the positions held

(\*) Director's attendance at meetings of the Board of Directors as well as of the Committees (no. of meetings attended vs. total no. of meetings which he/she could have attended)

(\*\*) Position of the director within the Committee: "C": Chairman, "M": Member, "AM": Alternate Member". Director Gianfelice Rocca was an effective member of the related party Committee until May 9, 2014 and in that capacity he attended the meeting of the related party Committee held before May 9, 2014; since that date he has been appointed alternate member and director Elsa Fornero effective member

**TABLE 2: STATUTORY AUDITORS' COMMITTEE (as at December 31, 2014)**

<b>Statutory Auditors' Committee</b>									
<b>Position</b>	<b>Incumbents</b>	<b>Year of birth</b>	<b>Date of first appointment *</b>	<b>In office since</b>	<b>In office till</b>	<b>List **</b>	<b>Indep. ex Code</b>	<b>Attendance at meetings of the Committee***</b>	<b>Number of other positions held ****</b>
<b>Chairman</b>	Fabrizio Riccardo DI GIUSTO	1966	2014	09/05/2014	Appr. Fin. Stat. at 31/12/2016	m	X	8/8	
<b>Regular Auditor</b>	Mario PIA	1936	1999	09/05/2014	Appr. Fin. Stat. at 31/12/2016	M	X	8/8	
<b>Regular Auditor</b>	Paola Lucia GIORDANO	1962	2014	09/05/2014	Appr. Fin. Stat. at 31/12/2016	M	X	8/8	
<b>Alternate Auditor</b>	Massimo CREMONA	1959	2014	09/05/2014	Appr. Fin. Stat. at 31/12/2016	m	X		
<b>Alternate Auditor</b>	Margherita GARDI	1946	2014	09/05/2014	Appr. Fin. Stat. at 31/12/2016	M	X		
<b>AUDITORS CEASED DURING THE YEAR UNDER REVIEW</b>									
<b>Chairman</b>	Mario PIA	1936	1999	13/05/2011	Appr. Fin. Stat. at 31/12/2013	M	X	7/7	
<b>Regular Auditor</b>	Gianfranco BARZAGHINI	1941	2008	13/05/2011	Appr. Fin. Stat. at 31/12/2013	M	X	7/7	
<b>Regular Auditor</b>	Giorgio GIORGI	1933	1999	13/05/2011	Appr. Fin. Stat. at 31/12/2013	M	X	7/7	
<b>Alternate Auditor</b>	Paola Lucia GIORDANO	1962	2008	13/05/2011	Appr. Fin. Stat. at 31/12/2013	M	X		
<b>Alternate Auditor</b>	Roberto D'AMICO	1962	2002	13/05/2011	Appr. Fin. Stat. at 31/12/2013	M	X		

**Number of meetings held during the year under review: 15**

**Quorum required to submit lists on the occasion of last appointment: 1% of the entire voting stock in the ordinary shareholders' meeting**

**NOTES**

- \* The date of first appointment of each auditor is the date on which the auditor has been appointed for the first time (ever) to the Statutory Auditors' Committee of the issuer
- \*\* M/m indicates whether the auditor has been elected through the majority slate (M) or through a minority slate (m)
- \*\*\* Auditors' attendance at meetings of Statutory Auditors' Committee (no. of meetings attended vs. total no. of meetings which he/she could have attended)
- \*\*\*\* It should be noted that no member of the statutory auditors' committee holds any positions in other companies listed on regulated markets in Italy



## Curricula of the members of the board of directors

### **Enrico BUZZI**

Place and date of birth: Casale Monferrato (AL) - 27/03/1938

Qualification: Degree in Civil Engineering – Transport section from - Polytechnic University of Turin in 1962

On the Engineer Register of Cuneo Province under no 236

#### Positions held:

Managing Director of Fratelli Buzzi S.p.A., Via Luigi Buzzi n. 6 - Casale Monferrato (AL)

Vice Chairman of Buzzi Unicem S.p.A., Via Luigi Buzzi n. 6 - Casale Monferrato (AL)

Managing Director of Presa S.p.A., Corso Francia n. 32 – Torino

Chairman of Corporación Moctezuma SAB de C.V., Mexico

Chairman of Unicalcestruzzi S.p.A., Via Luigi Buzzi n. 6 - Casale Monferrato (AL)

Managing Director of Fimedi S.p.A., Corso Francia n. 32 - Torino

### **Veronica BUZZI**

Born in Albenga (SV) on August 16, 1971; 4 children

#### Education

- March 1996: Degree in Business and Administration at Turin University with 110/110 “magna cum laude”
- 1995: St. Mary’s University’s Business School in San Antonio, TX (USA)

#### Work experience

- Since 2011: Non-executive Vice Chairman of Buzzi Unicem S.p.A.
- Since 2013: Board Member of AldAF – The Italian Association of Family Businesses
- 2011-2013: Dynamo Camp Onlus Association – Corporate fundraising and special projects
- 2010: Cerved Group – Corporate valuations and sector analyses
- 2001 - 2002: Buzzi Unicem SpA (Casale Monf.) - Assistant to Investor Relations & Financial Planning Manager
- 1998 – 2001: McKinsey & Co., Italy (Milan) – Research analyst in the Research & Information Dept.
- 1996 – 1997: Arthur Andersen S.p.A. (Turin) - Junior Auditor
- 1995: Internship at Alamo Cement Co. (San Antonio, TX – USA)

#### Other activities

Voluntary work for the Church and school.

### **Michele BUZZI**

Place and date of birth: Casale Monferrato (AL) - 25.03.1963

Qualification: Bachelor of Science in European Business with Technology, Brighton Polytechnic, UK

Diploma Engineer in Industrial Production from Polytechnic University of Turin

#### Positions presently held:

since 2006 Managing Director of Buzzi Unicem SpA, Casale Monferrato (AL), Italy

since 2006 Managing Director of Unical SpA, Casale Monferrato (AL), Italy  
since 2004 Member of Management Board of Dyckerhoff AG, Wiesbaden, Germany  
since 2009 member of Board of Cembureau  
since 2011 Member of Aitec Executive Committee

Other positions:

from 2002 to 2005 COO Cement Italy of Buzzi Unicem SpA  
from 1998 to 2003 Member of Standing Committee 2 (Products and Marketing) of Cembureau  
from 1998 to 2001 Marketing Manager of Buzzi Unicem SpA  
from 1995 to 1997 Managing Director Concrete of Buzzi Group  
from 1999 to 2010 Deputy President of AITEC (ITALIAN CEMENT ASSOCIATION)  
from 2007 to 2009 Member of Liaison Committee of Cembureau

Professional experiences:

April/June 1990 Cement international seminar (at Holderbank - Switzerland)  
1989 Stages (6+6 months) with Soges (Turin – Consultant) and Rugby Cement (UK, in the Distribution Department)

**Pietro BUZZI**

Born in Casale Monferrato on 22 January 1961, married to Marina Pogliano, 5 children.

Education:

- 1979: Classical Studies GCE from Liceo Cesare Balbo - Casale Monferrato
- 1985: Degree in Economics - Business Administration from University of Turin
- 1988: Master in Business Administration from University of Texas at Austin

Work experiences:

- 1985 - 1986: Arthur Andersen, Turin Office (Auditing Firm ), as junior auditor
- 1988: he joins full time Buzzi Cementi SpA, first as a Controller and then with growing operating responsibilities within the administration, financial and information system functions
- 1999: Chief Financial Officer (CFO) of Buzzi Unicem SpA, company listed on the Italian Stock Exchange
- since January 2006: CEO Finance of Buzzi Unicem SpA

Positions held:

- Chairman of Fimedi SpA and Presa SpA (family holdings of Buzzi Unicem's group)
- Member of Dyckerhoff's Supervisory Board since 2007
- Director of Banco Popolare di Verona e Novara Scrl from 2002 to 2007
- Director of Efibanca SpA since 2007 to 2010
- Member of Banco Popolare – Società Cooperativa's Supervisory Board from 2010 to 2011
- Director of Banco Popolare – Società Cooperativa from 2011 to March 2014

**Oliviero Maria BREGA**

Born in Gravellona Toce (VB) on 21 April 1944

Education:

Degree in Business and Administration at Università Cattolica in Milan

Master in Business Administration at Università Bocconi in Milan

Work experience:

Since 2014: Member of the Board of Directors of Buzzi Unicem SpA

From 1986 to 2009: De Benedetti group  
COFIDE Compagnia Finanziaria De Benedetti  
Manager of Central Planning and Control

Positions held:

Member of the Board of Directors in listed companies:

from 1998 to 2009 SOGEFI

from 2000 to 2005 Gruppo Editoriale L'Espresso

Unlisted companies: various companies in different sectors, such as real estate companies, investment funds

Internal Control Officer pursuant to T.U.F., art. 154-bis

from 1999 to 2009 CIR

from 1999 to 2004 COFIDE

Since 2006: Chairman of "Cassa Assistenza Integrativa Cofide e Cir"

From 1981 to 1986: Bonomi group

INVEST – BI INVEST – ISFINA

Finance and Control Manager

Positions held:

Member of the Board of Directors in listed companies: Fondiaria, Previdente, Mira Lanza, Saffa

Unlisted companies: various companies.

Previous positions from 1963 to 1981:

International Chemical & Cosmetic Company

Techint

Motta

Plasmon

Carlo Erba

Tecnomasio Italiano Brown Boveri

**Paolo BURLANDO**

He works as chartered accountant and auditor with the corporate tax and legal advisory firm WTS R&A Studio Tribunario Associato. He specializes in corporate finance extraordinary operations and he is in charge of several management and auditing offices within listed and non-listed companies. Among others, he is a member of the Board of Directors for Buzzi Unicem S.p.A. United Ventures S.p.A. and Lasermax Inc (USA); standing statutory auditor for Prysmian C. S. S.p.A. (a sub-holding of Prysmian Group), Gruppo Mutui On Line S.p.A., Yarpa Investimenti SGR S.p.A., Laterlite S.p.A. and other minor Italian Companies. Before founding BZDL advisory firm, he owned working experiences as an analyst for UBS Private Equity (1992) and as the CEO assistant at Fratelli Buzzi S.p.A. (1997).

Mr. Burlando graduated with the highest grades in Economics from University of Turin in 1987 and

earned the Certification of Chartered Accountant in 1992.

### **York DYCKERHOFF**

Born 29.07.1963 in Bogotá, Columbia, Son of Dr. Klaus and Edith Dyckerhoff

1970-1978 ground school and starting college in ESSEN, Germany;

1978-1984 boarding school "Lyceum Alpinum Zuoz" in Zuoz, Switzerland;

1984-1990 Studies: mechanical engineering and business administration at ETH and University Zurich, Switzerland;

Practice experience during 18 months in ABB, Rieter, Deutsche Bank and Cementos Uniland;

1990-1994 MAN Ferrostaal AG – Essen, Germany, as project manager in international trading of industry investment goods;

1994-2000 General Manager of Ferrostaal Bolivia Ltda in La Paz, Bolivia;

2000-2004 President of Ferrostaal Argentina S.A. in Buenos Aires, Argentina

2004-2006 MAN Ferrostaal AG, Essen, Germany, as area manager for South America

2006-2009 Managing Partner of Komrowski Maritime GmbH, Hamburg, Germany international operating Shipping and Trading-company.

Since 2010 managing Dyckerhoff International with its main office in Hamburg and branch offices in South America and North Africa. The core business is international trading of capital investment goods and Government to Government business. In many projects close relations to the German shipbuilding industry.

Since February 2010 to July 2011 member of board of directors of the engineering company "United Food Technologies" in Weinheim, Germany.

Since April 2012 founder and Managing Director of Green Aqua Farming GmbH & Co. KG based in Wismar, Germany, engineering company for planning and building of aquaculture fish farms.

Since March 2013 founder and Managing Director of "Garnelen Farm GVM GmbH&Co.KG" based in Grevesmühlen, Germany, Aquaculture facility for shrimps production.

### **Elsa FORNERO**

([www.personalweb.unito.it/elsa.fornero/](http://www.personalweb.unito.it/elsa.fornero/))

Full Professor of Political Economics at the Department of Economic and Social Sciences and Mathematics-Statistics (ESOMAS), Università di Torino

Scientific Coordinator of CeRP (Center for Research on Pensions and Welfare Policies, Collegio Carlo Alberto, <http://www.cerp.carloalberto.org>)

Vice Chairperson of SHARE-ERIC (Survey of Health, Ageing and Retirement in Europe), <http://www.share-project.org/>

Member of the Research Committee of the OECD International Network on Financial Education (INFE), <http://www.oecd.org/finance/financial-education/>

Member of the Board of Directors of Cintia (Netspar Inter-University Center Italy)

Honorary Senior Fellow, Collegio Carlo Alberto ([www.carloalberto.org](http://www.carloalberto.org))

Research fellow, Netspar ([www.netspar.nl](http://www.netspar.nl)) and Policy Fellow of IZA (Institute for the Study of Labor, <http://www.iza.org>)

Member of the Scientific Committee of the Observatoire de l'Épargne Européenne (Paris, [www.oeefr.fr](http://www.oeefr.fr))

Member of the Advisory Group of the New Pact for Europe (Brussels)  
<http://www.newpactforeurope.eu/>

Past positions:

From November 16, 2011 to April 28, 2013 Minister of Labor and Social Policy, with responsibility for Equal Opportunities, in the Monti cabinet. In this capacity she contributed to the implementation of two important reforms: the Benefit Reform (Law 214/2011) and the Labor Market Reform (Law 92/2012).

In 2010-2011 Vice Chairperson of the Supervisory Board of Intesa Sanpaolo.

In 2009-2011 member of the Board of Directors of Buzzi Unicem

In 2008-2010 Vice Chairperson of the Compagnia di San Paolo

Previously, member of the Boards of Directors of Eurizon Financial Group (2006-2008); Fondazione Teatro Regio in Turin (2006-2008); Fideuram Vita (2001-2003) and INAAssitalia (1999-2000)

In the period 2005-2011, part of the Evaluation Team for Public Pension Expenditure, at the Ministry of Welfare

In 2005-2007, member of the Governing Council of the Società Italiana degli Economisti and of the Editorial Committee of the "Rivista Italiana degli Economisti"

Part of the scientific committees of Confindustria (2005-2006) and MeFoP - Società per lo Sviluppo del Mercato dei Fondi Pensione (2000-2003)

From 2000 to 2011, columnist for Il Sole-24 Ore

In 2003-2004, worked as an independent expert for the World Bank, with a mandate to assess the support role played by the Bank in the implementation of the benefit reforms in following countries: Russia, Latvia, Macedonia, Albania

In 2001-2002, chaired the Task Force on Pension Portability organized by the Centre for Economic Policy Studies in Brussels

In 2001, member of the Ministerial Commission for the assessment of the social benefit system (Brambilla Commission)

In the years 1993-1997, member of the City Council of the City of Turin, chairing the 1<sup>st</sup> Advisory Commission (Budget Committee).

Awards:

In 2013, received the Ezio Tarantelli prize for the best economic idea of the year, awarded by the Club dell'Economia for having created the Social Insurance for Employment (ASPI) and the "Liberal Award" by the Swiss "Young Liberals"

In 2011, awarded the prize "La Mela d'Oro" by the Marisa Bellisario Foundation, dedicated to "Women: innovation and human capital"

In 2003, awarded, along with Olivia Mitchell, the award "INA Accademia Nazionale dei Lincei" for studies on insurance matters

In 2001, received (ex-aequo with Ignazio Musu) the Saint Vincent Prize for Economics.

Research areas:

The household savings. The welfare system. The ageing of the population.

The pension reforms. The retirement choices. Life insurance.

### **Aldo FUMAGALLI ROMARIO**

Born in Milan in 1958.

Degree cum laude in Chemical Engineering from Politecnico of Milan.

- Chairman and CEO of SOL Group (\*)
- Permanent guest in Confindustria's Executive Boards and Committees.
- Vice President of Assolombarda
- Member of ASPEN Institute's General Council - Italy

He has also been:

- Vice Chairman of Credito Valtellinese (CREVAL Group) from 2012 to 2014
- Chairman of Credito Artigiano (CREVAL Group) (from 2010 to 2012)
- Member of the Board of Directors of CentroBanca - UBI Group (from 2005 to 2011)
- President (in 2006) and member of the board (from 2002 to 2007) of the BAC (Business Advisory Council) of the Stability Pact for South-Eastern Europe
- Chairman of IOMA - Industrial Oxygen Manufacturers Association (2011)
- Vice President for the Industrial Relations of Federchimica, the Italian Federation of Chemical Industry (from 1999 to 2007)
- President of Assogastecnici ( Italian Association of industrial and medicinal gases Manufacturers)
- President of H2IT – Italian Association for Hydrogen and Fuel Cells
- Confindustria coordinator for Middle East, Africa and Eastern Europe area (from 2002 to 2004)
- President of Confindustria Young Entrepreneurs – Vice President of Confindustria (from 1990 to 1994)
- President of European Young Entrepreneurs – “YES” Group (from 1992 to 1993)
- Member of the Presidency Council of Confindustria – in charge of Institutional Reforms (from 1994 to 1996)
- Member of MURST (Commission for Scientific and Technological parks in Southern Italy and their extension to Central-Northern Italy) (from 1995 to 1997)
- 

(\*) Sol is an Italian based multinational group listed on the Milan Stock Exchange since 1998, with a turnover of €600 million and headcount of 2,600 units, operating in the production and distribution of industrial and medicinal gases (oxygen, nitrogen, argon, helium, hydrogen) and in home care in Italy and other 20 European countries (Albania, Austria, Belgium, Bosnia, Bulgaria, Croatia, France, Germany, Greece, Kosovo, Macedonia, the Netherlands, Romania, Serbia, Slovakia, Slovenia, Spain, Switzerland, Hungary, UK), Turkey and India.

### **Linda Orsola GILLI**

Chairperson and CEO Inaz Srl

In 1978 entered the family company INAZ, leader in the management and administration of human resources, founded in 1948. In addition to management powers, also held operational positions, i.e. Marketing Director and then General Manager, leading the technological breakthrough of the

company by integrating strictly regulatory and administrative skills with software development and innovative services. Later, as Chief Executive Officer and Chairperson, consolidated the role of INAZ as a service provider partner for thousands of businesses, professional firms and public bodies with more than two million job positions managed.

INAZ today is an industrial group including a number of subsidiaries and affiliates, with 500 highly skilled employees, headquartered in Milan, it has a Research and Development Center in Pisa, a network of over 50 commercial agencies and Software Service Centers widely scattered throughout the national territory.

The INAZ service is based on a basic principle: creating a useful system for the entire company, starting from human resources. It is a complete system, offering support and equipment to optimize the entire activities cycle related to human resources, from strategic decisions to the payroll processing.

INAZ offers its solutions in the form of software licenses, SaaS and outsourcing services.

Linda Gilli has a degree in Business Administration from the Università Bocconi in Milan and has three children, two of which already work in INAZ. In addition to corporate activity, a strong social and representation commitment for the affirmation of a modern entrepreneurship concept continues to be important.

Supports the AldAF – EY chair of Family Business Strategy at Università Bocconi. Already a finalist for the Ernst & Young award "Entrepreneur of the Year" in the category of Innovation, member of the prize jury. Appointed in 2007 "Cavaliere del Lavoro" by President of the Republic Giorgio Napolitano, in the same year was awarded the title of Businesswoman of the Year by the City of Milan.

Currently Chairperson of ISVI – "Istituto per i Valori d'Impresa", an association aiming at promoting studies, publications, training and services, responsible entrepreneurship which is open to innovation. Member of the Managing Committee of ISPI – "Istituto per gli Studi di Politica Internazionale" and of UCID – "Unione Cristiana Imprenditori Dirigenti".

Held numerous positions in public and private organizations, such as Director of the Università degli Studi di Milano Bicocca, then became a member of the Evaluation Team of the same University. In AIDDA Chairperson of the Lombardy Delegation and in charge of the "ICT table", Council member in Assinform - Italian Association for the Information Technology.

### **Gianfelice ROCCA**

He is Chairman of Techint Group, which includes Tenaris, Ternium, Tenova, Techint E&C, Tecpetrol and Humanitas. Among the world leaders in the fields of steel, energy and infrastructures, the group, in the last year, generated revenues of over US\$26 billion with headcount of 59,000 units. In the '90ies he founded Humanitas Clinical Institute, a Polyclinic Hospital among the most recognized in Europe, international research and teaching center, Harvard University's case management.

In June 2013 he was elected President of Assolombarda, the largest territorial association of the entire entrepreneurial system in Italy, member of Confindustria.

For eight years, from May 2004 to May 2012, he had been Vice President for Education of

Confindustria (leading association of Italian Industrialists). He is currently Chairman of the Board of the EIT (European Institute of Innovation and Technology). Since November 2014 he is member of the Board of Directors of Università Commerciale Luigi Bocconi.

In Italy he sits in the board of Directors of Allianz SpA, Brembo SpA, Buzzi Unicem SpA.

At international level, he is a member of the Allianz Group Advisory Board, of the Aspen Institute Executive Committee, of the Harvard Business School Advisory Board and of the Trilateral Commission.

Active in social and charity activities, he is President of the Rocca Foundation and the Foundation Fratelli Agostino and Enrico Rocca.

In June 2007 he was appointed Cavaliere del Lavoro of the Italian Republic and in March 2009 he was presented with a *honoris causa* degree in management engineering by Milan Politecnico.

In 2010 he received from the President of the Italian Republic, Giorgio Napolitano, the 2009 Leonardo Award for his contribution to enhancing Italy's international standing in steelmaking, energy and infrastructure.

Gianfelice Rocca graduated *cum laude* in Physics from the University of Milan and holds a PMD from Harvard Business School of Boston.

He lives in Milan, is married and has two children.

### **Maurizio SELLA**

He is Chairman of Banca Sella Holding, Parent of Banca Sella Group, Chairman of Banca Sella, Chairman of Banca Patrimoni Sella & C. and Chairman of Maurizio Sella S.A.A. (family holding).

He began working in Banca Sella in 1966 where he climbed the career ladder to the position of Chief Executive Officer, held from 1974 to 2004.

He has been actively involved in banking trade associations,

- within A.B.I., of which he became member of the Board of Directors in 1976 and of the Executive Committee in 1981. Within the association he has held the following positions: reference person to the Executive Committee and the Board of Directors on all issues related to the Payment System from 1987 to 1998; Vice-Chairman from 1996; Chairman from June 1998 to July 2006. He also chaired the "A.B.I. delegation for transactions on work and employment". Since 2006 he has been member of the Executive Committee of ABI, and Member of the Presidency Council since 2013.
- within Fédération Bancaire Européenne, he was Director from 1998 to September 2006 and Chairman from 1998 to 2004. From 2010 to 2013 he was again Director of the Fédération Bancaire Européenne, alternate to President Christian Clausen in Sepa Council, while since 2014 he has held the same position in the Euro Retail Payments Board.

He also holds the following positions: Director of "Compagnie Financière Martin-Mauriel of Marseilles" since 1993, Director of Buzzi Unicem since 2000, member of the Council for United States and Italy since 1990 and of its Board since 1999, member of the Italian group of the Trilateral Commission since 1999, member of Institut International d'Etudes Bancaires since 2000, member of the Chairmanship Committee of Associazione fra le Società Italiane per Azioni (Italian Association of



Joint Stock Companies) since 2003, Deputy Chairman since 2011 and Chairman since 2013, Chairman of the Nomination Committee of FBN – Family Business Network since 2011, Director of Luigi Einaudi Foundation since May 2008 and Director of Luigi Einaudi Institute from 2009, Director of Banking, Insurance and Finance Federation since 2011, member of the Board of the Piedmont Group of the Italian Federation of Cavalieri del Lavoro since 2011.

Positions previously held:

- Chairman of S.I.A. (Interbank Company for Automation) from 1998 to 1999.
- Reference person in PSTDG (Payment System Technical Development Group) with the Fédération Bancaire de l'Union Européenne from 1992 to 1997
- Italian reference person in PSSG (Payment System Steering Group) with the Fédération Bancaire de l'Union Européenne from 1992 to 1997
- Chairman of APAF (Association for Family Businesses) from 1994 to 1999
- Director of Fondo Interbancario di Tutela dei Depositi (Interbank Deposit Protection Fund) from 1998 to July 2006
- Member of the Committee for Corporate Governance of Borsa Italiana from 2005 to 2006
- Chairman of Ente Einaudi from 2005 to 2007
- Chairman of AidAF (The Italian Association of Family Businesses) from 2007 to 2013
- Director of FBN – Family Business Network from 2010 to June 2014.

In 1991 he was given the honour of “Cavaliere del Lavoro”.

Maurizio Sella was born in Biella in 1942. He graduated in Economics - Business Administration from University of Turin in 1965.

### **Marco WEIGMANN**

Born in Turin on 20 May 1940, he graduated “cum laude” in Company Law from the Law Faculty of Turin University. He started his working career first as a pupil, then an associate, and ultimately as a leading partner of Tosetto, Weigmann and Associates, a law firm based in Turin and Milan. The firm was established in 1877 and it is presently made up of more than forty professionals, subdivided between two offices: in Turin, at Corso Galileo Ferraris 43 and in Milan, at Corso Monforte 30 It is a member of an EEIG which groups a law firm for each of the main Western European countries.

He is specialized in civil and commercial law, especially in the company sector.

For six years he was a member of the National and International Arbitration Chamber of Milan and is now a member of the Arbitration Chamber of Piedmont.

He was a member of the board of the Turin Law Society, of the Ethics Commission with the National Forensic Council, then the Italian member with the CCBE (Comité Consultif des Barreaux Européens), first in the Italian general delegation and then in the Company Law small delegation .

He is a member of bodies of various nonprofit organizations (Fondazione Faustino Dalmazzo, Fondazione Filippo Burzio, Fondazione Sandretto Re Rebaudengo) and part of associations and foundations concerning the Turin law officers (Fondazione Croce) or qualified groups of lawyers (Associazione Italiana di Diritto delle Assicurazioni, Sezione Piemonte-Valle d'Aosta of which he was President).

He currently holds a directorship in a number of companies, some of which listed:

- Buzzi Unicem SpA – Casale Monferrato since 05.06.1998
- ASTM SpA – Turin since 10.6.2013
- Società Reale Mutua di Assicurazioni – Turin since 14.11.1990 and many of its subsidiaries, among which Italiana Assicurazioni SpA. – Milan since 23.4.2002; Reale Immobili SpA Turin since 11.12.2002; Banca Reale SpA – Turin since 16.11.2006
- Auchan S.p.A. – Rozzano (MI) since 20.12.2004
- Baratti & Milano – Bra (Cuneo) since 24.05.2014

In these companies he holds the position of non-executive director, apart from Società Reale Mutua di Assicurazioni, in which he is member of the Executive Committee.

## Curricula of the regular auditors

### **Fabrizio Riccardo DI GIUSTO**

Since 2002, self-employed, own professional firm in Rome - 00199, Piazza di Priscilla 4, for tax, administrative, commercial and financial advice.

#### Main duties and responsibilities:

- Tax and administrative consulting for companies, professional associations, non-commercial bodies, public bodies, Italian local health authorities and asset management companies with reference, to the latter, to the establishment of real estate investment trusts;
- Preparation of financial statements and tax returns;
- Drafting of advice on specific issues relating to direct and indirect taxes;
- Due diligence reports aimed at investment assessments;
- Trade union duties ex art. 2403 (duties of the Statutory Auditors's Committee) and 2409-bis (Statutory Audit of Accounts) and 2409-ter (Auditing functions) of the Civil Code. Member of statutory auditors' committees: Buzzi Unicem S.p.A. (AL) chairman of the committee, Garibaldina srl (MI) alternate auditor, Luxottica Group SpA (MI) alternate auditor, Autopreneste Srl (RM) regular auditor, Insirio SpA (RM) alternate auditor, Atlantia SpA (RM) alternate auditor, Agraria Fosso Bianco Srl (TR) alternate auditor; Telecom Italia Spa alternate auditor, Sorgente S. Elena SpA alternate auditor, Ansaldo Sts SpA alternate auditor, GTech SpA alternate auditor.
- Preparation of appeals to provincial and regional tax courts;
- Curatorship at the Court of Rome;
- Review and reporting of expenses and investments financed by the European Union and managed by the Lazio Region and its provinces under the project POR Ob. 3 2000-06 on behalf of the Company PricewaterhouseCoopers Advisory Srl., and on behalf of RIA Grant Thornton (subcontractor) for the period 2007-2013 (in progress). Expert ESF programs - training;
- Review and reporting of expenses for Bic Lazio SpA: first level control activities (ex art. 16 of Reg. EC 1080/2006) of the costs incurred under the projects co-financed by the Interreg IVC program - European Territorial Cooperation Objective of Cohesion Policy 2007/2013 of the European Union;
- Operations of securitization and sale without recourse for the disinvestment of healthcare receivables; special prosecutor on behalf of Local Health Authorities and the hospitals of the Lazio Region in the definition of framework agreements and in negotiating settlement agreements between trade associations (Farindustria, Assobiomedica, Federlazio, ASFO Lazio, ARIS - FOAI), the companies belonging to them and the Lazio Region;
- PSD Impact analysis (Payment Service Directive) in terms of compliance of the organizational model, adjustment of the control model, assessment of new service models in collaboration with leading management consultancy companies; participation in multifunctional teams;
- Participation in consulting projects with credit companies for the adaptation of internal regulations. Analysis of the adequacy of the internal organizational structure aiming at mitigating credit and operational risks.

#### Work experience:

- *From June 2002 to May 2007*

ASL RM B - Local Health Authority.

Fixed-term executive for the facility.

In addition to the professional activities, head of the Accounting and Tax Department. Among the main activities, the following are to be mentioned: preparation of provisional budgets, balance sheets and all tax returns. Relationship management with suppliers, the Treasury, the Statutory Auditors' Committee, the Lazio Region (Department of Health) and responsible for the invoicing of accounts receivables aimed at the management of separate accounting for commercial purposes

• *From 1996 to May 2002*

Studio Palandri - Law and Tax firm

Senior Consultant - Supervisor

- Tax representative of the firm's clients reporting directly to the partner in charge of the customer;
- Assistance to the firm's customers on budget, control and reporting activities;
- Head of the working group in charge of the preparation of both statutory and consolidated financial statements;
- Advice and assistance to the executive management of some of the firm's customers;
- Audits: verifying the correctness and validity of information contained in the financial statements of the companies which were clients of the firm;
- Accounting and tax due diligence for the conclusion of extraordinary transactions;
- Extraordinary transactions: acquisitions and sales of equity investments, business units and liquidations; merger by incorporation;
- Preparation of business plans, corporate reorganization and restructuring plans;
- Tax litigation: client assistance for those undergoing checks and inspections through the preparation and presentation of petitions and appeals to the competent administrations;
- Assessment, analysis and presentation of requests for obtaining funding in the short, medium and long term (ordinary and subsidized loans) drawn on regional (Law 29/92) and national laws (Law 488/92; Law 341/95 on automatic aid measures; Law 215/92 for female entrepreneurship), carried out on behalf of legal entities operating in the mining / manufacturing sector and in tourism. Territorial Pacts;
- Investigation, carried out on behalf of banks and lending institutions (BNL Banca Nazionale del Lavoro, EFI Bank, MCC Mediocredito Centrale, Europrogetti e Finanza), consisting of the revision of investment projects based on laws in favor of the depressed and disadvantaged areas of the country;

• *From 1994 to 1996*

Studio Palandri, Rome - Law and Tax Firm

Junior collaborator

- Accounting and tax consulting activities to individuals and legal entities aimed at the preparation of final balance sheets for a given period and tax returns as well as tax returns on behalf of withholding agents; processing of direct and indirect taxes. Other local taxes;
- Development and management of own customers.

• *From May 1991 to January 1994*

La Cicogna Srl – Sales agent in the children's fashion sector.

Fixed-term collaborator

- Support to the sector team "marketing and programming" in the preparation of periodical budgets (annual and interim budgets) for company programming and control, Profit Plan editing (economic and financial budget) and market forecast estimates - (so-called potential market).

Education:

Since January 1999: Auditor. Entered in the Register of Auditors with the n° 104290

September 1996 - June 1997 Master in Labor Law.

April 1995: qualification to practice as an accountant. Register of Chartered Accountants of Rome, no. AA005872.

July 1994: Università degli Studi "La Sapienza", Rome,

degree in Economics and Business Administration with a thesis in labor law on "Occupational group and application of the collective agreement", supervisor Prof. Pasquale Sandulli.

July 1986 "Collegio Nazareno", in Rome: Scientific high school diploma.

Personal skills and competences:

- Italian: native speaker
- English:
  - reading skills: good
  - writing skills: good
  - verbal skills: good
- French
  - reading skills: sufficient
  - writing skills: sufficient
  - verbal skills: sufficient
- Excellent interpersonal and teamwork skills, acquired in all education levels as well as in the workplace
- Excellent working relationships with customers and colleagues
- Easily adaptable to different business environments
- Excellent skills in planning and managing of projects and responsibilities
- Excellent knowledge of international accounting standards and of the auditing standards of the Tax and Commercial Law
- Excellent knowledge of the Windows ® operating system (and earlier versions)
- Excellent knowledge of Microsoft Office® (Word, Excel, Power Point, Access)
- Excellent knowledge of the system MAC OS X®.
- Use of economic management and accounting processing softwares (Zucchetti, Oliamm Engisanità, Sispac, Teamsystem)
- Excellent knowledge of internet use and online obligations
- Driving licence cat. B

**Mario PIA**

Born in Turin on 28 February 1936.

Residing in Turin with office in Corso Matteotti 49.

Primary and secondary school up to GCE in classical studies (1954) at Collegio San Giuseppe in

Turin.

Degree in Economics - Business Administration from University of Turin (year 1960).

Military Service (1957-59) in the Alpine troops "Brigata Alpina Taurinense".

Appointed as a Certified Public Accountant (CPA) by Ministerial Decree 14 January 1967, published in the Official Gazette no 26 of 30 January 1967, on the Auditors Register as per Ministerial Decree 12/04/1995 (published in the Official Gazette no 31 bis – 4<sup>th</sup> special series of 21.04.1995), now Legal Auditors Register pursuant to art. 21, paragraph 7, Legislative Decree 39/2010 and Ministry Decree 20/9/2010

He has been practising the profession of Public Accountant for more than 40 years (on the Register since 1961). Languages: French.

#### Profession

Chairman (Statutory Auditor and/or auditor), fiscal and corporate Adviser of several Organizations and Commercial companies, among which Banks and listed and /or public Companies.

Business consultant for contract and/or extraordinary transactions (assessments, contributions, mergers, demergers, conversions, disposals and leases of businesses or line of business, shareholders' agreements)

Director of Banca d'Italia, Turin office, from 30/06/1993 to 16/10/2001

#### Register of Public Accountants and Accounting Experts

On the Ivrea, Pinerolo and Turin Register since 1961

President of the Discipline Commission of the Register of Public Accountants and Accounting Experts in Ivrea, Pinerolo and Turin since 16/10/2013

Director of the Register from March 23, 1973 to December 31, 2012

Former positions held in the Register: Deputy President and Secretary of the Register; Headmaster of the preparatory course to State Examination

Current positions held in the Register:

- Teacher of the preparatory course to State Examination for the profession of Public Accountants and Accounting Experts organized by the Register of Public Accountants and Accounting Experts of Ivrea, Pinerolo and Turin
- Member of Commissions in State Examinations for the profession of Public Accountants and Accounting Experts
- Lecturer in meeting and study sessions on tax and corporate reform

#### **Paola Lucia GIORDANO**

Born in Asti on 30 April 1962

Professional Domicile: Studio Zunino, Re e Claretta Assandri, Associazione Professionale, Corso Stati Uniti 41, Turin

#### Education:

Degree in Economics and Business Administration - Università di Torino (1989)

Professional title: Accountant Admitted to the Chartered Accountants and Accounting Experts of Turin since 1992

Statutory Auditor entered in the Register of Auditors (OJ 31a, IV, Special series of 21/04/1995, DM

12/04/1995)

Work experience:

1989 – 2001: Studio PIA – Commercialisti, in Turin, Corso Matteotti 49, as a professional, including apprenticeship;

2002 – 2007: Professional at the Studio Tributario e Societario, Turin headquarters, Galleria San Federico, part of the network DELOITTE;

Since 2008: Professional at the Studio Zunino, Re e Claretta Assandri Associazione Professionale, based in Turin, Corso Stati Uniti 41.

Professional activities:

Advice on corporate, accounting and tax matters:

extraordinary corporate transactions (mergers, divisions, liquidations, corporate capital investments and transfers) and ordinary ones (statutory assistance in the ordinary management decisions and inter-group transactions); company assessments and evaluations; preparation of financial statements of capital companies, with particular reference to corporate groups; tax returns, consolidated tax, VAT and VAT Group returns.

Assistance with tax litigation

Besides the professional activities also holds positions as Statutory Auditor and Auditor in some companies.

Other professional activities:

Collaboration with the Study Group on business income at ODCEC of Turin.

## **STATEMENT**

The undersigned, Fabrizio Riccardo DI GIUSTO, born in Collevocchio (RI) on June 20, 1966, residing in Rome, via Salaria 422, tax code DGS FRZ 66H20C876R, Italian citizen, Chairman of the Statutory Auditors' Committee of Buzzi Unicem SpA (with registered office in Casale Monferrato, Via Luigi Buzzi 6, capital stock euro 123,636,658.80, Chamber of Commerce of Alessandria no 00930290044)

### **hereby declares**

under his responsibility, that he satisfies all the criteria of independence required by the regulations in force and by articles 23 of the bylaws, and specifically:

- that against himself no causes of ineligibility, incompatibility and disqualification exist, as provided by art.148, paragraph 3 of Legislative Decree no 58/1998 and, in any case, by the regulations in force;
- that he is on the Auditors' Register as per Ministerial Decree of November 25, 1999, published in the Official Gazette of the Italian Republic no 100 of December 17 1999, as renewed by Legislative Decree no 39/2010, and that he has performed statutory auditing for a period not shorter than three years;
- that he fulfils all conditions of professionalism and honorability as provided by the regulations in force and specifically by art. 1, paragraphs 4,5 and 6, and by art. 2 of the Ministry of Justice Decree no 162 of March 30, 2000, published in the Official Gazette of the Italian Republic no 141 of June 19, 2000;
- that he holds management and control positions in other companies in compliance with the limits on cumulation of positions set by Consob, pursuant to Legislative Decree no 58/1998.

The undersigned undertakes to promptly communicate the arising of conditions interfering with the position.

March 2, 2015



## **STATEMENT**

The undersigned, MARIO PIA, born in Turin on February 28, 1936, residing in Turin, Corso Matteotti 49, tax code PIA MRA 36B28 L219A, Italian citizen, Regular Auditor of Buzzi Unicem SpA (with registered office in Casale Monferrato, Via Luigi Buzzi 6, capital stock euro 123,636,658.80, Chamber of Commerce of Alessandria no 00930290044)

### **hereby declares**

under his responsibility, that he satisfies all the criteria of independence required by the regulations in force and by articles 23 of the bylaws, and specifically:

- that against himself no causes of ineligibility, incompatibility and disqualification exist, as provided by art.148, paragraph 3 of Legislative Decree no 58/1998 and, in any case, by the regulations in force;
- that he is on the Auditors' Register as per Ministerial Decree of April 12, 1995, published in the Official Gazette of the Italian Republic no 31 bis of April 21, 1995, as renewed by Legislative Decree no 39/2010, and that he has performed statutory auditing for a period not shorter than three years;
- that he fulfils all conditions of professionalism and honorability as provided by the regulations in force and specifically by art. 1, paragraphs 4,5 and 6, and by art. 2 of the Ministry of Justice Decree no 162 of March 30, 2000, published in the Official Gazette of the Italian Republic no 141 of June 19, 2000;
- that he holds management and control positions in other companies in compliance with the limits on cumulation of positions set by Consob, pursuant to Legislative Decree no 58/1998.

The undersigned undertakes to promptly communicate the arising of conditions interfering with the position.

February 20, 2015

## **STATEMENT**

The undersigned, PAOLA LUCIA GIORDANO, born in Asti on April 30, 1962, residing in Asti, via Emanuele Filiberto 23, tax code GRD PLC 62D70 A479Z, Italian citizen, Regular Auditor of Buzzi Unicem SpA (with registered office in Casale Monferrato, Via Luigi Buzzi 6, capital stock euro 123,636,658.80, Chamber of Commerce of Alessandria no 00930290044)

### **hereby declares**

under his responsibility, that he satisfies all the criteria of independence required by the regulations in force and by articles 23 of the bylaws, and specifically:

- that against himself no causes of ineligibility, incompatibility and disqualification exist, as provided by art.148, paragraph 3 of Legislative Decree no 58/1998 and, in any case, by the regulations in force;
- that she is on the Auditors' Register as per Ministerial Decree of April 12, 1995, published in the Official Gazette of the Italian Republic no 31 bis of April 21, 1995, as renewed by Legislative Decree no 39/2010, and that he has performed statutory auditing for a period not shorter than three years;
- that he fulfils all conditions of professionalism and honorability as provided by the regulations in force and specifically by art. 1, paragraphs 4,5 and 6, and by art. 2 of the Ministry of Justice Decree no 162 of March 30, 2000, published in the Official Gazette of the Italian Republic no 141 of June 19, 2000;
- that he holds management and control positions in other companies in compliance with the limits on cumulation of positions set by Consob, pursuant to Legislative Decree no 58/1998.

The undersigned undertakes to promptly communicate the arising of conditions interfering with the position.

March 2, 2015