

**Corporate Governance in Italy:  
Compliance, Remunerations and Quality of the Comply-or-Explain  
(Year 2014)**

February 2015



## Corporate Governance in Italy: Compliance, Remunerations and Quality of the Comply-or-Explain

1. Introduction and main conclusions	9
--------------------------------------	---

### FIRST PART:

#### Corporate governance in Italian listed companies

2. General information: compliance with the Corporate Governance Code; structure and form of CG Reports	27
3. Compliance with Code recommendations	28
3.1. <i>Role of the Board of Directors and of the Board of Statutory Auditors; two-tier and one-tier management and control systems</i>	28
a) <i>Frequency of meetings</i>	
b) <i>Length of meetings</i>	
c) <i>Global time commitment</i>	
d) <i>Attendance to meetings</i>	
e) <i>Circulation of information and participation of managers</i>	
f) <i>Information on the Executive Committee</i>	
g) <i>Information about board evaluation</i>	
h) <i>Information on succession plans</i>	
i) <i>Positions held in other companies</i>	
j) <i>Positions held in other listed companies</i>	
k) <i>Role of the Supervisory Board in two-tier companies</i>	
3.2. <i>Composition of the Board of Directors and independent directors</i>	41
a) <i>Board size</i>	
b) <i>Board composition</i>	
c) <i>Board independence (CG Code and CLF definitions)</i>	
d) <i>The age of directors and statutory auditors</i>	
e) <i>Time in office</i>	
f) <i>Chairman-CEO and Lead Independent Director</i>	
3.3. <i>Assessment of directors' and statutory auditors' independence</i>	56
a) <i>Directors' independence</i>	
b) <i>Statutory auditors' independence</i>	
3.4. <i>Minority representatives</i>	62
a) <i>Number of minority directors and statutory auditors</i>	

b) <i>The role of minority directors</i>	
c) <i>Minority directors and the composition of board committees</i>	
3.5. <i>Nomination committee</i>	65
3.6. <i>Remuneration committee</i>	66
a) <i>Establishment of a Remuneration Committee</i>	
b) <i>Composition of the Remuneration Committee</i>	
c) <i>Chairman of the Remuneration Committee</i>	
d) <i>Age and time in office</i>	
e) <i>Frequency of meetings</i>	
f) <i>Length of meetings</i>	
g) <i>Global time commitment</i>	
h) <i>Attendance to meetings</i>	
3.7. <i>Control and Risk Committee</i>	73
a) <i>Establishment of a Control and Risk Committee</i>	
b) <i>Composition of the Control and Risk Committee</i>	
c) <i>Chairman of the Control and Risk Committee</i>	
d) <i>Age and time in office</i>	
e) <i>Frequency of meetings</i>	
f) <i>Length of meetings</i>	
g) <i>Global time commitment</i>	
h) <i>Attendance to meetings</i>	
3.8. <i>Other issues concerning the Internal Control System</i>	80
a) <i>Director in charge of the internal control and risk management system</i>	
b) <i>Person in charge of the Internal Audit function</i>	
c) <i>Remuneration of person in charge of the Internal Audit function</i>	
d) <i>Work plan and periodic reports of the Internal Audit function</i>	

## **SECOND PART:**

### **Directors' and statutory auditors' remuneration**

4. <i>The Remuneration Reports</i>	86
4.1. <i>The structure of Remuneration Reports</i>	86
4.2. <i>The Remuneration Policy</i>	87
a) <i>Benchmarks</i>	
b) <i>Consistency with the remuneration policy</i>	
c) <i>Changes of the policy</i>	
d) <i>Fixed and variable remuneration</i>	

e) Parameters	
f) Short and medium-long term oriented variable components	
g) Indemnities in case of resignation or dismissal	
<b>4.3. Directors' remuneration</b>	<b>94</b>
a) The remuneration level	
b) Remuneration and directors' role	
c) The remuneration structure	
d) Managing directors' remuneration (non-equity)	
e) Managing directors' remuneration (equity)	
f) The remuneration of chairmen (executive and non-executive)	
g) The remuneration of independent directors	
h) Remuneration and participation to board committees	
i) Remuneration and situations "at risk"	
j) Cash incentive plans	
k) Equity incentive plans	
l) Severance payments	
<b>4.4. Statutory auditors' remuneration</b>	<b>128</b>
a) The remuneration level	
b) Remuneration and role	
c) Remuneration and situations "at risk"	

### THIRD PART:

#### Quality of the comply-or-explain

<b>5. The comply-or-explain principle</b>	<b>133</b>
5.1. Principles in the Corporate Governance Code	133
5.2. The application of the principle with regard to single recommendations	135
a) Adoption of the Code	
b) Board evaluation	
c) BoD composition	
d) Lead Independent Director and meetings of independent directors	
e) The application of independence criteria	
f) Establishment and composition of board committees	
g) Internal control system	
h) Remuneration policy	

**Figures index**

- Figure 1 Average number of meetings (Board of Directors and Board of Statutory Auditors) by market index and sector
- Figure 2 Average length (min.) of BoD meetings, by market index and sector
- Figure 3 Average length (min.) of BoSA meetings, by market index and sector
- Figure 4 Average time commitment (hours/year) for BoD meetings, by market index and sector
- Figure 5 Average time commitment (hours/year) for BoSA meetings, by market index and sector
- Figure 6 Directors/Statutory auditors for whom information about attendance to meetings is available (% values)
- Figure 7 Companies that carried out the board evaluation process (% values)
- Figure 8 Board evaluation process carried out by persons identified (committee, chairman, independents, consultant)
- Figure 9 Average BoD size, by market index and sector
- Figure 10 Average BoD size and composition, by market index and sector
- Figure 11 FTSE MIB companies complying with Code recommendations concerning the composition of the BoD
- Figure 12 Average age of directors, in the non-financial sector and in banks
- Figure 13 Average time in office (years) for directors, by market index and sector
- Figure 14 Average time in office (years) for directors, in the non-financial sector and in banks
- Figure 15 Companies where the appointment of a LID is recommended (% values)
- Figure 16 Lead Independent Director
- Figure 17 Meetings of independent directors
- Figure 18 Number of companies explaining their non compliance with Code recommendations on directors' independence, by market index and sector
- Figure 19 Number of independent directors "at risk"
- Figure 20 Number of statutory auditors "at risk"
- Figure 21 Companies with a Remuneration Committee
- Figure 22 Composition of the Remuneration Committee and Code's recommendations
- Figure 23 Average age of the chairman and members of the Remuneration Committee
- Figure 24 Remuneration Committee average number of meetings
- Figure 25 Average length (min.) of the Remuneration Committee meetings, by market index and sector
- Figure 26 Companies with an Internal Control/Control and Risk Committee
- Figure 27 Internal Control/Control and Risk Committee and Code recommendations
- Figure 28 Average age of the chairman and members of the Control and Risk Committee
- Figure 29 Internal Control/Control and Risk Committee average number of meetings
- Figure 30 Average length (min.) of Internal Control/Control and Risk Committee meetings, by market index and sector

- Figure 31 Average time commitment (hours per year) for Remuneration Committee and for Internal Control/Control and Risk Committee meetings, by market index and sector
- Figure 32 Directors in charge of the Internal Control and Risk system, by role
- Figure 33 Corporate body which appoints/revokes the person in charge of Internal Audit function
- Figure 34 Corporate body which approves the Internal Audit plan
- Figure 35 Companies disclosing changes to the remuneration policy in 2014, by market index and sector
- Figure 36 Companies where one or more directors receive a variable remuneration, by market index and sector
- Figure 37 Parameters adopted for the definition of the variable remuneration, over time
- Figure 38 Companies disclosing a medium-long term oriented variable remuneration component, by market index and sector
- Figure 39 Definition of a cap to termination payments, over time
- Figure 40 Directors' total remuneration (non equity-based) (Average by market index and sector in € .000)
- Figure 41 Directors' qualification by role (in numbers)
- Figure 42 Directors' total remuneration (non equity-based), by role (Average in € .000)
- Figure 43 Composition of directors' remuneration (non equity-based), by role (Average in € .000)
- Figure 44 Beneficiaries (in %) and fair value (in € .000) of equity-based instruments, by role
- Figure 45 MDs' total remuneration (non equity-based) (Average by market index and sector, in € .000)
- Figure 46 Composition of MDs' total remuneration (non equity-based), by market index and sector
- Figure 47 2010-2014 evolution of MDs' total remuneration (non equity-based), by market index and sector
- Figure 48 Composition of MDs' remuneration package, by market index and sector
- Figure 49 Composition of the remuneration package for MDs who are beneficiaries of equity-based plans, by market index and sector
- Figure 50 Total remuneration of independent directors (non equity-based) (Average by market index and sector, in € .000)
- Figure 51 Total remuneration (non equity-based): LID vs. other independent directors (in € .000)
- Figure 52 Total remuneration (non equity-based): chairman vs. other members of the Remuneration Committee (total sample and banks) (in € .000)
- Figure 53 Total remuneration (non equity-based): chairman vs. other members of the Control and Risk Committee (total sample and banks) (in € .000)
- Figure 54 Total remuneration (non equity-based) of independent directors in relation to "risk of independence impairment" (Average by market index and sector in € .000)
- Figure 55 Composition of total remuneration (non equity-based) of independent directors in relation to "risk of independence impairment" (total sample and banks) (in € .000)

- Figure 56 Composition of total remuneration (non equity-based) of independent directors (banks and non financial firms) by office tenure more vs. less than 9 years (in € .000)
- Figure 57 Composition of total remuneration (non equity-based) of independent directors by office tenure more vs. less than 9 years, by market index (in € .000)
- Figure 58 Total remuneration of statutory auditors: evolution over time (2010-2014) (Average data in € .000)
- Figure 59 Total remuneration of statutory auditors, by market index and sector (Average data in € .000)
- Figure 60 Composition of statutory auditors' remuneration (in € .000)
- Figure 61 Composition of the total remuneration of BoSA members: chairman vs. statutory auditors (in € .000)
- Figure 62 Structure of statutory auditors' remuneration in relation to the "risk of independence impairment" (in € .000)
- Figure 63 Adoption of the Code and explanation provided in case of non compliance
- Figure 64 Board evaluation and explanation provided in case of non compliance
- Figure 65 Compliance with Code's recommendations on the composition of the BoD and explanation provided in case of non compliance
- Figure 66 Appointment of a Lead Independent Director (in situations where it is recommended by the Code) and explanation provided in case of non compliance
- Figure 67 Meetings of independent directors and explanation provided in case of non compliance
- Figure 68 Application of independence criteria set forth by Code and explanation provided in case of non compliance
- Figure 69 Establishment of a nomination committee and explanation provided in case of non compliance
- Figure 70 Establishment of a remuneration committee and explanation provided in case of non compliance
- Figure 71 Establishment of a control and risk committee and explanation provided in case of non compliance
- Figure 72 Existence of a variable remuneration for executive directors and explanation provided in case of non compliance

### **Appendix 1: Composition of the sample**

### **Appendix 2: Tables based on Corporate Governance Reports**

- Table 1 General Information
- Table 2 Information about BoD, Executive Committee and BoSA
- Table 3 Time commitment required to Directors and Statutory Auditors
- Table 4 Attendance to Board meetings (individual directors and statutory auditors, 2014 data)
- Table 5 Board Evaluation
- Table 6 Board Evaluation content



Table 7	Presence and features of “Succession Plans”
Table 8	Other positions held (individual directors and statutory auditors, 2014 data)
Table 9	Persons holding multiple positions in listed companies
Table 10	Role of the Supervisory Board (two-tier board model)
Table 11	Composition of the Board of Directors
Table 12	Composition of the Supervisory Board (two-tier board model)
Table 13	Directors’ and Statutory Auditors’ age and time in office
Table 14	Chairman, CEO and Lead Independent Director
Table 15	Independent Directors in “particular circumstances”
Table 16	Composition of the Board of Statutory Auditors
Table 17	Statutory Auditors in “particular circumstances”
Table 18	Nomination Committee
Table 19	Chairmanship of Committees
Table 20	Remuneration Committee
Table 21	Composition of Board Committees
Table 22	Attendance to Board Committees (individual directors, 2014 data)
Table 23	Internal Control/Control Risk Committee

### **Appendix 3: Tables based on Remuneration Reports**

Table 24	Remuneration Policy: general principles
Table 25	Remuneration Policy: variable and fixed remuneration
Table 26	Remuneration Policy: directors’ variable remuneration
Table 27	Directors’ remuneration (average data in € .000)
Table 28	Directors’ remuneration structure, by role (average data in € .000)
Table 29	Age and time in office: Directors and Statutory Auditors (by role)
Table 30	Remuneration structure by role and sector (average data in € .000)
Table 31	CEO remuneration (average data in € .000)
Table 32	Remuneration of Executive Chairmen (average data in € .000)
Table 33	Remuneration of Non Executive Chairmen (average data in € .000)
Table 34	Remuneration of Independent Directors (average data in € .000)
Table 35	Remuneration of Independent Directors: Lead vs. other independents (average data in € .000)
Table 36	Remuneration of “other independents” by Committee membership (average data in € .000)
Table 37	Remuneration of “other independents” (average data in € .000) and their distribution (% data) by Committee membership, index and sector
Table 38	Compensation of Remuneration Committee members: chairman vs. other members (average data in € .000)
Table 39	Remuneration of Internal Control/Control and Risk Committee members: chairman vs. other members (average data in € .000)

---

Table 40	Remuneration of independent directors: independent directors “not at risk” vs. “at risk” (average data in € .000)
Table 41	Remuneration of independent directors: tenure longer vs. shorter than 9 years (average data in € .000)
Table 42	Bonuses assigned to directors
Table 43	Stock options assigned to directors
Table 44	Other equity-based instruments assigned to directors
Table 45	Remuneration of Statutory Auditors (average data in € .000)
Table 46	Remuneration of the Board of Statutory Auditors: chairman vs. other members (average data in € .000)
Table 47	Remuneration of the Board of Statutory Auditors: statutory auditors “not at risk” vs. “at risk” (average data in € .000)

**Appendix 4: Tables based on the quality of the comply-or-explain**

Table 48	Comply-or-explain: Adoption of the Code, Board evaluation and BoD composition
Table 49	Comply-or-explain: Independent Directors
Table 50	Comply-or-explain: Establishment and composition of board committees
Table 51	Comply-or-explain: BoD role in the Internal Control System
Table 52	Comply-or-explain: Remuneration policy

## 1. Introduction and main conclusions<sup>(\*)</sup>

Since the first year of application of the Corporate Governance Code (hereinafter “Code”)<sup>1</sup>, Assonime analysed the Corporate Governance Reports (hereinafter Reports) issued by the Boards of Directors of listed companies in order to provide information about their corporate governance system.

### **Structure of the survey**

The 2014<sup>2</sup> analysis covers 230 Italian companies, listed on the Italian Stock Exchange on December 31<sup>st</sup>, 2013, whose Reports were available as of July 15<sup>th</sup>, 2014: the survey covers substantially the whole stock list<sup>3</sup>.

The results refer to the whole sample of Reports, except where specifically noted (e.g. companies belonging to a specific market index<sup>4</sup>). Further details and/or comparisons with previous years are provided, whenever significant. Comments, except where specifically noted, refer to the following classification: FTSE Mib, Mid Cap, Small Cap, Micro Cap and Others<sup>5</sup> (a residual class, made up of companies not included in any FTSE Index). Moreover, the sector classification defined by the Italian Stock Exchange has been used (in detail, distinguishing financial – banks and insurance companies – from non-financial firms). Further details are shown in Appendix 2.

### **Compliance with the Code**

The first part of the analysis focuses, as usual, on the application of the Code, as approved by the Corporate Governance Committee in December 2011<sup>6</sup>. This analysis,

---

<sup>(\*)</sup> This report is the result of an analysis performed by Massimo Belcredi (Professor of Corporate Finance, Università Cattolica del S.Cuore) and Stefano Bozzi (Associate Professor of Corporate Finance, Università Cattolica del S.Cuore). Lisa Migliaccio, Mateja Milič and Dominic Zito provided a valuable assistance in the data collection; Claudia Baldini and Paolo Soresi provided a valuable assistance in the editing of the document.

<sup>1</sup> *Corporate Governance Committee* of listed companies (1999 ed.), “Report – The Corporate Governance Code”.

<sup>2</sup> Previous analysis are available on the Assonime website, in the “Capital markets” [area](#).

<sup>3</sup> The few missing Reports are due to delistings, mergers and bankruptcy procedures. We do not cover 43 companies subject to foreign law (almost all of them are listed on the Italian Stock Exchange without the consent of the issuer) and the companies listed on the AIM Italia and MAC markets, which are not required to disclose information about compliance with the CG Code. Further information on the composition of the sample are reported in Appendix 1.

<sup>4</sup> The index composition refers to December 31<sup>st</sup>, 2013.

<sup>5</sup> The last two classes (Micro Cap and Others) have a limited interest since also they are not so numerous. We will focus on FTSE Mib, Mid Cap and Small Cap. We didn’t take into account data concerning the Star segment, which requires companies to disclose additional corporate governance information on a legal basis.

<sup>6</sup> Issuers were required to apply the Code within the end of the fiscal year beginning in 2012 and to disclose information on its application through the CG Report to be published in 2013. The application of

obviously, does not focus on the application of revisions approved by the Committee in July 2014<sup>7</sup>.

Corporate Governance Reports disclose also other interesting information, such as the compliance with the rules provided for by the Law no. 262/2005 (so-called “Protection of Savings Law”) and other applicable regulations, as well as with the latest revisions of the Legislative Decree 58/1998 (hereinafter “CLF”, whose revisions are often related to the transposition of European directives and recommendations).

### ***The monographic parts***

The 2014 analysis includes two monographic parts. The first one analyses – as in the previous year – the remuneration of directors and statutory auditors (see par. 4), while the second one focuses on the application of the comply-or-explain principle (see par. 5).

The part dealing with remuneration of directors and statutory auditors is based on information drawn from the Remuneration Reports, which are made up of two sections: a first section, subject to a non-binding vote of the Annual General Meeting, describes the company remuneration policy as well as the procedures used for the adoption and the implementation of this policy. The second section provides information on the remuneration actually paid to directors, statutory auditors and general managers (as well as, on an aggregated basis, the remuneration of the key management personnel), distinguishing between remunerations paid by the company and those paid by subsidiaries or affiliated companies.

In this part we focus on two main topics:

- a) information provided in the first section of the Report, concerning the policy adopted by the company and the procedures used for its adoption and implementation (see par. 4.1. and 4.2.);
- b) detailed information provided in the second section, on an individual basis, about the remuneration paid to directors and statutory auditors (see par. 4.3. and 4.4.).

---

some recommendations should have, actually, been advanced or postponed, depending on the first renewal of the BoD taking place after the Code became effective (see transitory regime under the 2011 Code, main principle VIII). For a comment see Circolare Assonime 7/2014 “Il Codice di autodisciplina e le relazioni sul governo societario e gli assetti proprietari”.

<sup>7</sup> The last edition of the Corporate Governance Code (July 2014) is available on the Corporate Governance Committee [website](#).

The second monographic part deals with the application of the comply-or-explain principle (see par. 5). This topic deserves a specific focus, also in light of the recent Recommendation of the EU Commission of April 9, 2014, n. 208, focusing on the quality of corporate governance of listed companies (comply-or-explain).<sup>8</sup>

This monographic part reports the result of an in-depth analysis on some Code recommendations, for which it is possible to assess objectively whether the company is compliant (or not); consequently, it is also possible to assess if an explanation is both due and available, in case of partial or total non-compliance; finally, we analyse the explanations provided by listed companies.

### **Main conclusions**

Our analysis shows mainly positive results: quantity and quality of information provided by companies are often very good. The effort of the issuers both to provide information about their governance system and to comply with Code provisions is clearly evident. CG Reports are, generally, sufficiently complete and easily understandable. In the last years, transparency about corporate governance practices adopted by companies has increased considerably, both in the case of compliance and in that of non-compliance with Code provisions. The quality of disclosure is generally good, also in case of non-compliance with the Code: consequently, non-compliance cases are clearly shown to investors, who are able to assess the effects and take their own decisions, both for trading purposes and as a basis for engagement with the investee company.

The improvement of transparency and, at the same time, the inclusion of new recommendations in the CG Code increase the number of areas where a further improvement is still possible. In particular, some recommendations have yet to be fully implemented (e.g. appointment of a Lead Independent Director, Board Evaluation procedure, topics of the remuneration policy, information about time in office); in single cases, some issues are apparent also about the effectiveness of board committees (especially the Remuneration Committee).

For what concerns the application of the comply-or-explain principle, the transparency in case of non-compliance with Code provisions is often good (e.g. regarding the adherence to the Code, the implementation of independence criteria, the appointment of a Lead Independent Director or the establishment of board committees). However, there are also some points where a better disclosure about the reasons for non-

---

<sup>8</sup> For a comment see Circolare Assonime 25/2014 “La raccomandazione della Commissione europea del 9 aprile 2014, n. 208, sul principio del comply or explain”, and Circolare Assonime 26/2014, “Le novità del Codice di autodisciplina (edizione luglio 2014)”.

compliance would be advisable (e.g. regarding the composition of board committees, the internal control system, some specific features of the remuneration policy).

### ***Adoption of the Code***

Almost all issuers decided formally to adopt the Code (see par. 2): this is true for 213 companies (i.e. 93% of the aggregate). Among the 17 companies which chose not to adopt the Code, compliance with its recommendations is nonetheless frequent; to the same extent, among companies adopting the Code, non-compliance with one or more recommendations is possible. Italian listed companies are increasingly aware of the consequences of compliance with individual Code recommendations. On the one hand, the choice to comply (or not to comply) with each Code provision should be based, indeed, on a cost-benefit analysis referred to the single case; on the other hand, recommendations are best practices, not minimum legal standards; for this reason, a hundred percent compliance with the Code can hardly be expected; this is particularly true for some criteria, where a “mechanical” application might even be in contrast with the spirit of the Code.

### ***Basic information***

Basic information about the composition of corporate bodies and committees, the frequency of meetings and the attendance of single directors is always or almost always available. The average number of board members is usually variable according to company size (from 8.5 in Small Caps to 11.9 in the FTSE Mib) and sector (14.7 in financial, 9.3 in non-financial companies). The average number of board members is slightly decreasing, essentially because of a significant drop in the number of directors in the financial sector (from 15.6 members in 2011 to 14.7 in 2014).

### ***Meeting frequency and attendance***

The average frequency of board meetings is slightly decreasing (about 10.2 meetings per year, versus 10.7 in 2013) (see par. 3.1. a)), essentially due to a reduction of some critical situations in the financial sector. The Code recommends disclosing the average length of board meetings: this information has been given by 203 companies (88% of the aggregate). The average length of meetings is slightly above the two hours, with notable variations according to firm size and, even more, to company sector. The average length of Board of Statutory Auditors’ meetings is given by 70% of the companies (though disclosure is not explicitly recommended by the Code): the average length of those meetings is about two hours and a half (see par. 3.1. b)).

For directors, the required average time commitment (in terms of attendance to BoD meetings) is about 24 hours per year (see par. 3.1. c)). These data change a lot

according to firm size (38 hours in FTSE Mib) and industry (56 hours in the financial, 65 hours in the banking sector). Additional time commitment is required to directors involved in one or more board committees. This is particularly true for the Executive Committee (where established), which requires additional 25 hours of attendance. The “Code committees” can lead to a significant additional commitment as well. This is especially true for the Control and Risk Committee (hereinafter “CRC”), which requires a significant additional engagement (16 hours per year), i.e. 2/3 of what is required by BoD meetings (and on average three times higher than the Remuneration Committee engagement) (see par. 3.6. g) and 3.7. g)).

For statutory auditors, the required average time commitment (in terms of attendance to BoSA meetings) is 32 hours per year. Also these data change according to company size (70 hours in FTSE Mib) and sector (94 hours among financial firms, 112 among banks). The total engagement required to statutory auditors is even higher than it seems, since they are required to attend also BoD (and Executive Committee) meetings; it may be even higher when statutory auditors are attending also to meetings of “Code committees”.

### ***Pre-meeting information***

The Code recommends the disclosure on promptness and completeness of the pre-meeting information (see par. 3.1. e)). Information on this point has been given by 212 companies (i.e. 92% of the aggregate). 60% of the companies disclosing this information qualified precisely the prior notice deemed adequate. The information is given more frequently by larger companies (i.e. by 74% of FTSE Mib companies) and in the financial sector (in 81% of cases; the percentage increases to 87% among banks). The prior notice normally considered adequate varies according to the specific item on the agenda from 2.8 to 3.5 days; however, only a little under half of the companies disclose explicitly that the prior notice deemed adequate has been respected.

### ***Board evaluation***

79% of the companies disclosed that they performed board evaluation activities (see par. 3.1. g)). This happens more frequently in larger companies (92% of the FTSE Mib) and in the financial sector (96%). The adoption of questionnaires is quite frequent (75% of cases); interviews are less frequent (15% of cases). The board evaluation takes, almost always, into account size, composition and functioning of boards' committees. In line with the Code, the results are rarely disclosed to the market and, when this happens, it is in a synthetic form.

A specific figure is often in charge of the board evaluation process: this happens in 66% of issuers; the percentage rises to 84% in FTSE Mib firms. This duty is often assigned to one of the Code committees. The appointment of external facilitators is infrequent (30 cases) and basically limited to the financial sector (53% of cases) and larger companies, especially publicly-owned firms (i.e. 58% of FTSE Mib firms). The identity of the external facilitator is disclosed in 53% of the cases; in 57% of the cases companies disclose also information concerning other services eventually supplied by the facilitator (or rather, that no additional services are supplied).

### **Succession plans**

The Code recommends all issuers to “evaluate whether to adopt” a succession plan for executive directors (see par. 3.1. h)) and to disclose information on this point. Information has been given in 84% of the cases (much more frequently than in the past; information is always available among FTSE Mib companies). Formalised succession plans for directors are rarely in place: only 20 companies (9 of them are FTSE Mib) disclosed the actual adoption of a succession plan.

### **BoD composition**

The identification of executive, non-executive and independent directors is almost always available (see par. 3.2. b)). The average Board of Directors is composed of 2.7 executive, 3.1 “simple” non-executive and 4 non-executive independent directors. Differences among financial and non-financial firms depend on the different number of non-executives (11.1 in the financial, 6.7 in the non-financial sector) and independent directors (5.5 in the financial, 3.8 in the non-financial sector). In the last few years it has been observed a small but stable increase in the number of independent directors.

### **Age and time in office**

Directors’ average age is about 58 years and a half. Executive directors are slightly younger (58 years old vs. 58 years and a half for non-executives and 59 for independent directors). Moreover, the age of executives varies considerably according to the sector (57 in the non-financial; 63 and a half in the financial sector) (see par. 3.2. d)). Statutory auditors’ average age is 57 years.

The Code recommends issuers to disclose the main professional features of directors, as well as their time in office since the first appointment (see par. 3.2. e)). Information on this point is provided by only half of companies. On an individual director basis, information is available in 43% of cases. The average time in office is about 5 years and a half; it is much higher (9 years) for executives than for non-executive directors (less than 5 years) and, even more so, for independent directors (4 years). Time in



office is slightly lower in the financial sector. Statutory auditors, on average, have been in office for 3 years (the average time in office is higher in the financial sector).

### ***Lead Independent Director and meetings of independent directors***

Companies meeting the conditions where the Code recommends the appointment of a LID are 93, i.e. 40% of the aggregate (see par. 3.2. f)). They are all non-financial firms. The frequency of these situations is inversely proportional to firm size (50% among Small Cap; 17% among FTSE Mib).

101 companies appointed a Lead Independent Director (i.e. 44% of the aggregate). No two-tier company appointed a LID. The appointment of a LID is more frequent where it is explicitly recommended by the Code: this is true for 69 companies (out of 93, i.e. 74% of the aggregate). In the other 32 cases a LID has been appointed on a voluntary basis. The appointment of a LID is stable over time. He/she is always identified in the Report.

The Code recommends that independent directors shall meet at least once a year in order to discuss the functioning of the BoD and the governance of the company. These meetings take place quite frequently: 126 companies (i.e. 61% of the aggregate) disclosed that independent directors met at least once during the year of reference; this happens more frequently among larger companies (81% of FTSE Mib companies) and where a LID has been appointed (73% of cases; 55% in companies where no LID has been appointed). Frequency of independent directors' meetings is increasing over time.

### ***Independence evaluation***

Many situations deemed critical by the Code with reference to the independence evaluation have substantially disappeared (see par. 3.3.): the only critical situations still frequent are the payment of a "high" remuneration (39 cases out of a total of 987 independent directors, often related to directors who also chair the BoD of the issuer – 6 cases out of 12 independent chairmen – or to directors holding multiple positions, also in subsidiaries or associated companies) and a tenure longer than 9 years (in 137 cases). The number of "at risk" situations is, basically, stable over time. Similar data may be found for statutory auditors, where there are 60 cases of "high" remuneration (out of 699 statutory auditors), often related to statutory auditors holding multiple positions in the same group and 118 cases where time in office is longer than 9 years.

### ***Minority representatives***

Companies having at least one minority director are 89, in addition to 4 out of 5 two-tier companies (see par. 3.4.). The global number (93) is slightly decreasing (97 in 2013,

101 in 2012). Companies with minority directors are, instead, stable over time (40%), also due to the decrease of the number of companies listed on the Stock Exchange. We identified 170 minority directors. Data are similar also with reference to minority statutory auditors. Minority directors are almost always (in 94% of the cases) qualified as non-executives; nevertheless, 11 directors, in 7 companies, are qualified as executives (9 in 2013, in 5 companies).

### **Board committees**

A Nomination Committee (hereinafter NC) has been established by 49% of companies (see par. 3.5.). The NC is frequently unified with the Remuneration Committee. The Nomination Committee is almost always composed of a majority of independent directors, as recommended by the Code. The Chairman of the committee is almost always (81% of cases) a non-executive director, in 59% of cases he is also qualified as independent.

A majority of listed companies established a Remuneration and a Control and Risk Committee (88% for the RC, 91% for the CRC) (see par. 3.6. a) and 3.7. a)). The Code requires that these two committees are made up entirely of independent directors or, alternatively, of non executive directors, the majority of which shall be independent; in this case, the chairman of the committee shall also be independent. However, this recommendation will be implemented gradually over time (starting from the first renewal of corporate bodies following the entry into force of the 2011 Code). The first option (all independent directors) was followed by 42% of the companies for the RC and by 50% for the CRC; the second option (all non-executives, a majority of which is independent, and independent chairman) was followed by 39% of the companies for the RC and by 37% for the CRC. Therefore, the Remuneration Committee is already in line with Code recommendations in 81% of the cases. In the same vein, the CRC is in line with Code recommendations in 87% of the cases (see par. 3.6 .b) and 3.7. b)).

### **Director in charge of the internal control and risk management system**

The Code recommends the BoD to identify one or more directors to be charged with the task of establishing and maintaining an efficient internal control and risk management system. The “director in charge” is identified in 181 companies (i.e. 79% of the aggregate) (see par. 3.8. a)). Some issuers (6) took the chance to appoint two “directors in charge”, entrusting each of them with some of the competences defined by the Code.

In 131 cases (69% of the aggregate), the “director in charge” is a managing director (or one of the managing directors, where there is more than one director with delegated

powers). In 22 cases he/she is the chairman of the BoD, in 9 cases a deputy chairman, almost always qualified as executive directors. In other 15 cases he/she is an executive director different from the managing one. In 6 cases (small issuers), the “director in charge” is a non-executive director (in 4 companies he/she is expressly defined as independent). In such cases, the “director in charge” is likely to have an oversight and guarantee role, rather than a planning and managing one.

### ***Person in charge of the Internal Audit***

The Code recommends that the BoD, upon proposal of the “director in charge”, on the favourable opinion of the CRC and after hearing the BoSA, shall appoint and revoke the person in charge of the internal audit function. Companies disclose almost always (in 94% of the cases) that they set up an internal audit function and/or that they have identified the person in charge of that function. The exceptions are almost exclusively Small and Micro Cap companies. Where information has been supplied, the power to appoint the person in charge of the internal audit function is generally given to the BoD.

### ***Internal Audit Plan***

The Code recommends that the BoD shall approve, at least annually, the internal audit plan, drawn up by the person in charge of the internal audit function, after hearing the BoSA and the director in charge of the internal control and risk management system. The CRC shall review the periodic reports of the internal audit function concerning the assessment of the internal control and risk management system, as well as the other reports of the internal audit function that are particularly significant. Moreover he/she shall monitor the independence, adequacy, efficiency and effectiveness of the internal audit function. Companies frequently state (173 cases, i.e. 75% of the aggregate; 140 in 2013, 49 in 2012) that audit plans have been formally approved by the BoD. In 9 cases (47 in 2013, 136 in 2012) the plan has been approved by the CRC, as recommended by the previous edition of the Code (see par. 3.8. d)).

### ***The Remuneration Report***

The drafting of specific Remuneration Reports increased significantly the amount of information available to investors. The disclosure level is often a best practice one: there are not many countries where similar information is available on an individual basis (i.e., for each member of the administrative and control corporate bodies). This is especially true for the so-called *ex post* information (about the remuneration actually paid).

There are still some areas of improvement. In the *ex ante* part, the BoD could identify more explicitly its orientation about specific issues of the remuneration policy; in the *ex*

post part, the BoD could disclose in a more clear manner some (complex) information, which raised doubts in many companies (and sometimes led the issuers to make mistakes in the remuneration tables).

### ***The remuneration policy***

The first section of the Report provides information on the remuneration policy and the related governance procedures. Disclosure of the remuneration policy may be more or less detailed depending on the company and on the specific topic. In some cases, issuers disclose that they didn't take specific decisions on certain points or state that the board "may" define those points in the future on a case by case basis (see par. 4.2.).

### ***Benchmarks***

The Scheme 7-bis of the Annex 3A to the Issuer Regulation (the so-called "Consob Scheme") requires issuers to disclose, in the first section of their Remuneration Reports, whether the remuneration policy has been defined with reference to the policies of other issuers and, if so, how the benchmark has been selected. In 77% of cases, companies disclosed this information (see par. 4.2. a)). 30% of issuers provide also information with respect to the criteria used to identify the benchmark companies (peers): the percentage is substantially higher (50%) among FTSE Mib. Individual peers identification is, instead, quite rare.

### ***Policy changes***

The Consob Scheme requires issuers to disclose, in the first section of their Remuneration Reports, any changes to their remuneration policy from the policy adopted the previous year. In 17% of cases, issuers explicitly state that the remuneration policy has been changed (see. par. 4.2. c)).

### ***Consistency of the remuneration with the policy***

The Consob Scheme requires issuers to provide, in the second section of their Remuneration Reports, an adequate representation of each remuneration component, underlining whether it was attributed in compliance with the approved remuneration policy. Information on this point has been provided in 32% of cases (see. par. 4.2. b)). Companies providing this kind of information usually disclose whether remuneration was paid in accordance with the approved policy.

### ***Fixed and variable remuneration***

The Code recommends that a significant part of the remuneration of managing directors and key management personnel shall be linked to the achievement of specific performance objectives set out in advance and consistent with the remuneration policy. The existence of variable remuneration is disclosed in 76% of the cases (see par. 4.2. d)). The frequency of such disclosure increases with firm size (94% in FTSE Mib companies).

In 72% of the cases the Reports define the relative incidence of the fixed and the variable remuneration part. It is impossible to report aggregate data on this point, since companies used different metrics to define the balance between the two remuneration components, due to the different structure of incentive plans. In 89% of the cases companies disclose the existence of a cap on the variable component.

A description of the parameters – defined *ex ante* – adopted for the definition of the variable component, is provided almost always (see par. 4.2. e)). It is very frequent (93% of cases) a reference to accounting-based measures; issuers refer less frequently to parameters such as specific “business” objectives or the market value of shares (this happens in 38% of companies). The adoption of stock-based plans is more frequent among larger companies (65% in FTSE Mib). 89% of companies have a short term oriented variable compensation (see par. 4.2. f)). A variable compensation defined on a medium-long term is disclosed by the 75% of companies; this happens more frequently in the financial sector (80% of the cases) and among larger companies (94% of the FTSE Mib companies).

### ***Policy for termination payments***

Companies disclose rarely (in 25% of the cases) the existence of a cap to indemnities for directors in case of dismissal or termination, as recommended by the Code (see 4.3. g)). Their frequency varies with company size (47% in FTSE Mib companies).

### ***Remuneration actually paid***

The second Section of the Remuneration Reports provides information, on an individual basis, about the remuneration actually paid to directors (and statutory auditors). As in previous years, we analysed these data together with the information disclosed in the CG Reports. The “Consob Scheme” annex to the Issuers Regulation requires the compilation of complex tables which, sometimes, report information that are already given in other documents.

The average (non-equity) directors’ remuneration is about 229,000 € (see par. 4.3. a)). The average remuneration varies considerably with company size and sector. Variations over time are, instead, not significant.

The Reports provide, in a synthetic and easily comparable way, information about the number of directors who are beneficiaries of stock-based plans and the fair value of such plans, measured using the conventional criterion of the “operating cost” - borne by the issuer - for the accrual year, pursuant to international financial reporting standards; only few directors are beneficiaries of plans “expensed” in the financial year of reference. The fair value of such plans is, however, rather high (515,000 € on average).

### ***Remuneration and role of directors***

Remunerations are notably different according to directors’ role (see par. 4.3. b)). Managing Directors receive a compensation (without considering equity remunerations) of 850,000 € on average. Executive chairmen get a 25% lower compensation (i.e. 645,000 €). Other executive directors receive a remuneration which is approximately a little less than 60% of MDs’ remuneration (499,000 €). They are followed by non-executive chairmen (302,000 €). Non-executive directors (76,000 €) and independent directors (54,000 €) receive the lowest compensation. Independent directors do not receive any equity linked remuneration.

The structure of the “cash” remuneration varies according to the role (see par. 4.3. c)): MDs’ remuneration is on average made up for a 55% by fixed remuneration, for a 24% by cash bonuses and for an 11% by remuneration from subsidiaries (while other components of remuneration are lower, in percentage). Executive chairmen receive a higher fixed remuneration (68% of the aggregate), low bonuses (5%) and a remuneration from subsidiaries which is almost at the same level as for MDs (11%). Non-executive chairmen receive mostly a fixed remuneration (84% of the aggregate). Non-executive directors (other than independent ones) get a significant remuneration from subsidiaries (23,000 €). Independent directors receive additional remuneration only for the participation to committees, for low amounts (16,000 €).

The non-equity remuneration of general managers who do not sit on the board is about 670,000 €, i.e. close to the amount received by executive chairmen. The structure of their remuneration package is similar to that of the MDs.

### ***Managing directors’ remuneration***

The structure of MD’s remuneration package varies according to firm size and industry (see par. 4.3. d)). In larger companies, fixed remuneration is lower (52%, vs. 60% in Small Cap) and variable remuneration is higher (bonuses account for 31% of non-equity remuneration, vs. 19% in Small Cap). Bonuses have an extremely low weight in

banks (3% of the aggregate). The cash compensation received by MDs increased by 10%, returning to the levels of two years ago.

### ***Incentive plans (cash and equity)***

The Consob scheme offers detailed information for directors (mostly executive), who are beneficiaries of incentive plans (see par. 4.3., par. j) and k)). As far as monetary bonuses are concerned, the average beneficiary received 332,000 € (both in terms of fiscal year competence and cash); he suffers the deferral of additional 137,000 € but at the same time cashes in 68,000 € “coming” from past fiscal years. Moreover, other 162,000 € “pass by” without being paid out during the fiscal year of reference. The bonuses globally received (400,000 € on average) are widely lower than previous years (when they exceed 700,000 €). As far as stock-based plans are concerned, their total value is higher for “other financial instruments” (862,000 € vs. 377,000 € for stock options). Of course, these amounts vary significantly across companies, especially in relation to firm size.

### ***Termination payments***

Termination payments are paid in three basic situations: a) a discontinuity in a director’s role; b) “end of mandate” treatments, which may be paid (or, more often, deferred) even though the director is re-appointed to the board; c) where a director is not re-appointed (the most common situation). These imports are on average 476,000 € in the first two mentioned circumstances (40 cases), where the recipient is still in office at the end of the year. Only 6 out of 58 (10% of the aggregate) executive directors who were no more in office at the end of 2013 received a termination payment: the amount of this severance payment is almost 3,000,000 € on average (in 3 cases the amount exceeds one million).

### ***Remuneration and evaluation of independence***

As in previous years, independent directors “at risk” receive on average a higher remuneration (see par. 4.3. i)). Such situations are fairly common; furthermore, the difference is very high – and even increasing - in banks (176,000 € vs. 87,000 € of other independent directors “not at risk”), whereas it is much lower – and decreasing - in the non-financial sector (53,000 € vs. 44,000 €). Data reported in the Consob scheme show that higher remunerations of independent directors “at risk” are typically linked to positions held in subsidiaries and affiliated companies.

A tenure longer than 9 years is generally accompanied by a higher compensation only in larger firms (FTSE Mib and Mid Cap) and, above all, in banks, where independent directors with a longer tenure receive on average 55,000 € (i.e. over 50%) more than

other independent directors. A smaller (i.e. less than 10,000 €) increase in the remuneration may be observed also in non-financial companies.

### ***Remuneration of statutory auditors***

Remuneration of statutory auditors is on average 52,000 €, in line with that of independent directors (see par. 4.4.). In the last year, statutory auditors' remuneration decreased by 5%, after a growth of 34% in the previous three years; however, this is partly due to a change in the composition of the sample.

As for directors, remuneration of statutory auditors varies remarkably according to firm size (93,000 € in FTSE Mib companies, i.e. 2.7 times the average remuneration in Small Cap) and industry (100,000 € in financial, 46,000 € in non-financial companies). Fixed remuneration received by the issuer represents almost 80% of the aggregate; remunerations from subsidiaries account for almost 20%. Other components of remuneration are quite low. The chairman of the BoSA gets about 30% (14,000 €) more than other statutory auditors: the difference is related to remuneration paid by the issuer. Statutory auditors "at risk" receive a higher remuneration (78,000 €, i.e. about 80% more than their colleagues): additional remuneration is linked to positions held in controlled and affiliated companies.

### ***The application of the comply-or-explain principle***

The analysis of this year examines the explanations provided by companies in the few cases where they have decided not to adopt the CG Code and/or not to comply with some specific recommendations.

### ***Explanations for the choice not to adopt the Code***

CG Code does not explicitly require companies not adopting the Code to provide an explanation for their choice. Nevertheless, in 71% of cases issuers are providing an explanation for the non adoption of the Code (see par. 5.2. a)) or at least the declaration that their corporate governance model is substantially in line with Code provisions, with national best practices or, eventually (in case of companies belonging to supervised sectors) with recommendations issued by the surveillance authority. The decision not to adopt the Code is generally explained making reference to some company features (e.g. size, structure) and/or the ownership structure.

### ***Comply-or-explain on board evaluation***

Only 21% of issuers (48 companies) is not disclosing to have carried out a self-evaluation of the board of directors (see par. 5.2. b)). A clear explanation is available in 12 issuers; other 11 companies chose not to adopt the Code; in the other 25 cases it is



not clear whether the Board has not carried out the self-evaluation or only disclosure is missing. Disclosure of information is more frequent in FTSE Mib companies (in 2 non-compliance cases out of 3; the percentage decreases to 43% - 3 cases out of 7 – among Mid Cap and to 22% among Small Cap firms). The explanations provided often refer to temporary issues. In some cases the omitted self-evaluation is linked to issuer's characteristics, e.g. small size, structural features or the absence of situations requiring a new evaluation. Two companies state that board evaluation is of limited use in their specific case.

### ***Comply-or-explain on BoD composition***

Companies not complying with CG recommendations about BoD composition are quite rare (this happens in 21 cases, i.e. less than 10% of the aggregate): one company has no executive directors; the others have an insufficient number of independent directors (see par. 5.2. c)). An explanation - in such cases - is rarely disclosed; companies providing information generally state that the number of independent directors is nonetheless adequate. More than half of the non-compliance cases are companies which have chosen not to adopt the Code.

### ***Comply-or-explain on LID appointment and meetings of independent directors***

A Lead Independent Director is appointed frequently. In situations where a LID is recommended, only about ¼ of the companies have chose not to appoint him/her. Among them, 7 have no independent director, and the appointment of a LID is impossible (see par. 5.2. d)). Among the remaining companies, an explanation is available in 65% of the cases. Issuers not providing any explanation are, almost always, small companies not adopting the Code and/or having only one independent director. The omitted LID appointment is often explained through a reference to firm size, board composition, number of non-executive and/or independent directors or to the structure of delegated powers.

The Code does not entrust the LID with the task of summoning meetings of independent directors. This solution is, however, quite common; meetings of independent directors take place more frequently where a LID has been appointed. 65 companies explicitly state that no meeting of independent directors took place in the reference year. An explanation is provided in about half of the cases (the percentage increases to 67% in FTSE Mib and to 80% in the financial sector); the explanation is usually based on the statement that independent directors have not considered it necessary. In half of the cases the absence of meetings is motivated with the fact that independent directors are also members of one or more committees, so that the

attendance to such committees is sufficient to guarantee an adequate communication among them, in the absence of other directors.

### ***Comply-or-explain on the application of independence criteria***

The non-application of one or more criteria set forth by Code for the evaluation of directors' independence is rarely disclosed (13 cases, i.e. 5.7% of the aggregate) (see par. 5.2. e)). In most cases, companies chose not to apply the so-called "9-year rule". The reasons for the disapplication of an independence criterion is almost always disclosed: they include the opportunity not to lose prematurely competences acquired over time and the opportunity to avoid automatic or mechanic application of criteria. A different situation arises when issuers evaluated one or more directors to be independent pursuant to the general principle of having regard more to the substance than to the form (set forth by criterion 3.C.1.). 33 companies state that the application of one or more independence criteria has been put in place "having regard more to the substance than to the form" and they often explain their decision (85% of cases; always in the financial sector). The explanation, almost always related to the 9-year rule, generally refers to the opportunity to avoid a mechanic application of the Code, to ethical qualities of an individual director or to their professional qualities and independent judgement. Some companies set forth more specific explanations, concerning the absence of any commercial, professional or personal relations to the firm and their shareholders and/or the remuneration for the position being small in relation to the global income of the subject.

### ***Comply-or-explain on the establishment and composition of board committees***

As already observed, the nomination committee has been established in less than half of the companies and it is frequently unified with the remuneration committee. A remuneration committee and a control and risk committee have been established in 90% of the cases. Where a committee has not been established, the disclosure of the explanation is quite frequent (87% of the cases for the NC, 70% for the RC, 80% for the CRC) (see par. 5.2. f)). The omitted establishment of a committee is frequent especially among issuers which chose not to adopt the Code.

Different explanations are provided for the omitted establishment of committees. With regard to the nomination committee, issuers make often reference to the "slate voting system", where lists of candidates are usually submitted by shareholders. Explanations provided where the remuneration committee is not established usually make reference to a small firm size, to the opportunity to simplify the governance structure, to the role of the entire BoD in the remuneration setting process or, even, to role, number and/or standing of independent directors. Lastly, with regard to the CRC, explanations refer to

the supposed efficiency of the system of internal control and/or – once more – to a firm small size or to the opportunity to simplify the governance structure.

The composition of committees is always, or almost always, compliant with Code recommendations. Sometimes, non-compliance may be explained through the transitory regime set forth by the 2011 Code (main principle VIII). Where this is not the case, however, an explanation is provided quite rarely: where an explanation is given, it is often related to transitory circumstances or to the choice not to adopt the Code and/or to the insufficient number of independent directors. Explanations often refer to the adequacy of the directors' competences or to the necessity to maintain continuity in committee operations.

### ***Comply-or-explain on the internal control system***

An internal audit function is established almost always (see par. 5.2. g)). In most cases (94% of cases) the BoD is entrusted with the appointment of the person in charge, as recommended by the Code. In the remaining cases a person in charge has not been selected or the company discloses only who has the power to appoint and revoke this figure (alternatively, the chairman, the managing director, the director entrusted with the control system, the controlling company). The annual audit plan is approved by the BoD in 65% of companies. In the remaining cases the plan is approved by a different subject or the company does not provide information on this point. Issuers rarely disclose the reasons behind the choice to adopt different solutions; in the few cases where information is available, companies usually disclose only the identity of the person who is entrusted with the approval of the Internal Audit plan: these companies, are, mostly, complying with the previous version of the Code, that recommended to entrust the ICC/CRC with this function.

### ***Comply-or-explain on the remuneration policy***

The existence of variable remuneration, linked to company results, is disclosed by 76% of issuers. Among companies not envisaging this component, 18% are not adopting the Code; in 12 cases (i.e. 22% of the aggregate) an explanation is available (see par. 5.2. h)). Explanations include the decision to maintain a discretionary power for the assignment of a variable component, or “sound and prudent” management principles, or executive directors – being also major shareholders – not needing a specific incentive plan or, sometimes, a difficult financial situation of the issuer.

The deferral of a part of the variable remuneration is typically related to the adoption of long-term incentive plans (LTIP), cash or stock-based. An explanation for the lack of deferral provisions concerning the short-term component of variable remuneration is

rarely available (i.e. in 11% of the issuers providing this component). Explanations include a statement that deferral is not a key factor for proper management of corporate risks, the short-term dynamics of the price of raw materials, the adoption of a performance target that does not envisage any extraordinary component (thereby already discouraging short-termism) or, eventually, to the recent global financial crisis suggesting to concentrate on short-term operational continuity.

Companies disclose almost always the existence of a cap to the variable component. Such a cap may not be identified only in 10% of the cases: however, in these cases, no reason is disclosed for this choice.

A cap, specified *ex ante*, to termination indemnities is, instead, disclosed quite rarely: it can be found only in 25% of the cases. Only 46% of the companies not disclosing the existence of a cap explain the reason for this choice: most frequently, the issuer has no explicit agreement in place with directors; some companies state, more precisely, that their policy does not envisage such agreements. However, a cap would be most useful precisely when no specific agreement is already in place, given that, in fact, such agreements usually set explicit caps to indemnities.

## FIRST PART: CORPORATE GOVERNANCE IN ITALIAN LISTED FIRMS

### 2. General information: compliance with the Corporate Governance Code; structure and form of CG Reports

Compliance with the Corporate Governance Code takes place on a voluntary basis; listed companies who adopted the Code have to disclose annually how they have applied the principles and criteria set out by Code. Article 123-*bis* CLF<sup>9</sup> requires the disclosure of a “Report on corporate governance and ownership structures”, where companies should provide, among others, information regarding “the adoption of a corporate governance code of conduct issued by regulated stock exchange companies or trade associations, giving reasons for any decision not to adopt one or more provisions, together with the corporate governance practices actually applied by the company over and above any legal or regulatory obligations”<sup>10</sup>.

Almost all companies decided formally to adopt the Code: this happens in 213 cases (93% of the aggregate: see Tab. 1, in Appendix 2); among companies belonging to the FTSE Mib Index, only one is not adopting the Code<sup>11</sup>. The 16 remaining cases (substantially stable over time) are companies that explicitly disclosed their intention not to adopt the Code, while providing information on their corporate governance system according to Article 123-*bis* CLF<sup>12</sup>.

The quality and quantity of disclosure are generally good. The structure of the CG Report follows, in most cases, the “Format for the issuance of CG Reports” (hereinafter

---

<sup>9</sup> This Article was first introduced by Art. 4 Legislative Decree (hereinafter L.D.) 19<sup>th</sup> November 2007 no. 229 and then replaced by Art. 5 L.D. 3<sup>rd</sup> November 2008 no. 173.

<sup>10</sup> The minimum content of the CG Report includes a number of points, beyond what reported in the text: a) specific pieces of information about the corporate governance and capital structure of the issuer; b) rules applying to the appointment and replacement of directors and members of the control body or supervisory council, if different from those applied as a supplementary measure; c) the main characteristics of existing risk management and internal audit systems used in relation to the financial reporting process, including consolidated reports, where applicable; d) the operating mechanisms of the shareholders’ meeting; e) the composition and duties of the administrative and control bodies and their committees.

<sup>11</sup> Our analysis refers only to Italian companies (we ignored foreign firms listed in Italy).

<sup>12</sup> These cases include: a company without listed common stocks and other 16 issuers, including 2 that previously adhered to the Code and 1 that adhered only partially. An issuer is still not compliant with the 2011 edition of the Code.

“Format”) issued by the Italian Stock Exchange<sup>13</sup>, which includes in the Appendix some tables – drawn up with the contribution of Assonime – summarising data about the composition and functioning of corporate bodies.

### 3. Compliance with Code recommendations

#### 3.1. Role of the Board of Directors and of the Board of Statutory Auditors; two-tier and one-tier management and control systems

The analysis of the Board of Directors (BoD) is based on the full sample (230 companies), while that of the Board of Statutory Auditors (BoSA) is based on a smaller sample (223 firms), excluding one-tier and two-tier companies<sup>14</sup>.

The analysis of the CG Reports of companies adopting the two-tier or one-tier management and control systems requires particular caution<sup>15</sup> and has some implications on the composition of the sample.

The survey on the role of corporate bodies covered the following points (see Tab. 2):

---

<sup>13</sup> We refer to the fourth edition of the Format, published in January 2013. Previous editions were published by the Italian Stock Exchange in February 2008, 2010 and 2012. Through the Format, the Italian Stock Exchange aims at providing to the issuers a tool helpful in order to verify the nature and the content of the information included in the “Report on corporate governance and ownership structures” (Art. 123-*bis* CLF) and/or to monitor the competence of the Board of Statutory Auditors (Art. 149, par. 1, lett. *c-bis* CLF). The use of this tool is not compulsory nor explicitly recommended by the Italian Stock Exchange. In January 2015, a new version of the Format has been published by the Italian Stock Exchange; at the same time, Assonime published the new Tables for the composition and functioning of corporate bodies.

<sup>14</sup> The size of our sample has decreased over the last few years: this is due to mergers, bankruptcy procedures and takeover bids by control shareholders. Sample size decreased from 291 (in 2008) to 230 (companies adopting a traditional system decreased from 280 to 223). This can lead to some peculiar dynamics in the data reported in the text, particularly when referred to subsamples characterized by a little number of observations, related more to firms’ delisting rather than to companies that, remaining listed, decide to change their compliance with the Code.

<sup>15</sup> Our sample includes also 5 two-tier and 2 one-tier companies. The one-tier model provided by the Civil Code requires a BoD and a committee established within the board (Management Control Committee - MCC). The committee is made up of directors, although their duties are similar to those of Statutory Auditors in the “traditional” model, even if other duties may be added (e.g. those recommended by the CG Code to the Internal Control Committee - ICC – or to the Control and Risk Committee – CRC for those companies which already adhered to the 2011 edition of the Code). As in previous surveys, we chose: a) to consider the BoD of one-tier companies together with that of the companies adopting the traditional model; b) to consider the MCC equivalent to the ICC/CRC. In two-tier companies, classification problems are more complex because of the variety of roles and functions that can be entrusted to the Supervisory Board. Therefore, as in the previous surveys, we chose: a) to consider the Management Board together with the BoD of companies that adopted the “traditional” model; b) to consider the Supervisory Board as a separate entity; c) to consider the members of both corporate bodies in the directors’ sample, in the analysis carried out on individual basis.

### a) Frequency of meetings

Information about meeting frequency of the BoD is available almost always (see Tab. 2): the annual average number of meetings is 10.2, but it varies a lot across industries (17.1 in financial, 9.5 in non-financial companies) and according to firm size<sup>16</sup> (12.4 in FTSE Mib, 10.3 in Mid Cap and 9.8 in Small Cap firms)<sup>17</sup>.

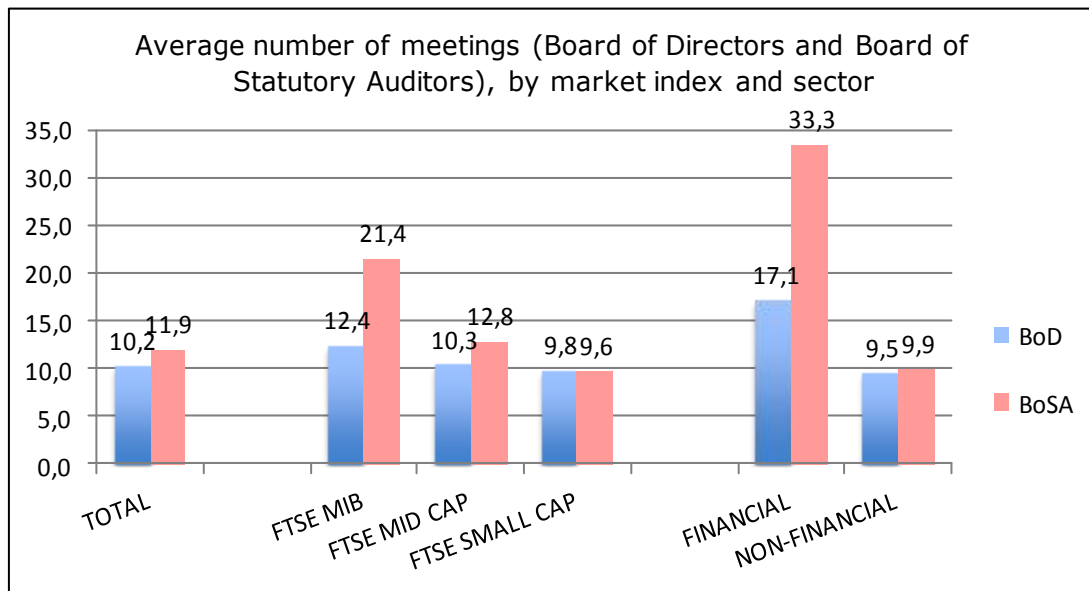


Figure 1

The average meeting frequency is slightly in decrease, especially because of the reduction of some critical situations in the financial sector.

Almost all companies provided information on the meeting frequency of the BoSA (see Tab. 2). The average number of meetings is 11.9, as in 2013; even in this case variability is high across industries (33.3 meetings in financial and 9.9 in non-financial companies) and according to firm size (21.4 meetings in FTSE Mib, 12.8 in Mid Cap and 9.6 in Small Cap firms)<sup>18</sup>.

<sup>16</sup> The FTSE Index definition basically follows market capitalization; the median market capitalization at the end of 2013 was (in million €): FTSE Mib: 4,545; Mid Cap: 869; Small Cap: 60. (At the same date the market capitalization of Micro Cap was 61 and that of "Other" was 127).

<sup>17</sup> The number of BoD meetings is extremely variable across companies, ranging from 4 - in 9 companies (down from 7 in 2012) - to 38 meetings per year (in a two-tier company). A newly-listed company discloses that the BoD, appointed the 16<sup>th</sup> December, held no meetings within the end of the year.

<sup>18</sup> The number of BoSA meetings is extremely variable across companies (even more than BoD ones), ranging from 4 (the minimum required by law, ex Art. 2404 of the Italian Civil Code) to 87 meetings per year. Banks take the first 3 positions in the ranking (with more than 56 meetings per year). Three companies announce that the Board of Statutory Auditors held a number of meetings below the minimum required by law; for what concerns two of them the reasons are, respectively, the recent admission to the

### b) Length of meetings

The Code recommends the disclosure of the average length of BoD meetings in Corporate Governance Reports. This information has been provided by 203 companies (88% of the aggregate: see Tab. 3). The average length of BoD meetings is slightly above two hours (132 minutes). As in previous years, there are notable variations according to firm size (166 minutes in FTSE Mib, 145 in Mid Cap, 120 in Small Cap) and, even more, to the company sector (126 in non-financial, 188 in financial companies; 207 in the banking sector)<sup>19</sup>. The average data are substantially stable.

The Code does not explicitly recommend companies to disclose the average length of the BoSA meetings (even if this recommendation has been introduced with the 2014 Code). Nevertheless, this information has been given, on a voluntary basis, by 155 firms (70% of the aggregate; 67% in 2013, 55% in 2012). Average length of meetings is about two hours and a half (147 minutes), with some variation related mainly to the sector (144 in non-financial, 175 in financial companies and 184 in banks)<sup>20</sup>.

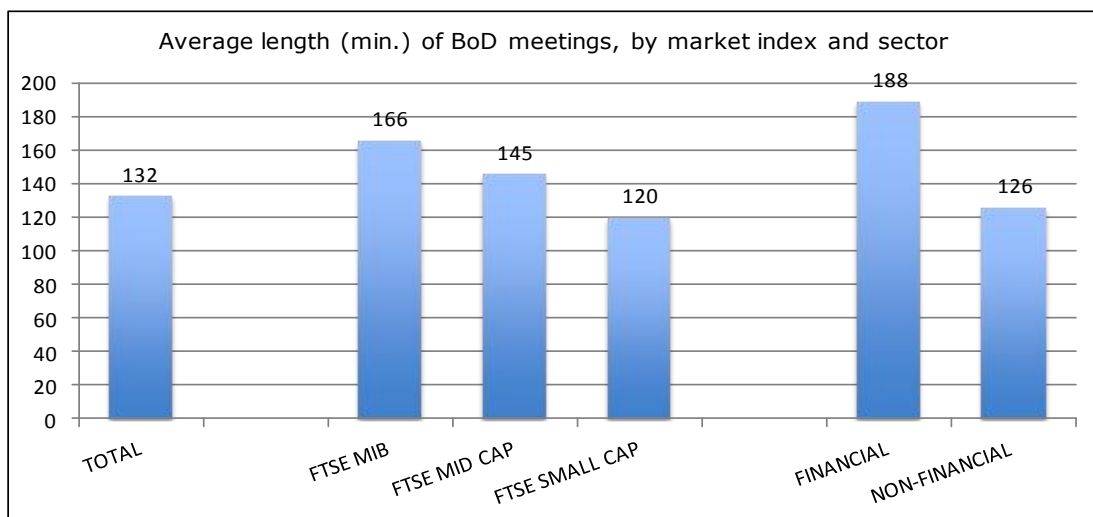


Figure 2

Italian Stock Exchange and the change of the governance model; as in 2013, the third company doesn't provide any explanation.

<sup>19</sup> The average length of BoD meetings is extremely variable across companies, ranging from 46 minutes to 5 hours. Two small companies (6 in 2013, 8 in 2012) have an average length lower than 1 hour; 14 (including two Mid Cap; 17 in 2013, 19 in 2012) have an average length of 1 hour. On the other hand, 8 companies (4 in 2013) show an average length higher than 4 hours; 10 more companies, including 4 banks, have an average length of 4 hours.

<sup>20</sup> The average length of BoSA meetings ranges from 30 minutes to 7 hours. In seven companies the average length is 1 hour. On the other hand, in 7 companies the average length is higher than 4 hours; in other 9 cases, the average length is 4 hours.



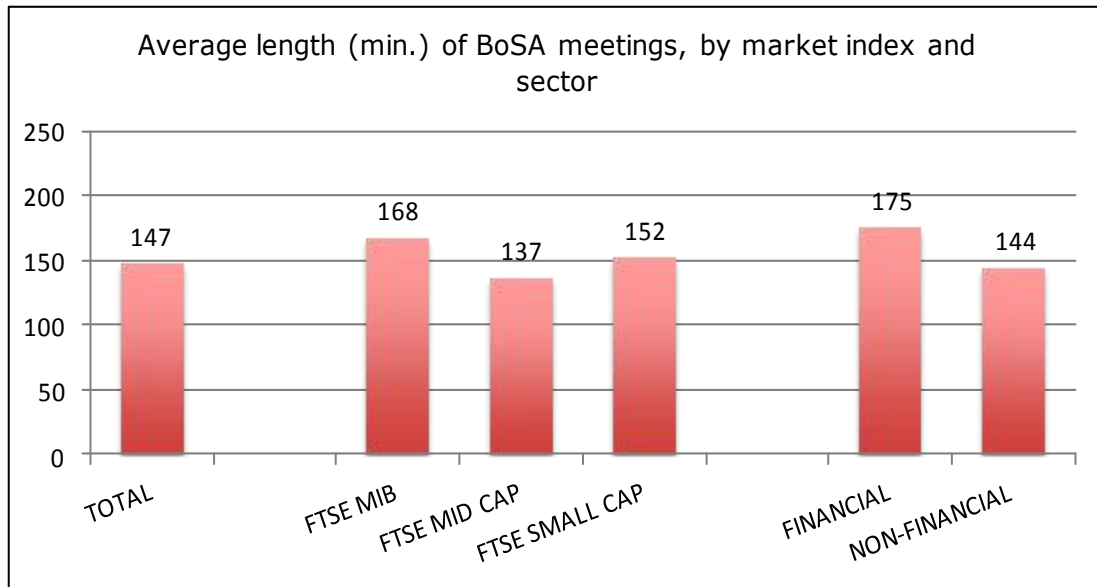


Figure 3

### c) Global time commitment

It is possible to calculate the average global time commitment, in terms of hours per year, required to directors and statutory auditors for the mere attendance to meetings (see Tab. 3). These data should be interpreted carefully: first of all, they are not fully explanatory having regard to the commitment of executive directors, inasmuch the main part of their activity takes place outside board meetings.

Secondly, this is also true for non executive directors and for statutory auditors, since they may also perform a lot of “back office” activities (e.g. all the activities related to the study of documentation, the meetings organization, one to one talks with other directors, requests of additional information, etc.<sup>21</sup>), that may represent an important part of the global time commitment required to directors and statutory auditors, possibly a multiple of the data here reported. However, these data are interesting, at least on a comparative basis: on their basis, it is – at least – possible to compare the commitment required across different positions held (in the same company) or across different issuers for the same position held or, additionally, for the same position across time.

<sup>21</sup> This is actually the potential commitment required to a BoD (or BoSA) member in charge for the entire period (typically one year) to which the data (number and length of meetings) refer to, and who participates to all the meetings.

Finally, it's important to underline that a more "demanding" BoD (or BoSA) in terms of time spent does not necessarily stand as a synonymous for a more effective corporate governance. In fact, a high frequency/length of meetings does not imply – *per se* – a better quality of the analysis or of the debate. However, data about commitment may act as a signal, especially when values are extremely high (or low), indicating that further reflections may be in order<sup>22</sup>.

The average commitment required to directors in order to participate to board meetings is 24 hours per year. The commitment is extremely variable across companies, according to firm size (it increases by 54%, at 38 hours in FTSE Mib companies) and especially to the industry (56 hours in financial companies, 65 hours in banks)<sup>23</sup>. The commitment required to Supervisory Board members in two-tier companies is – on average – higher (88 hours), though similar to that required in companies with similar features (in terms of size and sector).

An additional commitment is required for the participation to one (or more) board committees. In the case of the Executive Committee, the average additional commitment is 25 hours (increasing to 39 hours in the financial sector)<sup>24</sup>; consequently, the total time commitment of Executive Committee members is significantly higher than that of the other directors. The committees recommended by the CG Code (especially the CRC) imply a relevant, additional time commitment (see below).

The average time commitment for the statutory auditors to participate at BoSA meetings is 32 hours per year (33% more than the average time commitment for BoD meetings). Values vary a lot across companies, according to firm size (70 hours in FTSE Mib) and especially industry (up to 94 hours in the financial sector, 112 hours in banks)<sup>25</sup>.

---

<sup>22</sup> For example, a high time commitment could be due, alternatively, to a committee wishing to actively perform its task, to temporary situations (e.g. extraordinary operations) or to possible problems (e.g. financial distress or frauds), that require an unusual commitment; it could also be a signal of a committee taking an excessively "hands on" approach, i.e. directly intervening into corporate decisions/lower level controls. On the other hand, a very low commitment could be a signal of a formal, rather than substantial, role.

<sup>23</sup> The average time commitment required for the participation to meetings is extremely variable across companies, ranging from about 5 to 140 hours. In 24 companies (mostly Small and Micro Cap; 33 in 2013, 42 in 2012) the commitment required is lower than 10 hours. On the other hand, 7 companies (all banks; 9 in 2013, 5 in 2012) show an average commitment of at least 80 hours.

<sup>24</sup> The average commitment required to members of the Executive Committee varies from slightly above two hours to 114 hours.

<sup>25</sup> The average commitment for the participation to BoSA meetings is extremely variable across companies, ranging from 2 hours to 261 hours. 9 companies (mostly Small and Mid Cap) have an average commitment lower than 10 hours. On the other hand, 13 companies (more than the half of them are banks) have an average commitment higher than 80 hours.

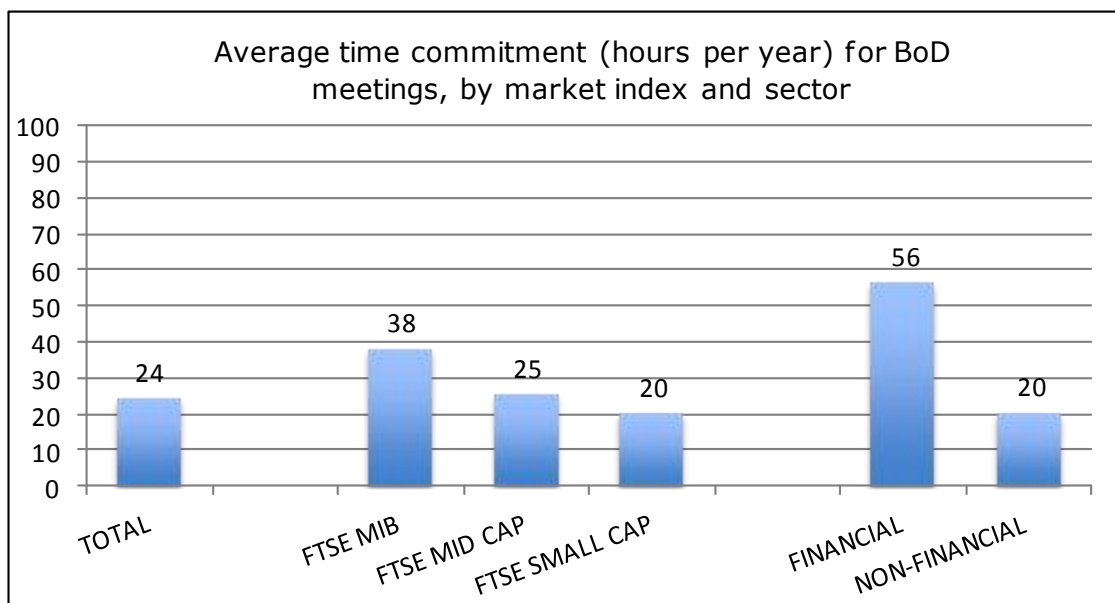


Figure 4

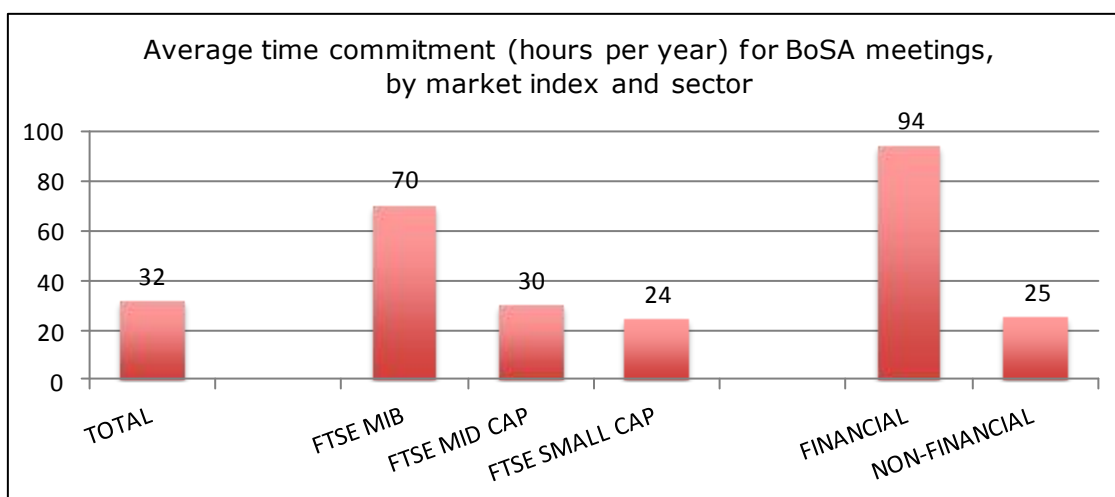


Figure 5

Total time commitment for statutory auditors is, actually, much higher, since they have a legal obligation (ex Art. 2405 of the Italian Civil Code) to participate also to BoD (and also at Executive Committee) meetings; it could even increase further for the chairman of BoSA who participates – as recommended by the Code – to CRC and/or to RC meetings (and for those statutory auditors who participate to these meetings, as permitted by the Code)<sup>26</sup>.

<sup>26</sup> The code recommends that the chairman of BoSA, or another statutory auditor designed by the chairman, participates to CRC meetings. However, all statutory auditors may participate to such meetings;

Information about the global time commitment required for the participation to both BoD and BoSA meetings is available for 151 companies (68% of companies that adopted the “traditional” model; 65% in 2013, 55% in 2012): it is on average 55 hours (32 hours for BoSA meetings + 23 hours for BoD meetings)<sup>27</sup>.

Information about the additional commitment required for the participation to Executive Committee meetings is available in 17 companies (40% of the issuers that established this Committee). The average global commitment required for the statutory auditors amounts to 146 hours (73 hours for BoSA meetings + 45 for BoD meetings + 28 for EC meetings)<sup>28</sup>. Data vary a lot across industries: the average commitment is 217 hours in banks and 83 in the other sectors.

#### *d) Attendance to meetings*

The information about attendance to BoD meetings is available very often (see Tab. 4). Information on individual attendance is available for 2,205 directors out of 2,346, i.e. 94% of the aggregate. The average percentage of attendance is 91%. 60% of directors for whom information is available (1,334) were always present; 96% of the directors attended at least to one half of the meetings; “extreme” negative values are quite uncommon<sup>29</sup>.

---

the more recent edition of the Code also underlined (in the comment to Art. 6) the opportunity that the chairman or another member of the BoSA participates to the meetings of the remuneration committee (however, all statutory auditors may participate to such meetings).

<sup>27</sup> The data about the time commitment of BoSA members for BoD meetings refers to the companies disclosing data for both meetings. The different composition of the sample explains the small differences with the average time commitments reported in Tab. 3. Global time commitment ranges from 11 to 342 hours.

<sup>28</sup> The average global time commitment varies across companies from about 28 to 408 hours.

<sup>29</sup> Attendance was lower than 50% for 80 directors (68 in 2013, 96 in 2012). Cases of attendance equal to 0 are 15, in 6 companies (8 cases in 8 companies in 2013, 23 in 17 companies in 2012). However, in 10 cases the abnormal value is due to the directors being appointed at the end of the year.

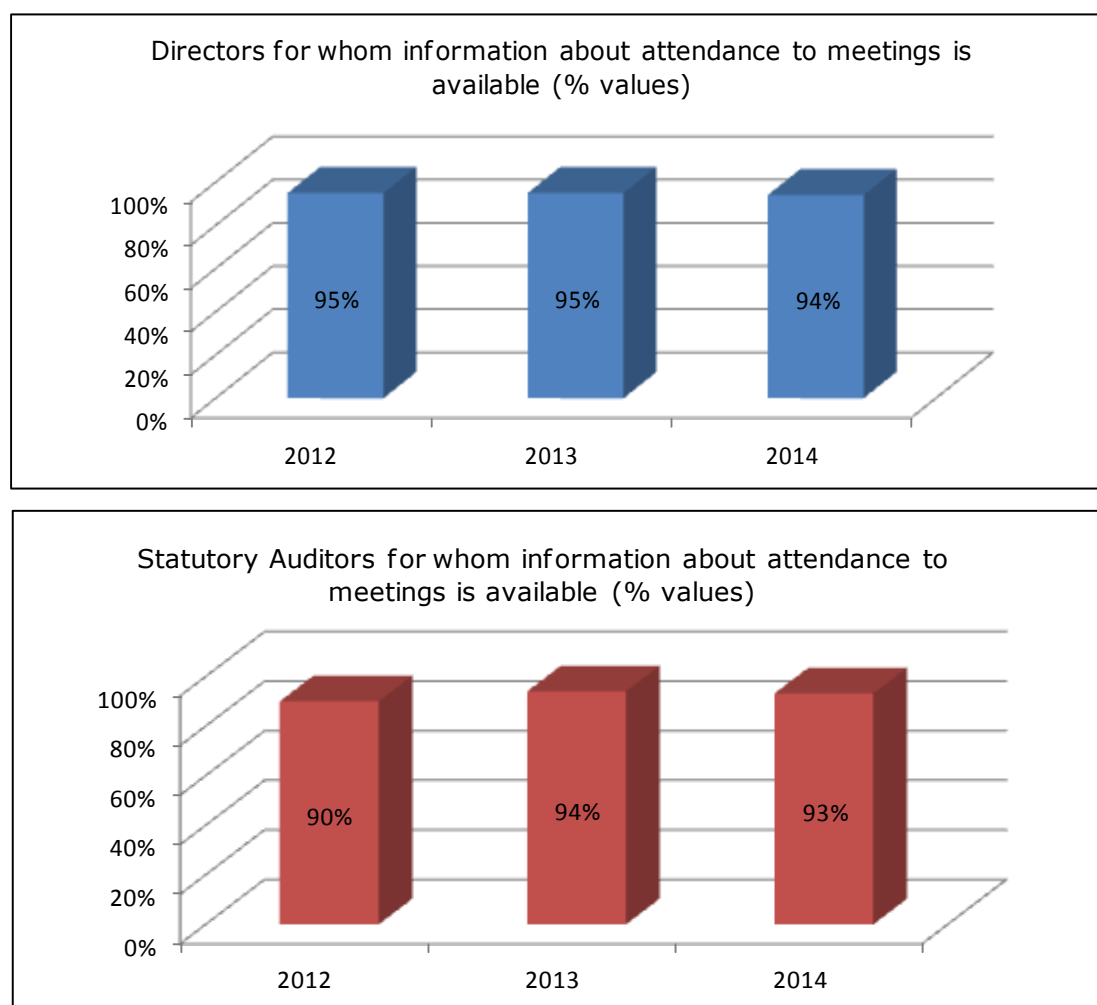


Figure 6

The picture about attendance to BoSA meetings is quite similar (see Tab. 4). Information is available for 651 statutory auditors out of 699, i.e. 93% of the aggregate. The average percentage of attendance is 96%. 75% of statutory auditors for whom information is available (491) were always present; almost all of them attended at least to one half of the meetings<sup>30</sup>.

*e) Circulation of information and participation of managers*

The Code recommends (see Art. 1.C.5.) that: a) the Chairman of the BoD shall ensure that the documentation relating to the agenda of the Board is made available in a timely manner prior to the board meeting; b) the Corporate Governance Report should provide information on the promptness and completeness of the pre-meeting

<sup>30</sup> Attendance was lower than 50% for 3 statutory auditors (7 in 2013, 14 in 2012).

information, providing details, *inter alia*, on the prior notice usually deemed adequate for the supply of documents and specifying whether such prior notice has been usually observed.

Information about the flow of pre-meeting information has been disclosed by 212 companies (i.e. 92% of the aggregate; 90% in 2013 and 67%, on a voluntary basis<sup>31</sup>, in 2012). However, the disclosure is often limited to a mere directors' statement that they have received the documentation in a timely manner. 60% of companies providing information (54% in 2013) quantified precisely the prior notice usually deemed adequate. The information is provided with the highest frequency by larger companies (i.e. by 74% of the FTSE MIB) and in the financial sector (where it is provided in 81% of cases; the percentage rises to 87% within banks). The prior notice usually deemed adequate varies significantly according to the specific issues on the board meetings agenda (for example, it may be different for the financial statements and documents regarding extraordinary operations). On average, the prior notice with reference to the single issues ranges from 2.8 to 3.5 days (see Tab. 2)<sup>32</sup>. A little under half of the issuers state that they have generally respected the prior notice deemed adequate.

The Code (see Art. 1.C.6.) envisages the possibility for the Chairman of the Board of Directors to require managing directors, also upon request of one or more directors, that managers of the issuer or of the companies belonging to its group, in charge of the pertinent sector related to the Board agenda, attend the meetings of the Board, in order to provide appropriate supplemental information on the items on the agenda. 157 companies (i.e. 69% of the aggregate; the percentage rises to 82% in the banking industry) declared that this attendance is envisaged.

#### *f) Information on the Executive Committee*

---

<sup>31</sup> The 2006 Code gave similar advice. However, the recommendation was given in the *comment* to Art. 1, i.e. not on a "comply or explain" basis.

<sup>32</sup> The prior notice deemed adequate is variable across companies, especially with reference to the single issue of the Board's agenda. For example, a company provides different categories of documentation, dividing: a) documentation sent to directors and statutory auditors before the meeting, usually when the meeting is summoned, or at least three days before the meeting date; b) documentation made available for directors and statutory auditors at the company headquarter, in the period between the summoning date and the meeting date, without the possibility to take out copies; c) documentation submitted to directors and statutory auditors during the Board meeting. Sometimes it is stated that this prior notice applies "except for cases of emergencies, in which the documentation is made available as soon as possible" or that "in limited and exceptional cases where it was not possible to send in sufficient advance the documentation, complete information on the subject under consideration has been given during the Board meeting, ensuring informed decisions". The longest prior notice observed is 10 days (here, the generally adequate sending time is 2 days for financial statements, but under specific circumstances – for example when strategic operations are to be examined - and with director's approval, information may not be sent before the meeting or could be given in a *data room* at the company headquarters).

An Executive Committee is established rarely (only 40 cases: see Tab. 2), usually among financial firms, and in particular within banks (where it has been established by 67% of the companies); only 13% of non financial companies has established an Executive Committee.

Companies that established an Executive Committee almost always (92% of the cases) disclose information about frequency of meetings: the average is 11.5 meetings per year. Frequency varies a lot across companies (ranging from 0, in 7 firms, to 91 meetings per year).

It is clear that under a common definition it is possible to find “executive” committees with different functions, ranging from a direct involvement in business decisions to limited roles and, in some cases, to a mere back-up function in case of need.

#### *g) Information about board evaluation*

The Code recommends Boards of Directors to perform at least annually an evaluation of the performance of the board itself and of its committees, eventually suggesting the appointment of new professional figures to shareholders.

Information about board evaluation has been provided by 79% of listed companies (182 issuers, see Tab. 5). Disclosure on this point is more frequent in larger (92% among FTSE Mib) and financial companies (96%; 100% in the insurance industry). Disclosure is increasing over time.

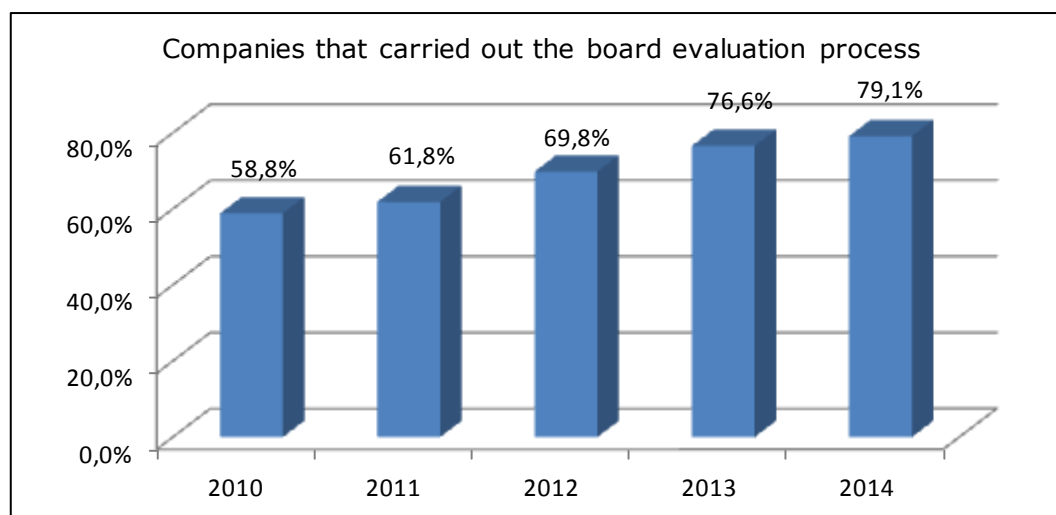


Figure 7

Companies (particularly larger ones) often disclose information about their evaluation procedures (see Tab. 5): they often send a questionnaire to each director (88 cases, i.e. 48% of the 182 companies disclosing on this point); interviews are less frequent (sometimes in addition to the questionnaire: 18 cases, i.e. 10% of the aggregate). As it is rational to expect, the process seems to be more structured among FTSE Mib companies: 71% of them used questionnaires and 32% interviews.

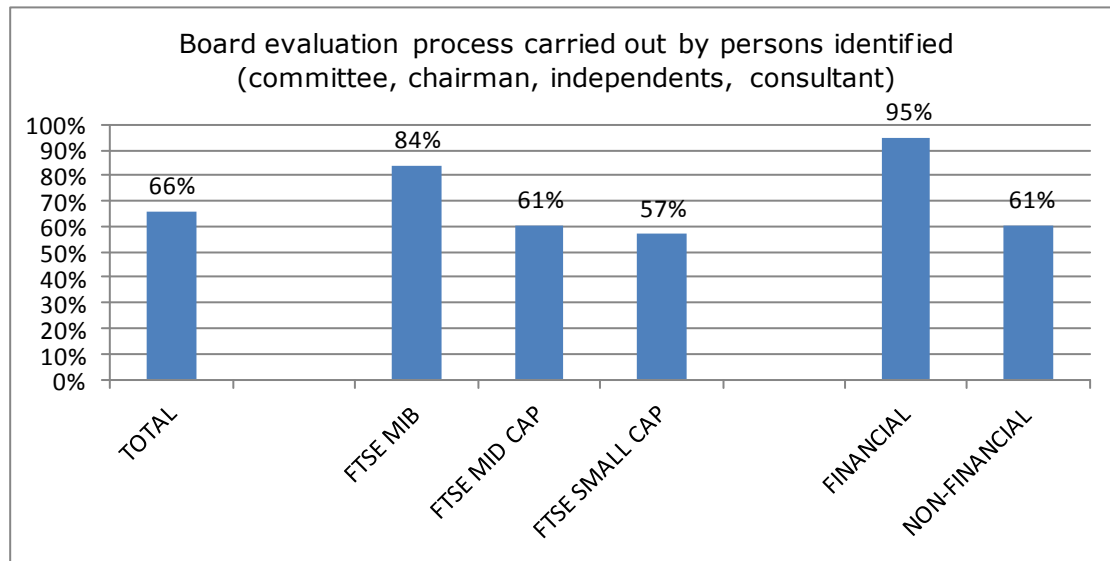


Figure 8

Companies often charge some specific figures to evaluate the performance of the board: this happens in 66% of issuers; the percentage rises to 84% in FTSE Mib firms. This duty is often assigned to one of the committee provided for by the Code. The appointment of external facilitators is frequent in the financial sector (53% of cases) and among larger companies, especially in the public sector (18 in FTSE Mib companies, i.e. 58% of the aggregate, and 8 in Mid Cap, i.e. 21% of the aggregate; external facilitators have been appointed only in 4 Small Cap companies). External facilitators have been appointed in 30 firms, a data almost equal to 2013 and in strong increase (mainly due to the financial sector) comparing to 2012 (20 cases). In 16 cases companies identify the external facilitator, disclosing its name in the CG Report (53% of the aggregate; 28% in 2013); in 17 cases, i.e. 57% of the total (43% in 2013), companies disclose also information concerning other services eventually supplied by the facilitator (or rather, that there is no supply of additional services).

The self-assessment is usually regarding the functioning of the BoD and, almost always, its composition and size. In most cases, the evaluation process concerns, moreover, size, composition and functioning of board committees. The Code does not



recommend the disclosure of evaluation results; hence, these are rarely disclosed and, however, in a very synthetic form.

The Code recommends (*criterion 1.C.3.*) the BoD to issue guidelines regarding the maximum number of offices as director or statutory auditor for listed, financial or large companies, which may be considered compatible with an effective performance of directors' duties, taking into account directors' attendance to board committees. The definition of specific orientation has been observed in 106 companies (see Tab. 6), i.e. 46% of the total, with big differences according to company's size (67% in FTSE Mib, 57% in Mid Cap and 38% in Small Cap firms) and sector (up to 83% in the financial sector). The non adoption of such guidelines is sometimes explained by saying that it is not necessary, having regard to the good functioning of the BoD and its committees.

The Code additionally recommends (*criterion 1.C.3*) the BoD to express a specific orientation to shareholders, regarding the figures considered qualified to be appointed in the new board, taking into account the results of the self-assessment procedure. Guidelines in this sense have been observed in 59 companies (50% of the firms disclosing information about their evaluation procedures)<sup>33</sup>. A specific orientation to shareholders is more frequent in FTSE Mib companies and in financial sector (58% in both cases).

#### *h) Information on succession plans*

The Code introduced an explicit principle about succession plans. The Code's *criterion 5.C.2* recommends Boards of Directors to "evaluate whether to adopt" a plan for the succession of executive directors; when such plan has been adopted, the issuer shall disclose it in the Corporate Governance Report<sup>34</sup>.

Information on succession plans has been given by all FTSE Mib companies (95% of the aggregate in 2013 and in 2012; 70% in 2011). In general terms, this information has been disclosed in 194 Reports (i.e. 84% of the aggregate, up from 76% in 2013, from 51% in 2012 and from 15% in 2011: see Tab. 7).

---

<sup>33</sup> Notice that these guidelines are usually provided to shareholders before the appointment of a new BoD, that typically takes place every three years. Each year about one-third (80) of the listed companies replaces the Board.

<sup>34</sup> In order to maintain disclosure continuity, also with respect to succession plans adopted in 2011, the main principles of 2011 Code recommend FTSE Mib companies to provide information relating to *criterion 5.C.2.* in the Corporate Governance Report to be published in 2012; however, such disclosure refers only to companies where a succession plan "has already been introduced".

Formalised succession plans are extremely rare: only 20 companies (including 9 FTSE Mib) disclosed their existence (16 firms in 2013, 4 in 2012). In these cases, a key role has been attributed to the Nomination Committee (or to similar committees).

*i) Positions held in other companies*

Information on positions held in other companies is available for 1,984 directors out of 2,346 (see Tab. 8), i.e. 85% of the aggregate. This data should be interpreted carefully, because of the vagueness of the formula used by the CG Code<sup>35</sup>, which led to different disclosure practices. The average number of other positions held by directors is 2.54. 36% of the directors for whom information are disclosed held no other position; a further 17% has only one additional position. However, a number of people hold a high number of other positions (108 directors, i.e. 6% of directors for whom information is available, hold at least 10 positions in other companies); the maximum number of other positions disclosed by a single director is 44.

It is often possible to draw information also about the number of other positions held by statutory auditors (even though such disclosure is not explicitly recommended by the Code). This information is available for 564 statutory auditors out of 699, i.e. 81% of the aggregate.

The average number of “other positions” held by statutory auditors is 9.12. The number of statutory auditors who disclosed no other position represents 16% of the aggregate; 217 statutory auditors hold at least 10 other positions; the maximum number of other positions disclosed by an individual is 112.

*j) Positions held in other listed companies*

Comparing CG Reports with the Consob database (as of 31<sup>st</sup> December 2013), it is possible to obtain the number of positions held by directors and statutory auditors in listed companies only (see Tab. 9). As already mentioned in Tab. 8, listed companies have 2,346 directors; however, the number of people holding a director position is lower (2,018), because a person may hold more than one position. 1,745 people hold only one director position (they have no other office in listed companies), 224 people hold positions in more than one BoD (up to a maximum of 6), while 49 people hold positions both in Board of Directors and in one or more Board of Statutory Auditors (up to a maximum of 5 total positions)<sup>36</sup>.

<sup>35</sup> The Code refers to positions held not only in “other companies listed on regulated markets, including foreign markets”, but also “in financial companies, banks, insurance companies or companies of a considerably large size”.

<sup>36</sup> The total number of people who hold director positions is  $1,745 + 224 + 49 = 2,018$  (see Tab. 9).

As shown in Tab. 8, listed companies have 699 statutory auditors; however the number of people holding such positions is lower (601), because one person may hold more of them. In this case, 481 people hold only one position of statutory auditor (they have no other office in listed companies); other 71 people hold a statutory auditor position in more than one listed company (up to a maximum of 4)<sup>37</sup>.

Situations where people hold a single office are largely prevailing in listed companies (i.e. 86% of the aggregate). This percentage is slightly increasing over time (86% of the aggregate in 2013, 84.4% in 2012, 83.9% in 2011). In the same period the average number of positions in listed companies held by a single person decreased from 1.23 to 1.18.

#### *k) Role of the Supervisory Board in two-tier companies*

The 5 two-tier companies often provide information about the role of their Supervisory Board (see Tab. 10). First of all, a large majority of company by-laws reserve to this board only the power to deliberate on the company strategic, industrial and financial plans: this happens in 4 companies out of 5. Therefore, in Italy the Supervisory Board tends to perform not only as a mere control body, but also as a body entrusted with relevant strategic powers.

The frequency and length of meetings are consistent with such a role: they are slightly higher (and continuously growing) than the frequency and length of BoD meetings in the “traditional” model (18 meetings per year with an average length of 3 hours and 40 minutes; the latter increases at more than 4 hours and 15 minutes in banks).

### *3.2. Composition of the Board of Directors and independent directors*

The survey considered the following points:

#### *a) Board size*

Board size varies a lot according to firm size (ranging from 8.5 in Small Cap to 11.9 in FTSE Mib companies) and industry (14.7 in financial, 9.3 in non-financial; 16.8 in insurance companies)<sup>38</sup>. The larger board in financial firms is related to the larger size of companies in this sector<sup>39</sup>.

<sup>37</sup> In addition to 49 people that, as mentioned above, hold positions both in BoD and in one or more BoSA. The total number of people who hold statutory auditor positions is  $481 + 71 + 49 = 601$  (see Tab. 9).

<sup>38</sup> In companies adopting either the traditional or the one-tier model, BoD size is ranging from a minimum of 3 in three small companies to a maximum of 25 directors. All the larger Boards are in financial companies. The largest BoD within non-financial firms is composed by 20 directors.

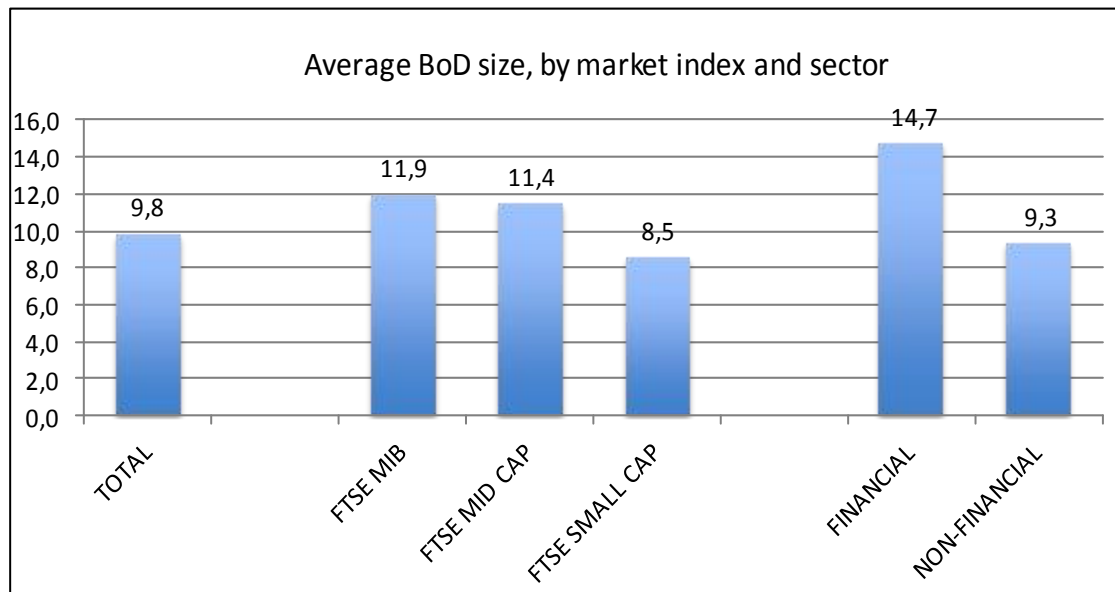


Figure 9

In the two one-tier companies (one Small Cap and one Mid Cap) the size of the BoD is smaller than the average (7.5 directors; the Board of Statutory Advisors is not present in such companies). In two-tier companies the average Management Board size is 6.8, while the average Supervisory Board size is more than twice (16.2 directors). Big differences arise from individual sector data: the average Management Board size in financial (or respectively in non-financial) companies is 8 (5) while Supervisory Board size is 20.3 (10)<sup>40</sup>.

Board size is slightly decreasing over time (9.8 directors; 9.9 in 2013 and 10.1 in 2012) (see Tab. 11), mainly because of the reduction in the number of directors in the financial sector (from 15.6 members in 2011 down to 14.7 in 2014).

#### b) Board composition

The number of executive directors (2.7) is rather stable over time; this is not true for non-executive directors, who are slightly decreasing (7.1; 7.4 in 2012). The number of independent directors is instead increasing (4; 3.9 in 2012 and 3.7 in 2011). Italian companies therefore exhibit a slow re-establishment in the BoD, with a growth in

<sup>39</sup> The median market capitalization of financial companies as of 31<sup>st</sup> December 2013 was 1,523 million €; that of non-financial companies was 145 million €.

<sup>40</sup> In two-tier companies, the number of directors varies between a minimum of 7 units (2 in the Management Board and 5 in the Supervisory Board) and a maximum of 32 units (9 in the Management Board and 23 in the Supervisory Board). The Supervisory Board is usually larger than the Management Board (on average, there are 2.38 Supervisory Board members for each Management Board member).

independents and a decrease in non-executive directors not qualified as independent<sup>41</sup>. The average Board of Directors is composed of 2.7 executive directors, 3.1 “simple” non-executive directors and 4 independent non-executive directors<sup>42</sup>. Size and composition of the Board of Directors varies according to the firm size: executives are always slightly lower than 3, while non-executives in large companies (FTSE Mib and Mid Cap) are more than 1.5 times than in Small Cap (9 directors, 5.4 of whom independent vs. 5.8, of whom 3.2 independent). Differences between financial and non financial sector are due to the different number of non executive (11.1 in financial, 6.7 in non-financial companies) and independent directors (5.5 in financial, 3.8 in non-financial companies) (see Tab. 11).

With regard to the board size, in financial companies the BoD members are decreasing from 15.7 in 2011 to 14.1 in 2014: this can be ascribed mainly to the reduction of non-executive directors. In non-financial firms, instead, the board size remains substantially constant, with a slight growth in the number in independent and a corresponding decrease in non-executives directors (see Fig. 10).

---

<sup>41</sup> We refer here to the definition of independence provided by the CG Code. An analysis based on the alternative, legal (CLF) definition is performed in the next paragraph. The identity of executive, non-executive (and independent) directors is disclosed almost always. This information is not available only for 10 directors (17 in 2013 and 22 in 2012): 7 directors of 2 banks not adopting the Code and 3 directors of a bank adopting the Code.

<sup>42</sup> The weights of the various classes of directors, derivable from the numbers reported in the text (executives 27.6% =  $2.7 / (2.7 + 3.1 + 4)$ , “simple” non-executives 31.6%, independent non-executives 40.8%) do not coincide perfectly with the average values reported in Tab. 11 (executives = 29.5%, “simple” non-executive directors = 30.6%, independent non-executives = 39.9%). The slight difference is due to the different methods of calculating the average (simple in Tab. 11, weighted by the size of the board in Fig. 9). A simple numerical example may help to understand the phenomenon. Consider the companies A, B and C, having BoDs composed as follows. A and B (“small”): 2 executive directors, 3 “simple” non-executive directors and 4 independent directors = 9; C (“big”): 2 executive directors, 4 “simple” non-executive directors and 10 independents = 16 directors. The “board – type”, calculated as the (weighted) average of the directors, is made up of 2 executive directors, 3.33 “simple” non-executives and 6 independents = 11.33 directors. The weights of the various categories are: executives = 17.6%, “simple” non executives = 29.4%, independents = 52.9%. The weight of independents is larger (that of executives and “simple” non-executives is lower) than that calculated as the (simple) average of weights at company level (executive directors = 19%, “simple” non-executive directors = 30.5%, independents = 50.5%) because the largest company (C) acquires greater influence in the calculation.

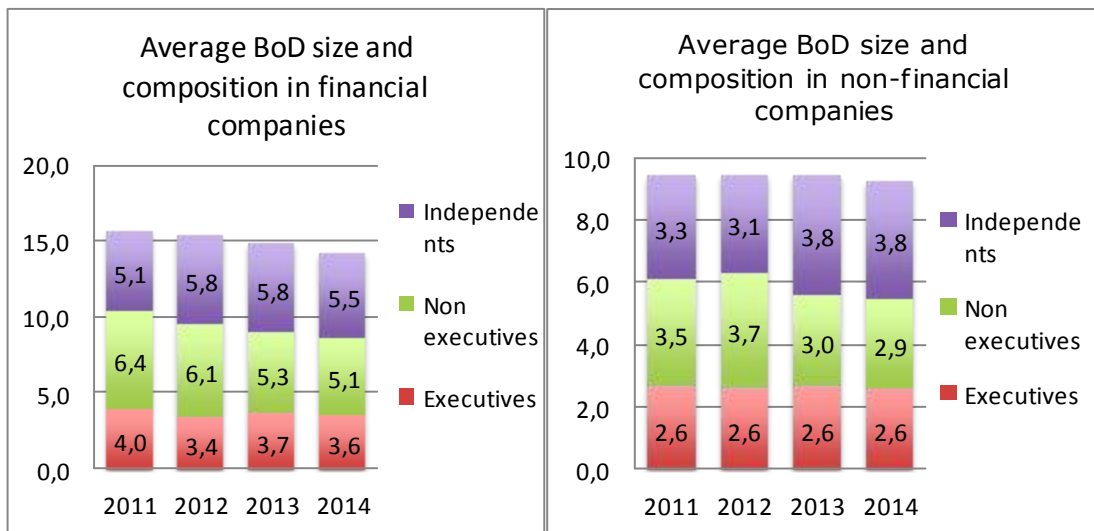
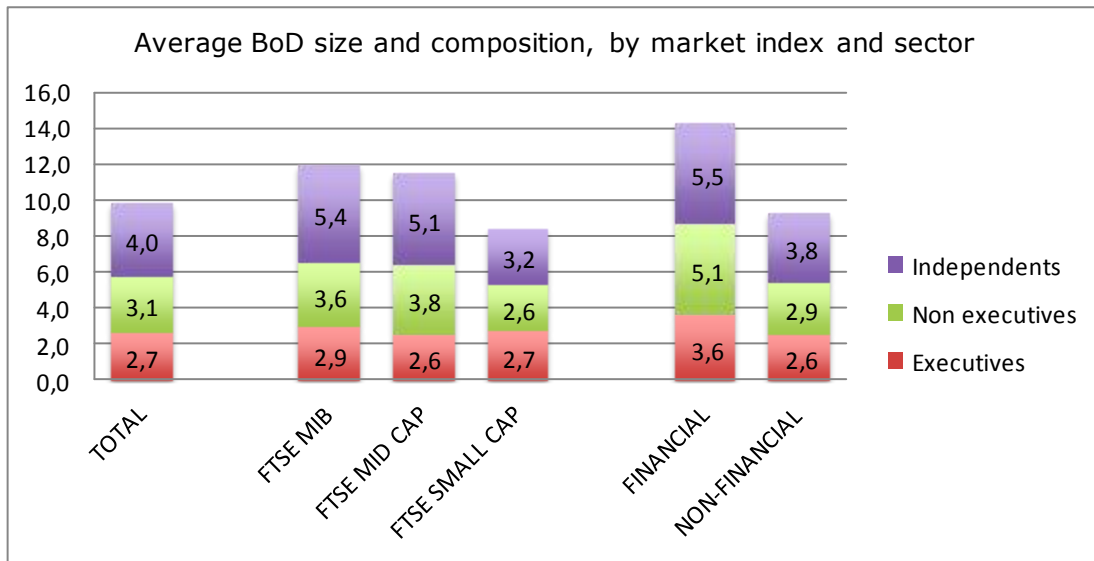


Figure 10

Among the 615 executive directors, 275 (45% of the aggregate) are identified explicitly as Managing Directors (MDS)<sup>43</sup>. In addition, 62 executive directors (including 43 MDs)

<sup>43</sup> Some terminology explanation is here in order. In U.S. and U.K. boards, it is always possible to identify the Chief Executive Officer (CEO). In Italy the situation is not so clear, due to a different allocation of delegated powers. A director with delegated powers is called an *Amministratore Delegato*, (Managing Director, or MD). Where only one MD is present, he is the CEO. However, a company may sometimes delegate powers to two or more directors (including the Chairman). In this case, a clear-cut identification of the CEO is difficult since the powers of such directors are frequently overlapping. The company may also have one or more *Direttore Generale* (General Managers); a GM is (usually) an employee having a top hierarchical position and general powers about the management of the company. Sometimes, the CEO may also be an employee (a GM) of the company. In other cases, no director is qualified as executive;

hold the office of General Manager (GM). The concentration of offices of MD and GM in one single person is not a common solution (it can be found for just the 16% of MDs); however this solution has increased with respect to the last years (in 2013 it can be found in 30 cases, i.e. 10% of MDs). In less than half the cases (54 out of 116, or 47% of the aggregate, decreasing from the 57% in 2013), the General Manager is not a director<sup>44</sup>.

In recent years there was a slight but steady increase in the weight of independent directors, who increase from 3.6 (35.4% of the aggregate) in 2010 to 4 (39.9% of the aggregate) in 2014. The increase is spread, with slight discrepancies, in all sectors.

The Code recommends (Art. 3.C.3.) that at least one third of the Board members in FTSE Mib companies shall be made up of independent directors (rounded off to the lower unit). However, the recommendation shall apply commencing with the first renewal of the Board of Directors taking place after the end of the fiscal year beginning in 2012. At the end of 2013, 33 FTSE Mib companies (i.e. 92% of the aggregate; 89% in 2012 and 82% in 2011) had a Board of Directors (or Supervisory Board) already in line with this recommendation.

Art. 3.C.3. of the Code also recommends that, in any case, the number of independent directors shall not be less than two. At the end of 2013, 209 companies (i.e. 91% of the aggregate, as in 2012) were already compliant with this recommendation. Furthermore, among the 21 companies (i.e. 9% of the aggregate) in shortage of independent directors, 12 are firms which have decided not to adopt the CG Code<sup>45</sup>.

---

however, a GM is usually present. He reports to the board and is actually invited to participate to board meetings, but he does not – technically speaking – sit on the board, since he has no voting power.

<sup>44</sup> Overall, companies having chosen to appoint a General Manager are 98. The appointment of one or more GM occurs twice as frequently in the financial sector (74% of cases, compared with 39% in non-financial sectors). 13 companies (including 5 FTSE Mib) have appointed more GM, up to a maximum of 5.

<sup>45</sup> Companies that, while complying with the Code, still show a "need" of independent directors are, therefore, 9 (10 in 2013; 2 of them are FTSE Mib companies).

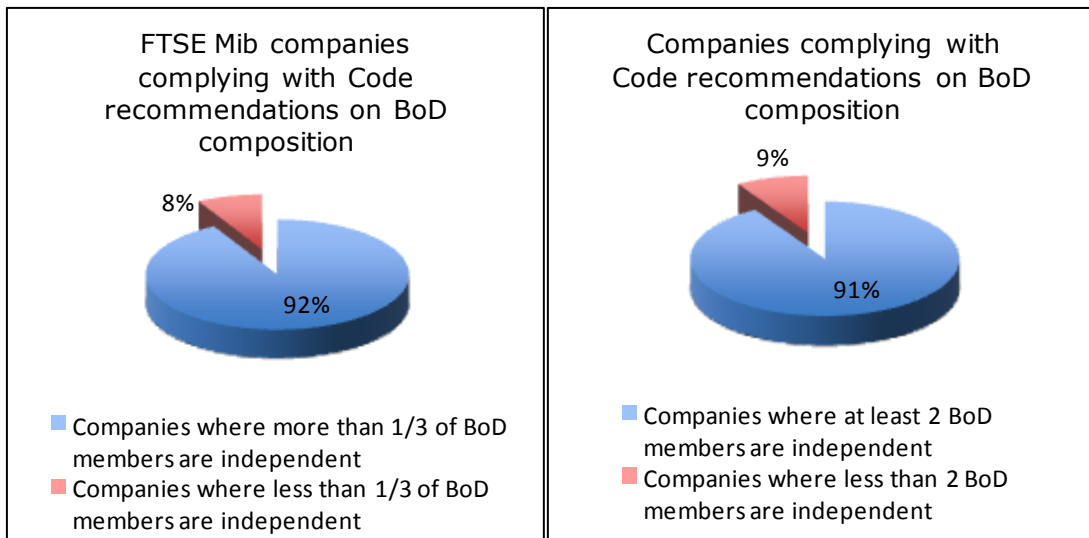


Figure 11

In two-tier companies, the composition of the Management Board is quite variable: the total number of directors is 34; executive directors are prevalent (19 directors; non-executive directors are 15, 5 of whom are independent). The Supervisory Board is composed almost exclusively of non-executive directors (81 out of 84; see Tab. 12).

*c) Board independence (CG Code and CLF definitions)*

Since the adoption of the “Protection of Savings” Law the analysis of directors’ independence has become more complex<sup>46</sup>: in the Italian framework, there are different notions of “independence”; therefore, any disclosure concerning independent directors must be qualified by the definition used, in order to be complete.

Consob Regulation on Issuers (Art. 144-*novies* and *decies*)<sup>47</sup> requires companies to disclose in their CG Reports information about directors meeting the independence requirements set out in the CLF.

Listed companies have 2,346 directors; 615 of them are executive and 1,721 are non-executive directors<sup>48</sup>: among the latter, 615 are “non-independent”<sup>49</sup> (36% of the

<sup>46</sup> According to Art. 147-*ter*, par. 3 CLF, at least one director (or two directors if BoD is composed of more than 7 members) should satisfy the independence requirements established for members of the Board of Statutory Auditors and, if so provided in the by-laws, the additional requirements established in the codes of conduct adopted by the company. See Circolare Assonime no. 45/2009, *L’indipendenza dei componenti degli organi di amministrazione e controllo nelle società per azioni*.

<sup>47</sup> These rules require to disclose in the Report on the corporate governance and ownership structures data concerning “the list from which each member of the administrative and control bodies has been elected” and of “the directors who have declared they have the independence requirements provided for by Art. 148 par. 3, CLF and, if provided by the by-laws, the further requirements provided by the codes of conduct”.



aggregate) while 1,106 are “independent” according to any definition. Among them, 987 are explicitly qualified as “independent” according to the CG Code; very often they are also qualified as independent by CLF (963 directors). The category of directors qualified as independent according only to the “Code” is composed by 24 directors (in 10 companies; 28 directors in 12 companies in 2013).

There are also 119 non-executive directors (114 in 2013 and 104 in 2012) qualified as independent only by CLF. This situation is more frequent in two-tier companies, also because the law requires “CLF independence” for all Supervisory Board members.

In few cases (9 in 5 companies; 10 in 6 companies in 2013; 13 in 6 companies in 2012) some directors are qualified both as executives and “independent” according to Art. 147-ter CLF<sup>50</sup>. Such “executive independent” directors are never essential for the firm to meet the legal minimum number of independent directors required by Art. 147-ter and Art. 147-quater CLF.

#### *d) The age of directors and statutory auditors*

We collected information on the age of directors and statutory auditors. The average age of directors is approximately 58 years, slightly less than in the past year. It varies considerably depending on the sector (i.e. 58 years in non-financial companies, 61 in financial companies) and on firm size (i.e. 60 years in FTSE Mib, 59 in Mid Cap, 57 among Small Cap) (see Tab. 13).

Executive directors are younger on average (i.e. 58 years, compared to 58 years and a half of non-executives and 59 years of independents). The age discrepancies between the different categories of directors are strongly diminishing with respect to the past year; this because on average the age of non-executives (and of independents) is decreasing, while the average age of executive directors (who were younger) is slightly increasing.

Considerable differences in the age of directors may be observed according to firm size (Small Caps directors are younger: the age difference, compared to the largest companies, varies between one year and a half - for independent directors - and three years - for non-executive directors; for the executives the age difference is about two

---

<sup>48</sup> The difference between  $615 + 1,721 = 2,336$  and  $2,346$  are 10 directors for which such qualification is not available.

<sup>49</sup> Or, possibly, directors, who would not qualify as independent according to the CG Code and for whom is still missing the information about “CLF requirements”.

<sup>50</sup> They are the chairman and the CEO in a case; the deputy chairmen and the CEO in a second case; in 2 companies they are the CEOs; in 3 firms the deputy chairman; in a case a member of the executive committee; in the last case a directors holding no other position.

years) and, even more, according to industry: in the non-financial sector the youngest category is that of the executives (57 years), non-executive directors are, on average, 58 years old, while independents reach an average age of 59. In the financial sector, the independents are the youngest category (59 years); the average age is higher among non-executive directors (60 years), and, even more, among executives (63 years and a half). Therefore, the age difference among similar categories of directors operating in different sectors is negligible for independents, it increases to two years for non-executive directors and to more than 6 years for executive directors<sup>51</sup>.

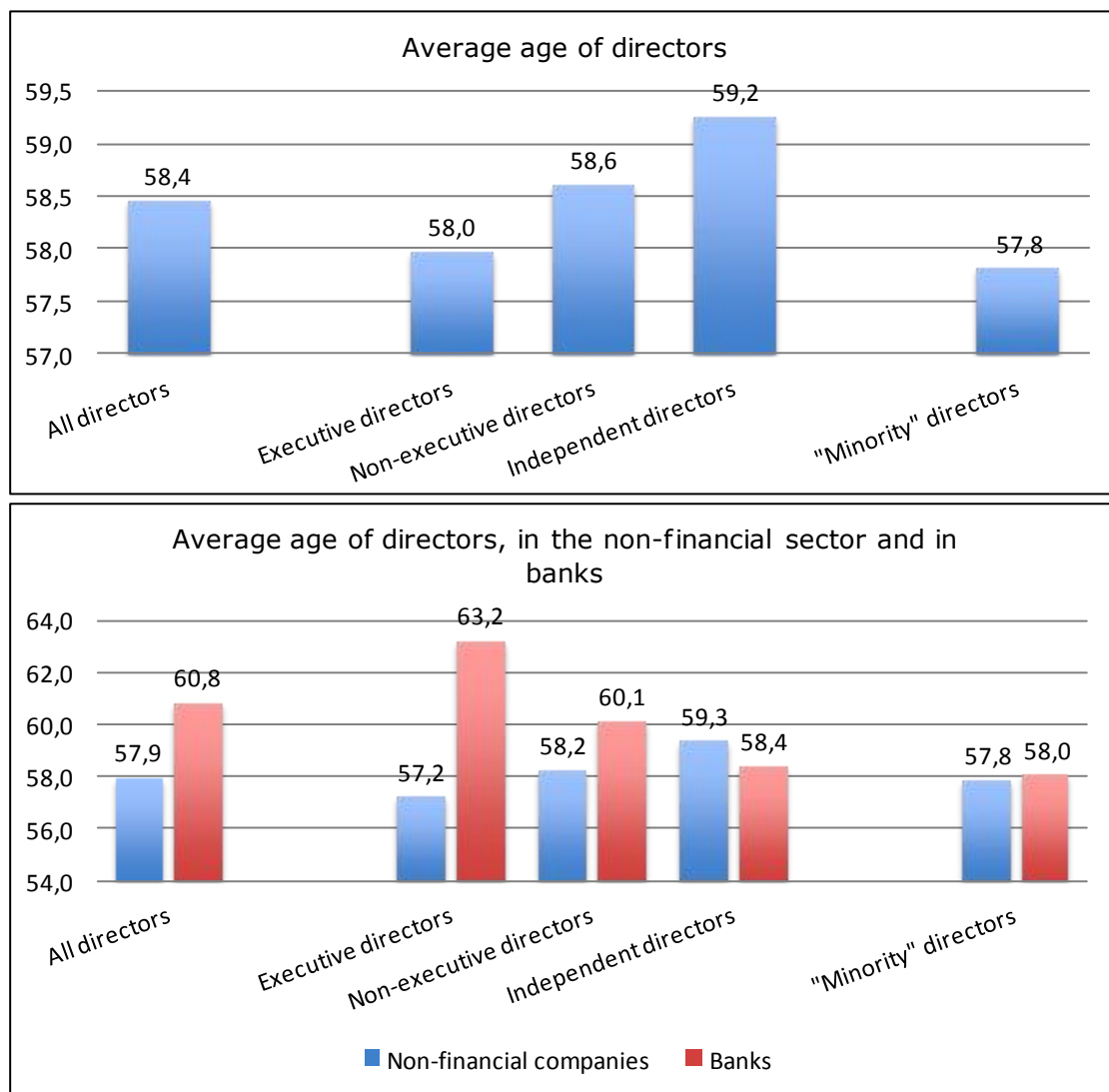


Figure 12

<sup>51</sup> At individual level the variability is very strong. Among executives, the age varies between a minimum of 26 and a maximum of 94 years. Among non-executive directors, the age varies between a minimum of 25 and a maximum of 90 years. Among independents, the age varies between a minimum of 29 and a maximum of 89 years.

Minority directors have an average age of 58 years, in line with the overall value. These directors are, on average, younger in the financial sector (i.e. 57 years and a half, compared to an overall average of 61 years)<sup>52</sup>.

The average age of statutory auditors is 57 years, which is about a year less than that of directors. The difference is greater in the financial sector and the situation is reverted in the largest companies (on average statutory auditors are slightly older than directors in FTSE Mib)<sup>53</sup>.

#### e) *Time in office*

The Code recommends that companies provide information in the Report on the main professional characteristics of directors, as well as their length of service since the first appointment. Information on the subject was provided by 116 companies (50% of the aggregate); the information is provided more frequently (in 23 cases out of 36, i.e. 64% of the aggregate) among FTSE Mib companies. Companies, however, do not always provide information for all directors (the information is available for 43% of directors; within FTSE Mib the percentage rises to 60%).

Among the directors for whom information is provided the average time in office<sup>54</sup> is just above 5 years and a half. This length of service is slightly lower in the financial sector, where it is about 5 years and a half (and especially among banks, where it drops below 4 years and a half). Although the data do not allow drawing firm conclusions, it is plausible that a shorter time in office in the banking sector is linked to a variety of phenomena, including the entry into force of Art. 36 of the Legislative Decree n. 201/2011, so-called "Save Italy", which established the prohibition of "interlocking directorates" in the financial sector (by forcing the resignation of several directors and statutory auditors with offices in companies belonging to different groups), as well as the pressure of the Authority, which in some cases have imposed a profound renewal in the composition of corporate bodies (particularly the executive directors), especially in cases of corporate crisis. Probably for similar reasons, the time in office is lower also among FTSE Mib companies.

---

<sup>52</sup> At individual level, variability is less strong than that occurring among directors elected in the majority list. The age ranges between a minimum of 36 and a maximum of 82 years.

<sup>53</sup> The variability at individual level, is strong here as well. The age ranges between a minimum of 34 and a maximum of 85 years.

<sup>54</sup> The figure reflects the length of service since the first appointment in the board. It neglects a) any change of role within the board, as well as possible (albeit rarely present) transitions from one body to another (eg. from the board to the Board of Directors), b) any "serial" appointments in which a director, after earlier resignation, is re-elected in the board of directors of the issuer. As previously noted, the variability is very strong. The time in office varies from a minimum of 0 – for newly appointed directors – to very high maximum values, generally corresponding to the cases of the company's founders.

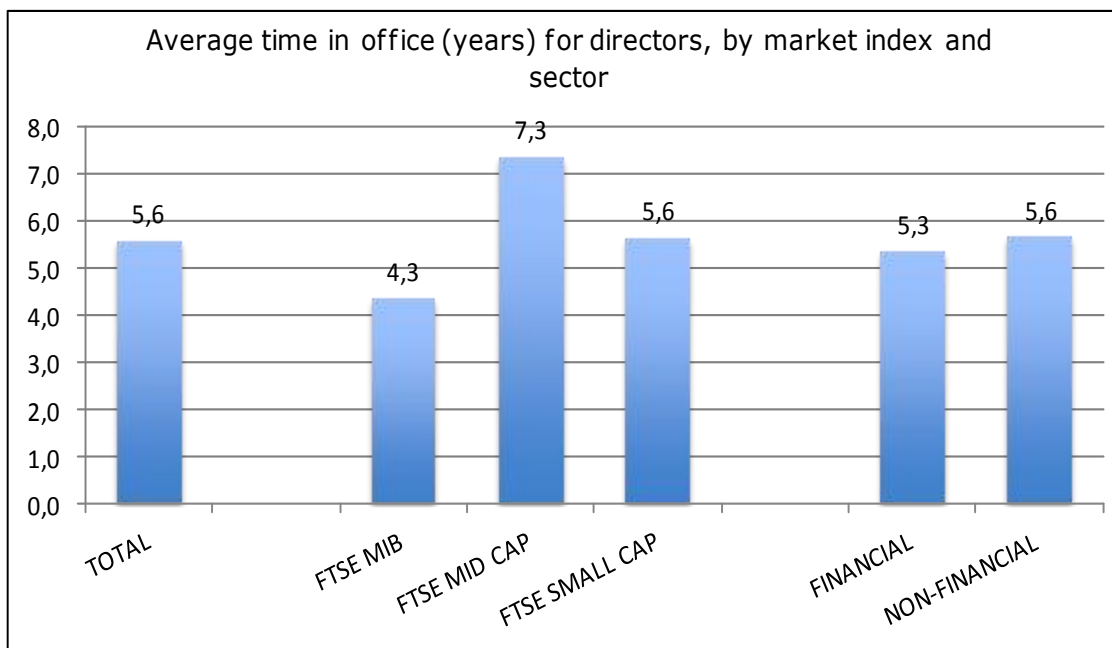


Figure 13

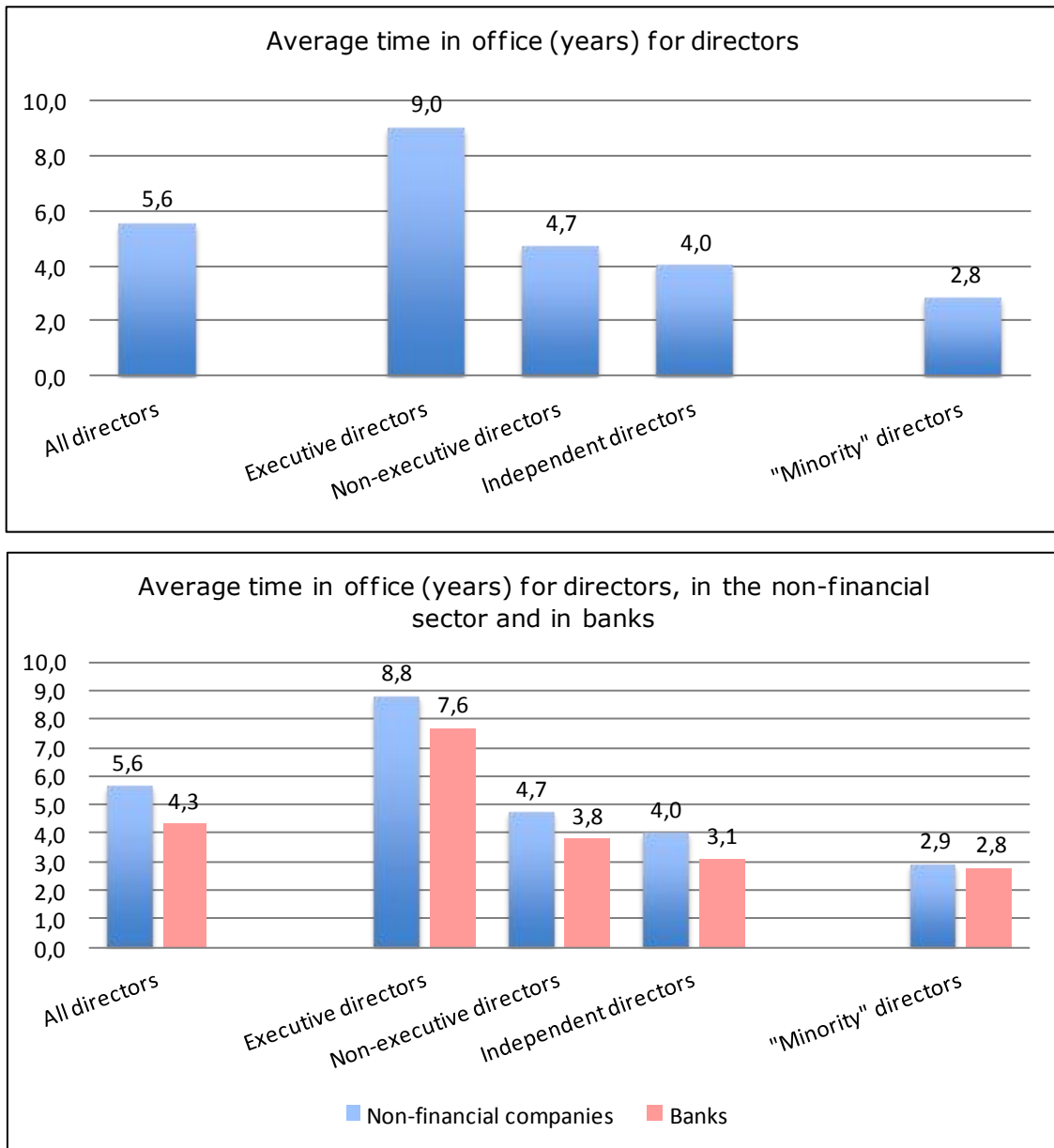


Figure 14

Time in office is much higher (9 years) for executive directors than for non-executive directors (below 5 years) and, even more, for independents (4 years).

Time in office for minority directors is even lower than for independents (it does not reach three years). This reflects both the recent spread of slate voting since the obligation pursuant to Law n. 262/2005 entered into force and an intrinsically lower stability of directors appointed by minorities, which may not be able to re-appoint the outgoing director in the following election, because of changes in ownership structure.

The Code does not make an explicit recommendation regarding the disclosure on statutory auditors' time in office. Anyway, the information is provided, on a purely voluntary basis, by 61 companies, i.e. 27% of the aggregate. Where information is provided, statutory auditors' time in office is 3 years on average<sup>55</sup>. It is, therefore, lower than that of directors.

*f) Chairman-CEO and Lead Independent Director*

The Code recommends to avoid the concentration of offices in one individual and to appoint a Lead Independent Director (LID) in the event that the Chairman is also the CEO of the company, as well as in the event that the office of Chairman is covered by the person controlling the issuer<sup>56</sup>.

We identified the companies supplying sufficient information to identify a managing director as the CEO (as recommended by Art. 1.C.1. i of the Code). Among companies with executive directors, we identified a possible CEO in 179 cases (i.e. 78% of the aggregate; see Tab. 14). Companies not always explicitly identify the CEO.<sup>57</sup> In some cases the existence and the name of "the main responsible officer for the management of the issuer" could be indirectly gathered from the information reported in the CG Report; for instance, by referring to the use of particular cases provided for by the Code when appointing the LID, or to the absence of cross-directorship situations interesting the Managing Director, in accordance with the Art. 2.C.5 of the Code. In some other cases, the Chief Executive Officer is not explicitly identified but there is a person identifiable as CEO according to a set of information, generally including the number

---

<sup>55</sup> The figure reflects the time in office since the first appointment of statutory auditors, calculated according to criteria similar to those used in the case of directors. The time in office varies from a minimum of 0 - for the newly appointed auditors - to high maximum levels, though lower than those found for directors (the maximum length of service are 31 years, in a bank and 14 years, in an insurance company).

<sup>56</sup> Art. 2.C.3 defines the *chief executive officer* (CEO) as "the main responsible officer for the management of the issuer". 2011 Code recommends moreover (for FTSE Mib companies) the appointment of a LID, if so requested by the majority of independent directors, except in the case of a different and grounded assessment carried out by the board to be reported in the CG Report.

<sup>57</sup> The Code does not require to explicitly identify the CEO. It does not even specify anything regarding: a) if a CEO may necessarily exist; b) if the CEO may be only one. The recommendation and interpretation set seems to suggest a positive answer to both points. The CEO is indeed defined as "the main responsible officer for the management of the issuer". Elementary remarks on efficiency, effectiveness and uniqueness of managerial directives suggest that the hierarchical structure of a company normally has one and only one vertex, despite the variety of the structures of the powers conferred by the issuers. A pyramid without the top-vertex is merely a case study. On the other hand it is possible for a company to have a structure with an "external" top-vertex (for instance the case of a firm subject to the management and control of a parent company, to the extent permitted by Art. 37 of the Regulation on Markets). Even diarchies or more complex controlling structures are sometimes possible. The adoption of such structures (and their implementation into practice) must be disclosed to the market, being "optional behaviours" in accordance to the main principle III of the Code (an explicit motivation for their adoption on a *comply-or-explain* basis is therefore not necessary).

and the role of Managing Directors, and the range of powers they received (these are disclosed in the CG Report).

The CEO coincides with the Chairman in 75 firms (i.e. 33% of the aggregate): in these cases we may refer to it as to the Chairman-CEO. In 42 companies (18% of the aggregate)<sup>58</sup> the office of Chairman is covered by the person controlling the issuer. Data are in line with those in previous years.

The companies in one of the situations in which the appointment of a Lead Independent Director is recommended (Chairman-CEO or Chairman-controlling shareholder) are 93, i.e. 40% of the aggregate. These are, as in 2013, exclusively non-financial companies. As expected, the frequency of such situations is inversely proportional to firm size (50% among Small Cap, it gradually decreases among Mid Cap – 29% - and among FTSE Mib, where the appointment of a LID is recommended in 17% of cases)<sup>59</sup>.

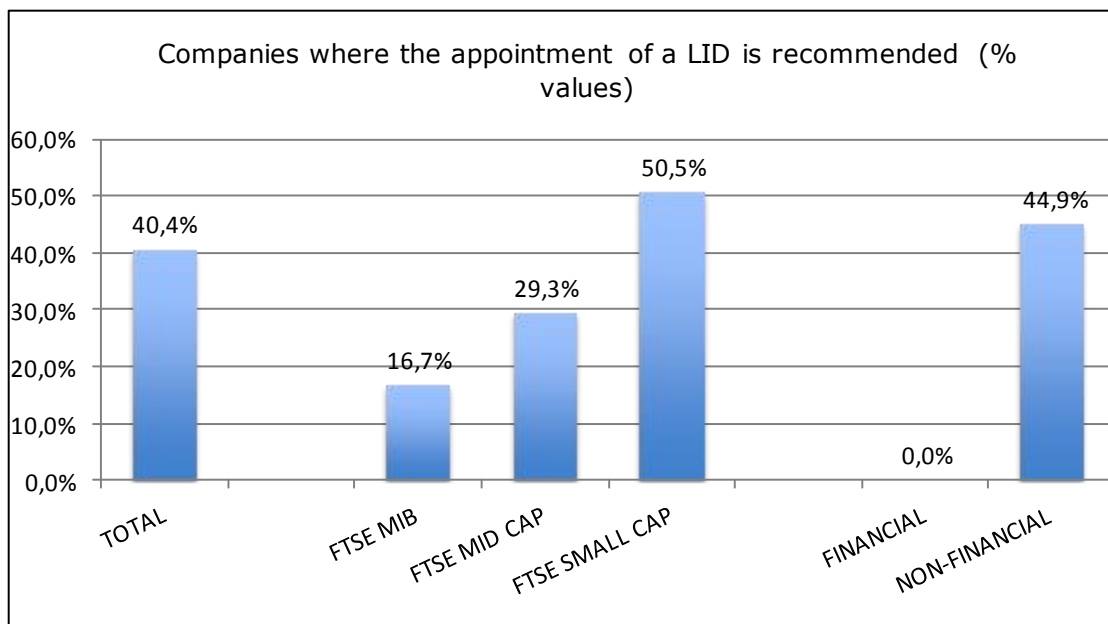


Figure 15

<sup>58</sup> In 24 cases (22 in 2013, 25 in 2012) the chairman is both the controlling shareholder and the CEO. We have considered the definition reported in the Code (“the person” who controls the company) in a narrow sense; therefore, we have ignored situations where the chairman is a member of a group of control shareholders (e.g. a family).

<sup>59</sup> At the end of 2013, the FTSE Mib companies in a situation where it was recommended the establishment of the LID were 6; all have appointed him. 5 companies have appointed a LID although not in one of the situations foreseen in the Code.

The Lead Independent Director was disclosed by 101 companies (i.e. 44% of the aggregate). The appointment of a LID is quite frequent in the non-financial sector, where it is disclosed in 69 companies (out of 93), i.e. 74% of the situations where the appointment is recommended.<sup>60</sup> No two-tier company appointed a LID (see Tab. 12). The appointment of a LID is stable over time.

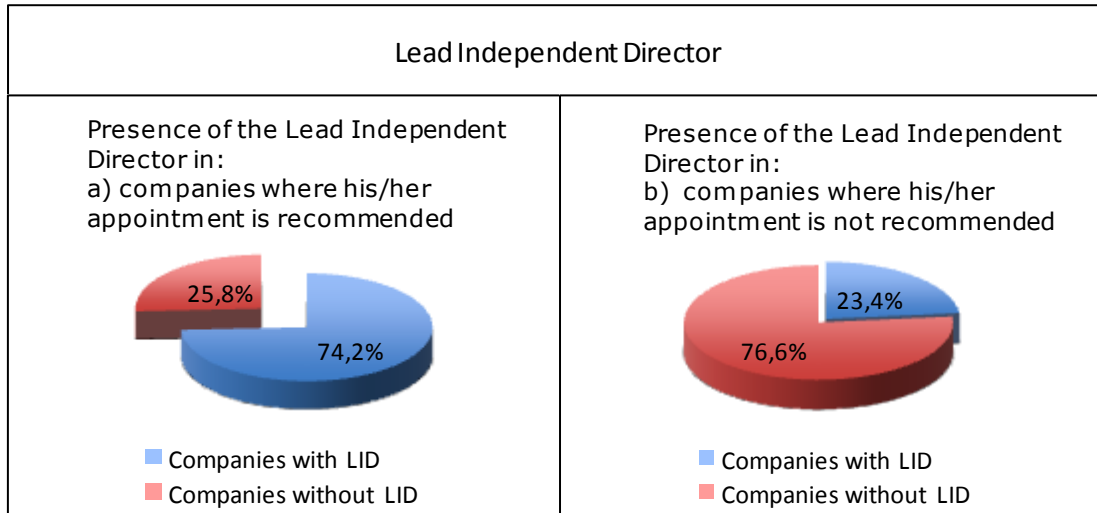


Figure 16

The LID is appointed more frequently (83%) when both the situations set up by the Code occur, that is where the Chairman coincides with the controlling shareholder of the company and is qualified as the CEO, with four exceptions: the frequency of the LID designation is lower in cases identified as Chairman-CEO where the Chairman is not the controlling shareholder (71% of the aggregate) or where the Chairman is the controlling shareholder but he is not the CEO (72%). In other 32 cases the figure of the LID was established on a purely voluntary basis by companies that do not correspond to the situations identified by the Code.

The name of the LID is always disclosed in the CG Report. In almost all cases, the LID does not hold other particular positions within the Board of Directors: only in 3 cases the LID is the deputy chairman of the board. Moreover, the LID is almost always drawn from the “majority” list: in 6 cases (out of 28 companies where “minority” directors are present) the LID is drawn from a minority list. The LID’s age (over 61 years, compared

<sup>60</sup> 24 companies (15 classified as having a “Chairman-CEO”, 5 companies where a combination of offices does not occur but the chairman is the main shareholder and 4 companies where both situations occur) would be non-compliant with the recommendation of the Code. In this regard, it should be noted that 8 of them have not adopted the Code and another one adopted it only “partially”. Moreover, 6 companies have not independent directors (within the meaning of the Code) and 2 other issuers have only one independent.



to 59) and time in office (5 years and a half, compared to 4) are clearly higher than those of other independents.

The Code recommends convening, at least once a year, a meeting of independent directors for the discussion of subject matters of interest, regarding the functioning of the Board of Directors or company operations. Meetings of independent directors (i.e., without the presence of other directors) are quite widespread: 126 companies (i.e., 61% of the companies having at least 2 independent directors) disclosed that independent directors met at least once during the financial year of reference; among larger companies this practice is even more frequent (81% among FTSE Mib companies).

The recommendation to meet (in the absence of other directors) at least once a year pertains to all independent directors (whether or not a LID is appointed). This provision is applied more frequently in companies where the appointment of a LID has occurred (where meetings of only independents have been held in 73% of cases (67% in 2013); the percentage drops to 55% (42% in 2013) where LID has not been appointed). The frequency of independent directors' meetings is therefore significantly increasing, above all among companies where a LID has not been appointed, which are reducing the gap with other firms.

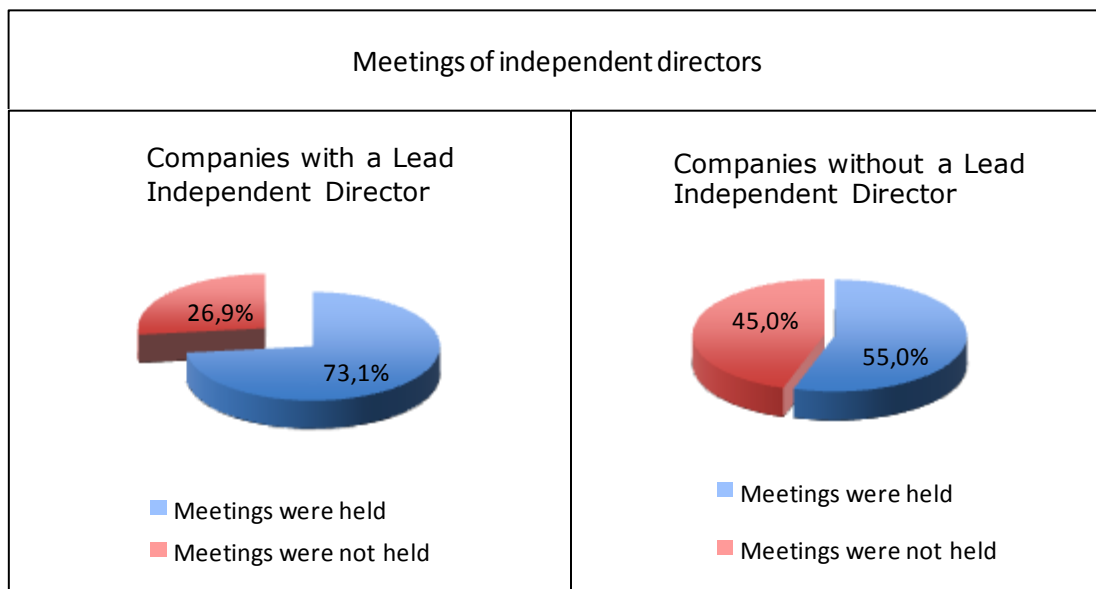


Figure 17

### 3.3. Assessment of directors' and statutory auditors' independence

The Code recommends that: a) the BoD periodically assess directors' independence, "having regard more to the contents than to the form" and making reference to 8 (not binding) criteria defined by the Code; b) the Board of Statutory Auditors check the correct application of the assessment criteria by the board; c) statutory auditors shall be chosen "among people who may be qualified as independent also on the basis of the criteria provided by the Code (...) with reference to the directors"; d) the Board of Statutory Auditors check the compliance of its own members with the above mentioned *criteria*.

As in previous years, we searched for situations referable to Code *criteria*. The results of our analysis should not, however, be considered an evaluation of the "true" independence of directors and statutory auditors (the Code clearly defined such *criteria* as not binding), also because only the BoD has the information essential to this purpose. It is only a test aimed to identify some situations possibly relevant according to Code *criteria*, in order to evaluate their time trend and/or possible discrepancies in the application of criteria within different companies.

#### a) Directors' independence

The 2014 analysis particularly focuses on the directors' independence. More specifically, we decide to differentiate situations where issuers disclose the intention not to apply in general terms one or more assessment Code criteria from situations where the same criteria are applied following a substantial approach (so not necessarily a literal approach). Both situations are then specifically and deeply analyzed with respect to the comply-or-explain (reported in the third part). This specific study gives rise to discontinuities in the historical time series data, which, therefore, cannot be compared with those of the past years.

The intention not to apply one or more assessment criteria proposed by the Code for the independence evaluation has been disclosed by 13 companies (i.e. 5% of the aggregate) in their Reports<sup>61</sup>. Such companies usually (11 cases) chose not to apply the criterion concerning the so-called 9-year rule; a company chose not to apply criteria concerning the existence of professional relations, additional remunerations and the network of external auditing firms; lastly one company chose not to apply the criterion concerning directors holding positions in subsidiaries (and concerning the significance of the corresponding remuneration).

<sup>61</sup> The 2011 code recommends (see Art. 3.C.4.) to disclose these information, together with the valuation of BoD, after the appointment and then in the Corporate Governance Report. Data hereby used are, in fact, referred to the Reports.

The adoption of predetermined qualitative and/or quantitative criteria (for the evaluation of the independence) is disclosed quite rarely: this happens only in 18 cases (see Tab. 11) among which 4 FTSE Mib. It is reasonable to assume that most companies would like to evaluate each situation on a case-by-case basis (under a substantial approach, which might deviate from abstract and predetermined criteria).

A different recurring case is represented by firms that “adopted” the Code as a benchmark and positively assessed one or more directors as independent according to the general Code principle to have regard more to the contents than to the form (see *criterion 3.C.1. of the CG Code*)<sup>62</sup>. 33 companies (i.e. 14% of the aggregate) explicitly state in their CG Report that they have applied one or more criteria for the independence evaluation using a substantial approach. The frequency of these situations strongly varies according to firm size (28% among FTSE Mib, 19% among Mid Cap and only 10% among Small Cap companies).

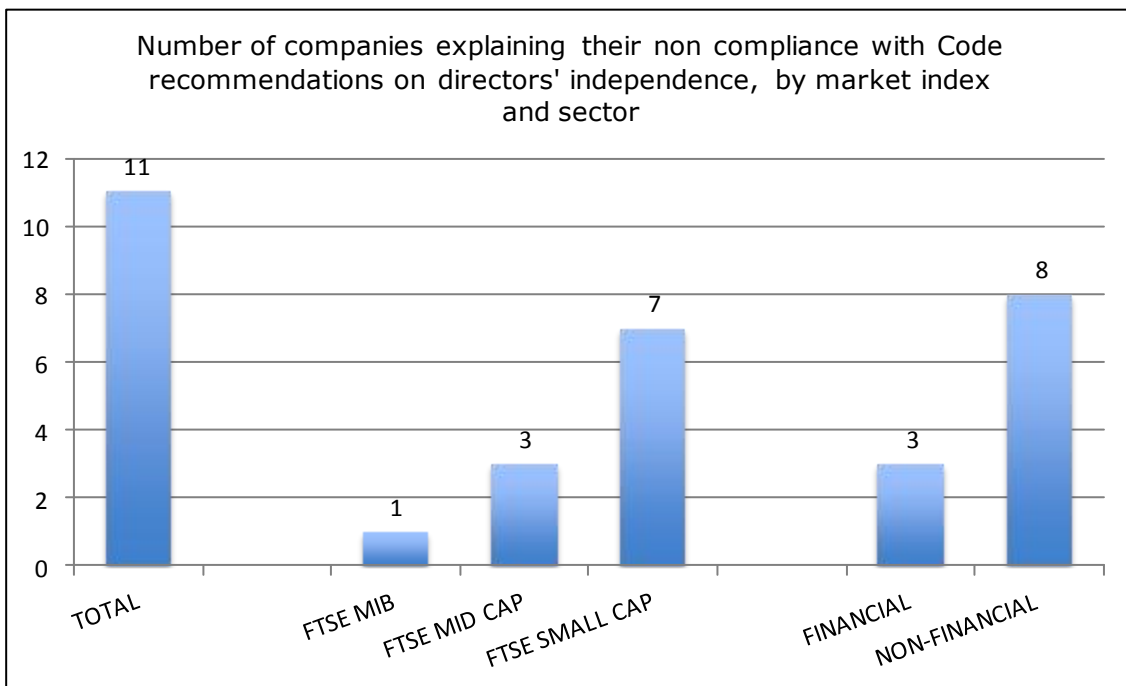


Figure 18

<sup>62</sup> Actually, it is possible that the board qualifies as positively independent – in substantial terms - a director who, according to a “mechanical” application of a criterion of the Art. 3 would be classified as non independent. In this sense, it seems only normal that the criterion with which companies are more frequently non-compliant is the most “mechanical” one, i.e. the 9-year rule.

The assessment of directors' independence, at least in situations of best practice, is more mature and less based on a check-the-box application of the Code *criteria*; this seems consistent with both the letter and the spirit of the CG Code.

Our investigation on independent directors (see Tab.15) deals with the following situations, referable - as mentioned - to some criteria of the Code<sup>63</sup>.

- a) members of an Executive Committee, when it is likely to entail the systematic involvement in the day-to-day management of the issuer<sup>64</sup>. No independent director belongs to the Executive Committee of a company having no managing director; moreover, only 6 independent directors (5 in 2013, 4 in 2012) are part of an Executive Committees meeting with high frequency (i.e. more frequently than the BoD);
- b) chairmen qualified as independent directors (even though they are "significant representatives" according the Code<sup>65</sup>). The data is strongly decreasing: 12 companies (18 in 2013, 26 in 2012) qualified their chairman as non-executive and independent (according to the "Code definition")<sup>66</sup>;
- c) beneficiaries of incentive plans linked to company performance, including equity-based plans (usually stock grants or stock options). One independent director (in 2013 no similar cases occur) is a beneficiary of stock option plans;
- d) directors receiving a total remuneration "significantly" higher than their colleagues<sup>67</sup>. Even if every benchmark in this field is inherently open to question, our research

---

<sup>63</sup> In the last two years our analysis dealt with a narrower range of situations than in previous years. However, we do not expect particular problems since the categories no more taken into consideration - that required a lengthy hand-collecting work - had substantially disappeared in 2011. These categories are: People holding important positions in other companies of the same group - 14 cases in 2011 - Cross-directorships situations - 1 case - and situations of "possible family ties" - none cases: for further analysis please look at 2011 survey.

<sup>64</sup> The Code considers as executive (thereby, by definition, not independent) the members of the company executive committee "when no managing director is appointed or when the participation in the executive committee, taking into account the frequency of the meetings and the scope of the relevant resolutions, entails, as a matter of fact, the systematic involvement of its members in the day-to-day management of the issuer".

<sup>65</sup> The chairman of the company, the legal representative, the chairman of the BoD, the executive directors and the executives with strategic responsibilities of the relevant company or entity, must be considered as "significant representatives".

<sup>66</sup> 9 chairmen of the BoD, together with 3 chairmen of the Supervisory Board in two-tier companies.

<sup>67</sup> Such cases are typically explained by the payment of additional remuneration for chairman or deputy-chairman positions held in the issuer or in subsidiaries (this is not, however, the case of a controlling company or of companies under common control, since the information available in financial statements concerns only the "lower" branches of the group structure) and/or by the participation to an "active" executive committee.

takes into consideration - as in previous years – independent directors receiving a total remuneration: i) at least twice as high as the average compensation of non-executive directors; ii) not related to membership in board committees recommended by the Code. Our analysis covers 39 independent directors (a value similar to the one found out in 2013, 43). It could be interesting to observe that 3 LIDs (3 in 2013, 2 in 2012) fall in this category;

- e) people who were in charge 9 years ago<sup>68</sup>, on the basis of the Consob database. The number of independent directors who were in charge 9 years ago is quite high (137 directors). This number, even though presenting small fluctuations, is quite stable over time (146 in 2013, 136 in 2012, and 139 in 2011). It is important to underline that 22 of these directors belong to firms whose BoD stated its intention not to apply this criterion.

The numbers reported are not additive, since a single person may be involved in more situations at risk (i.e. a director may be a member of an active executive committee, be the chairman the company and receive a “high” remuneration).

The independent directors that do not fall in any of the mentioned situations are 810 (out of 987), i.e. 82% of the aggregate (exactly as in 2013). Nowadays the situations “at risk” are equally frequent in all sectors; therefore, the peculiarity observable in previous years in the financial sector fails (the percentage of independent directors who do not fall in any “particular” situation in 2013 was 78% (83%) in the financial sector (non-financial); 62% (82%) in the financial sector (non-financial) in 2012).

---

<sup>68</sup> The 9 year rule refers to being a “director of the issuer for more than nine years in the last twelve years”. To keep the analysis simple, we limited our investigation to cases where the director was in charge nine years ago. This implies skipping a precise check of the time in office; consequently, a few classification errors may occur. We considered also occasional cases where a person shifted from the office of statutory auditor to that of director (and *vice versa*).

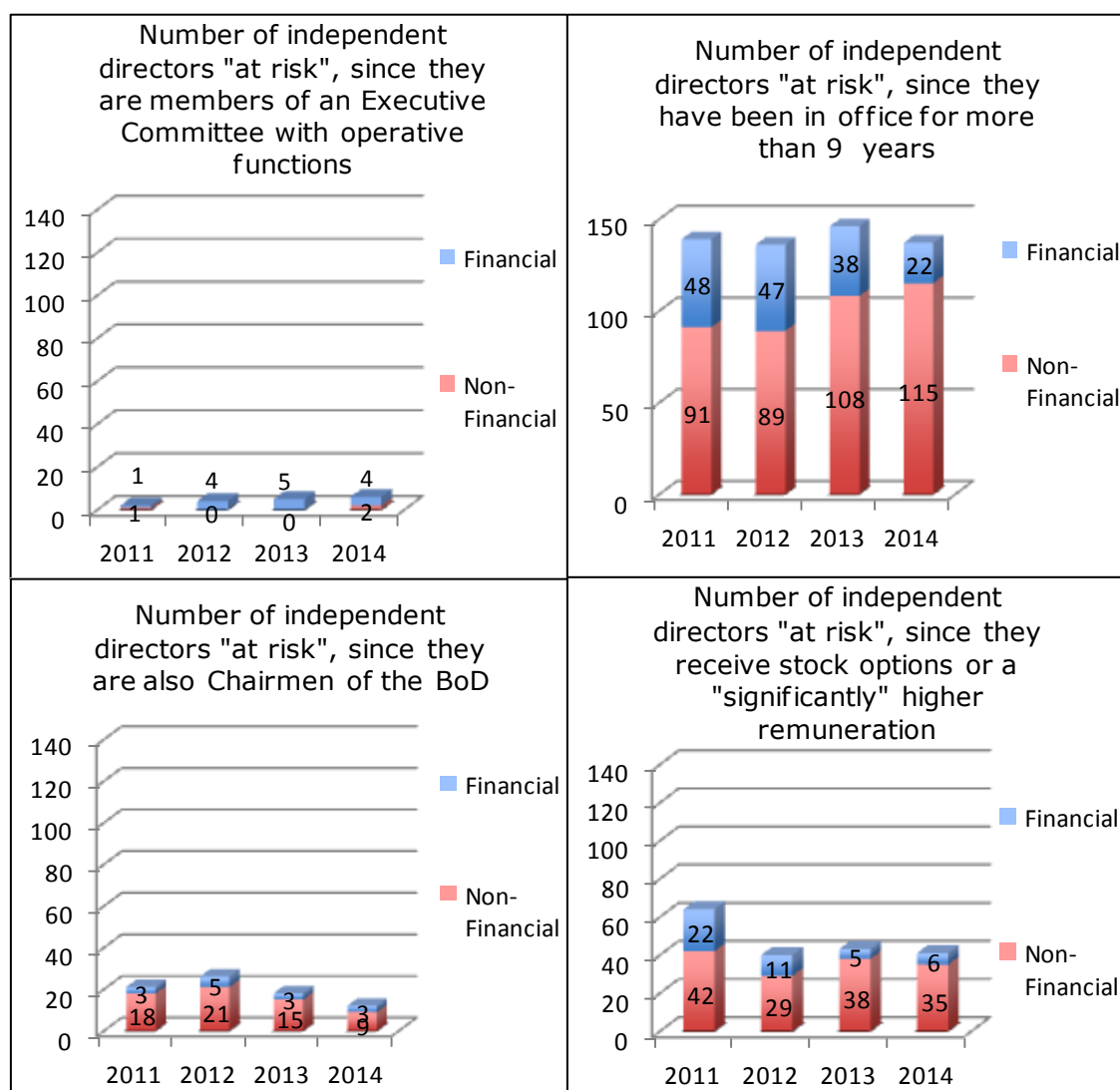


Figure 19

#### b) Statutory auditors' independence

In 195 cases, i.e. 87% of the aggregate, the company states that the Board of Statutory Auditors has assessed its own members' independence (see Tab. 16).

With regard to statutory auditors "at risk" (see Tab. 17), we focused on a narrower range of "particular" situations, since only some of the assessment criteria suggested for independent directors fit statutory auditors<sup>69</sup>:

<sup>69</sup> Quite obviously, statutory auditors cannot be members of an Executive Committee; on the other hand, family ties between statutory auditors and directors, or the attribution of director offices in companies

- a) people who receive a total compensation which is significantly higher than that coming from the office of statutory auditors for the issuer (60 statutory auditors); the value is strongly decreasing with respect to previous years (68 statutory auditors in 2013, 70 in 2012, 74 in 2011)<sup>70</sup>. This situation applies to statutory auditors more often than to independent directors (this happens for 8.6% of statutory auditors and only for 4% of independent directors).
- b) people who were already in charge nine years ago (118 statutory auditors; 136 in 2013, 152 in 2012, 136 in 2011)<sup>71</sup>. It should be noted that 13 statutory auditors belong to companies which stated their intention not to apply such criterion. It is also more frequent for a statutory auditor than for an independent director to be “at risk” because he/she has been in charge for more than 9 years (this happens for 17% of statutory auditors and only for 14% of independent directors).

The reported numbers are not additive also for statutory auditors, since a single person may be involved in more than one “particular” situation. The statutory auditors that do not fall in any of the mentioned situations are 543 (i.e. 78% of the aggregate, slightly increasing from 76% in 2013). The percentage of statutory auditors is slightly lower than that of independent directors who are not “at risk” (82%), even though independent directors have been checked against a higher number of control *criteria*.

---

controlling the issuer, subsidiaries of the issuer or companies under common control with the issuer are forbidden by Art. 148 CLF. Interestingly, we can observe some situation where family ties among statutory auditors exist. Even the participation to incentive plans seems to be banned, since it would not be consistent with the control role of statutory auditors (it may, however, affect members of “controlling bodies” in one-tier and two-tier companies, whose duties are not limited to a mere control function).

<sup>70</sup> They are - typically - people holding multiple statutory auditor offices in subsidiaries of the issuer. Three Small Cap companies have a BoSA entirely made up of people receiving additional “significant” remuneration.

<sup>71</sup> See the methodological issues commented upon with regard to independent directors, particularly for what concerns the extension of historical time series available. 7 companies (up from 9 in 2013) have a BoSA made up entirely of statutory auditors who have been in charge for more than nine years.

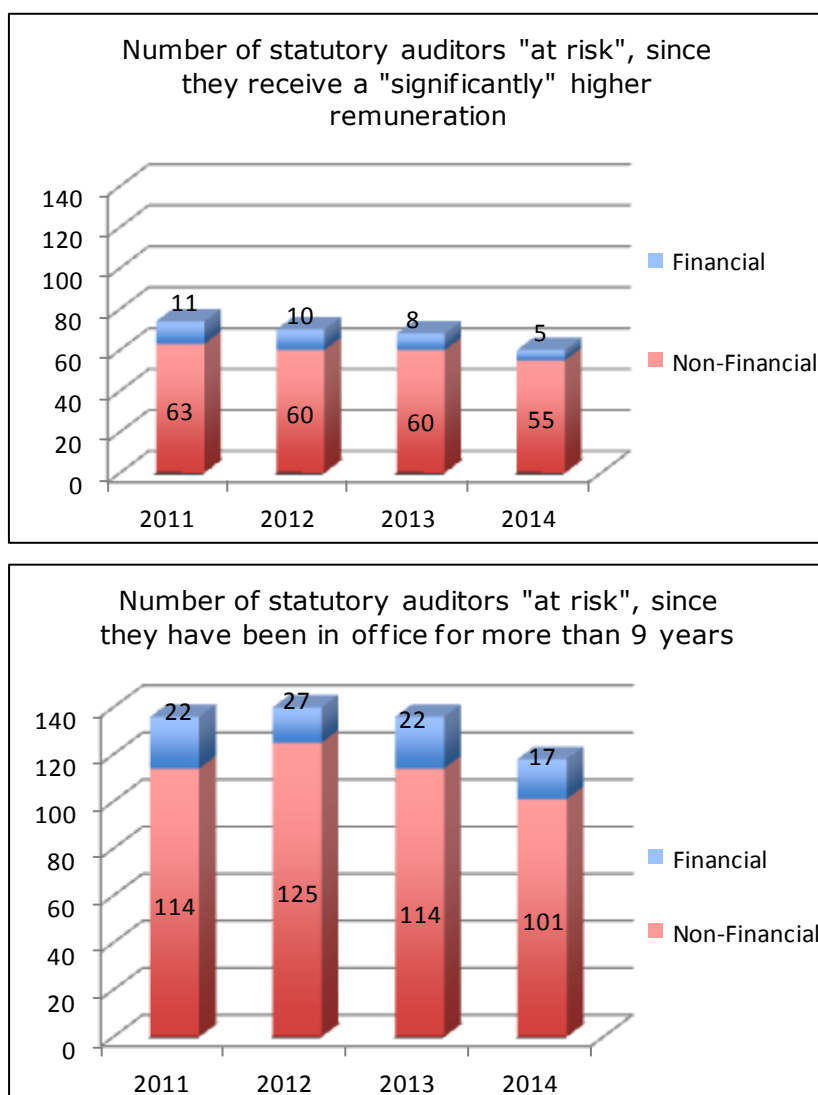


Figure 20

The percentage of statutory auditors that do not fall in any "particular" situation was traditionally higher in non-financial firms: about 78% of the aggregate, vs. 72% in non-financial firms. However, the gap between these sectors is strongly decreasing (in 2013 the percentages were 77% in financial sector and only 65% in non-financial).

### 3.4. Minority representatives

The election of governing bodies in listed companies takes place through the mechanism of slate voting, which allows organized minority shareholders to elect their representatives. The companies mainly adopt the "majority" method, which allows the allocation of the majority of seats to the list with the highest number of votes and a



certain number of seats, indicated in the bylaw, to candidates drawn from one or more minority lists. Sometimes, especially in the financial sector, a "proportional" voting mechanism is adopted, without any attribution of majority premia: it may, therefore, happen that the (relative) "majority" list fails to secure the majority of the directors. The allocation of seats has typically place through the "quotient" method, which foresees the allocation of votes to the candidates by dividing the number of votes obtained by each list for the number of order of the individual candidate on the list, with direct corrective to ensure the constraints of the law and the bylaws are met.

Through the reading of the CG Reports it is possible to obtain information about the number and role of the representatives (directors and statutory auditors) appointed by minorities. We analyzed the following themes<sup>72</sup>:

*a) Number of minority directors and statutory auditors*

Minority directors are present in 89 firms, plus 4 two-tier companies out of 5 (see Tab. 11 and 12). The global number (93) is slightly decreasing (97 in 2013, 101 in 2012). The total weight of the companies having minority directors is, however, stable (40%) due to the simultaneous reduction in the number of listed issuers. The total number of minority directors is 170<sup>73</sup> (191 in 2013). They represent 17% of the aggregate number of directors in the companies where they are present (the weight increases to 22% in the Supervisory Boards of two-tier companies).

The framework is basically the same for statutory auditors: 91 companies (88 in 2013, 93 in 2012; see Tab.16) have at least one minority statutory auditor. The total weight of the companies having minority statutory auditors is, however, slightly increased (from 38 to 41%) due to the reduction in the number of listed issuers. Also the global number (103) of minority statutory auditors has slightly increased (98 in 2013); their average weight is, obviously, stable (1 out of 3).

The number of minority directors varies considerably with firm size (2.3 directors in FTSE Mib companies; 1.8 in Mid Cap and 1.3 in Small cap) and industry (2.6 in banks). The differences are even more pronounced in the Supervisory Boards (the "dualistic" banks have an average of 6 minority directors, accounting for 30% of the total amount of Supervisory Board; among non-financial companies the number drops to 1.5, corresponding to 10% of the aggregate). No similar differences can be found for statutory auditors (see Tab.16), because of the uniform structure of the BoSA (made

<sup>72</sup> The *minutes of the AGM* have not been analyzed. In the previous editions up to 2012, pursuant to the minutes, we had identified the companies where "minority" lists were presented (and/or at least candidates have been proposed) for the election of the governing bodies, the necessary *quorum*, the members who submitted the lists and the outcome of the vote.

<sup>73</sup> These are 149 members of the BoD (they were 173) and 21 members of the SB (they were 20).

up, almost always, of 3 statutory auditors, 1 of whom may be appointed by minority shareholders).

*b) The role of minority directors*

In CG Reports, among the 170 directors explicitly qualified as “drawn from a minority slate”, 159 (94% of the aggregate) have been qualified as non-executive; and 11, serving in 7 different firms,<sup>74</sup> as executive (9 in 2013 in 5 different firms). Three of them have taken the role of chairman of the board, one is a deputy chairman, four are managing directors (they are also identified as CEOs, and two of them also as GM), and lastly three are executives without particular roles within the Board<sup>75</sup>.

*c) Minority directors and the composition of board committees*

Among the 93 companies where minority shareholders appointed directors, the Risk and Controls Committee (CRC) and the Remuneration Committee (RC) have been established by 90 (i.e. 93% of the aggregate) and 87 (i.e. 90% of the aggregate). These percentage values are slightly higher than the general average (see below).

At least one minority director has been appointed to the CRC in 56% of the companies. This happens more frequently in large firms (i.e. 70% of the cases in FTSE Mib; 58% in 2013), and less frequently in the financial sector (45%). On the other hand at least one minority director has been appointed to the RC in 50% of the companies. This happens more frequently in large firms (65% in FTSE Mib companies).

Minority directors (particularly those appointed by Assogestioni<sup>76</sup>) are frequently involved in committees. The appointment of a minority director to a committee seems – correctly – to be linked to his/her professional skills and his/her availability of time. As we will see hereinafter, the chairmanship of the committees (where established) is usually attributed to majority directors.

---

<sup>74</sup> In one of these firms the control block-holder voluntarily presented a slate with a number of candidates lower than the number of board seats essential to obtain the majority; consequently the majority of board members (including the chairman, the managing director and the 3 executives who receive a bonus) were actually drawn from the “minority” list.

<sup>75</sup> However, they receive relevant additional payment (also bonus and equity) from the issuer and/or companies of the group.

<sup>76</sup> Among the 170 minority directors mentioned in the CG Reports, 30 have been appointed by slates of funds under the lead of Assogestioni. 16 of them are members of the CRC, 8 of the RC, 4 of both; only 2 in two companies do not take part in any committee.

### 3.5. Nomination committee

The Code recommends (Article 5.P.1) the establishment of a Nomination Committee<sup>77</sup>. A Nomination Committee has been established by 113 companies, i.e. 49% of the aggregate (44% in 2013, 20% in 2012; see Tab. 18). In these cases, it is often unified with the Remuneration Committee (i.e. 69% of the cases). A Mid Cap company has even established a unique “Control and Risks, Remuneration and Nomination Committee”.

The establishment of an independent committee is more common among larger companies (57% of the FTSE Mib companies that established it (53% in 2013), compared to 25% in the Mid Cap and 20% Small Cap) and in the financial sector (where an independent committee exists in 68% of cases; 63% in 2013).

The composition of the Nomination Committee is always available. The committee is almost always composed entirely of non-executive directors (only 9 issuers, 8 in 2013 – 6 banks and 3 non-financial companies – have an (autonomous) committee with executives inside), a majority of whom is independent. The 2011 Code recommends that the Nomination Committee be made up, for the majority, of independent directors. All companies that have established this (autonomous) committee are aligned with this recommendation. In 10 cases (7 in 2013) the (autonomous) committee is composed entirely of independent directors.

In 32 cases out of 35 (i.e. 91% of the aggregate; 82% in 2012) the name of the chairman of the committee is disclosed in the CG Report (see Tab. 19). In 14 companies (9 in 2013) the committee is chaired by the chairman of the company (or by the chairman of SB, in two-tier companies), in two cases by a deputy chairman. Very often (81% of cases) the chairman of the committee is a non-executive director, in 59% of cases an independent director. In 3 cases the committee is chaired by the LID. Understandably, once the governance structure of Italian companies is taken into consideration, the chairman of the Nomination Committee is always drawn from the majority list.

Information about the frequency of the committee meetings is almost always available<sup>78</sup>. On average the committee meets 3.8 times per year; meeting frequency is higher in the financial sector (6.9 meetings, *versus* 2 in other industries) and in large companies (5.5 in FTSE Mib, 2.8 in Mid Cap, 0.8 in Small Cap firms). Information about

<sup>77</sup> Principle 6.P.2 (2006 Code) recommended that the Board evaluate “whether” to establish this committee. Therefore this principle was not on a comply-or-explain basis.

<sup>78</sup> It refers to companies that have established an independent committee (not unified with other committees) because, otherwise, it is generally impossible to distinguish between meetings concerning matters of appointments and remuneration.

the length of meetings is available in 20 cases: meetings last a little more than an hour on average (slightly more than one third of the average length of BoD meetings)<sup>79</sup>. The supplementary time commitment – in addition to the BoD meetings - required to the committee members is not high: on average, it is a little less than 5 hours per year<sup>80</sup>.

### 3.6. Remuneration committee

The analysis of the Remuneration Committee is not based only on CG Reports but also on additional information contained in Remuneration Reports<sup>81</sup>. Some companies have chosen to concentrate information on this point in the latter document (and the CG Report incorporates the information by reference to it).

We analyzed the following points:

#### a) *Establishment of a Remuneration Committee*

A Remuneration Committee has been established in a wide majority of companies (202, i.e. 88% of the aggregate: see Tab. 20); the number of companies that have established this committee is slowly decreasing. The frequency is higher in large firms (97% in FTSE Mib, 98% in Mid Cap, 85% in Small Cap companies)<sup>82</sup>; all financial companies have established the RC.

---

<sup>79</sup> The average length of NC meetings varies a lot, from a minimum of 30 minutes to the maximum of 3 hours.

<sup>80</sup> The additional time commitment required to directors goes from a minimum of 45 minutes to a maximum of 10 hours.

<sup>81</sup> In particular, in the first section, dedicated to the description of the remuneration policy for directors, statutory auditors and managers and of the remuneration governance process. Additional details are reported below, in the fourth part of this Report.

<sup>82</sup> Two companies has established a single control, risk, remuneration committee; in a single case this committee also deals with related parties transactions.

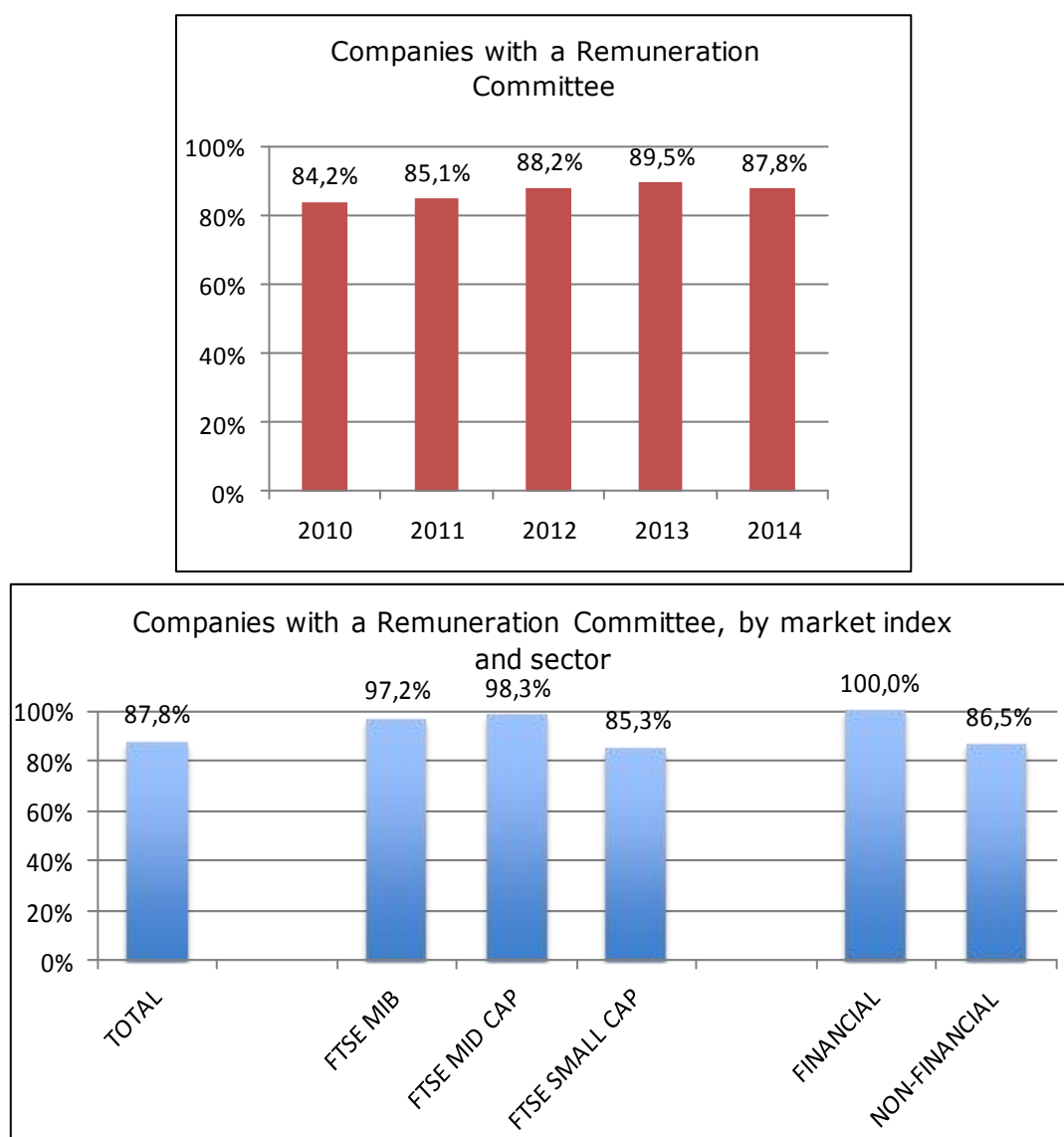


Figure 21

*b) Composition of the Remuneration Committee*

The composition of the Remuneration Committee is always available. The number of its members varies between 2 (in 11 cases) and 6 members (in one bank, as in 2012, followed by 10 companies with 5). The Remuneration Committee is usually made up of 3 members (this happens in 156 companies, i.e. 77% of the aggregate).

The Article 6.P.3. of the Code recommends that the committee is composed of only independents or, alternatively, of only non-executive directors, with a majority of independents, among whom the chairman of the committee is chosen. This is,

however, a recommendation intended to be applied over time (see the temporary regime introduced by the 2011 Code, through the Guiding principle VIII).

The former recommendation (Remuneration Committee made up of only independents) has been followed by 85 companies (i.e. 42% of the companies that have established a RC; see Tab. 21); the latter recommendation (committee made up of non-executive directors, majority of independents and chairman selected among them) has been followed by 78 companies (39% of the aggregate). Consequently, in 163 cases (i.e. 81% of the aggregate; 76% in 2013), the Remuneration Committee is already aligned with Code recommendations.

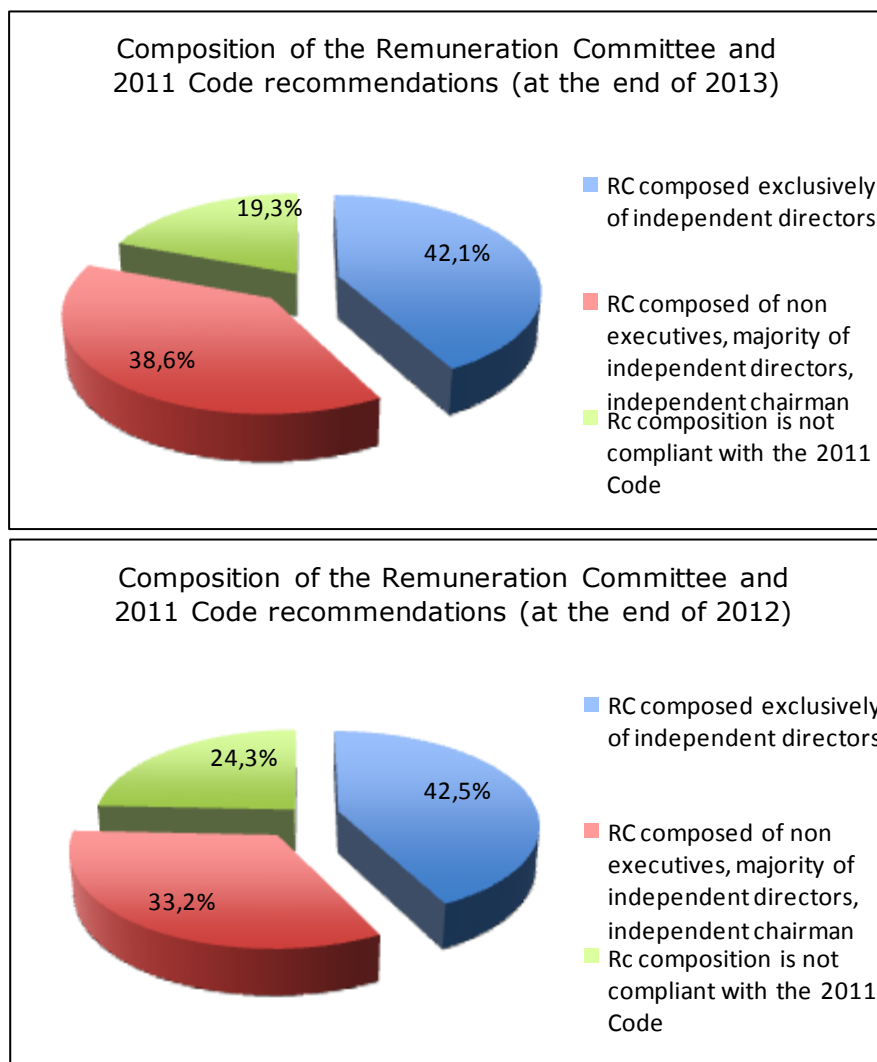


Figure 22

In the remaining 39 cases the composition of the RC is not in line with that recommended by the Code: 4 companies have an executive director in the committee (6 in 2013); in 10 cases (3 of them have an executive director in the RC) no independent director<sup>83</sup> is part of the RC or they are in the minority; in the 28 remaining cases the committee has a majority of independents but the chairman has not been identified (14 companies) or is not independent (14 cases). In three companies we cannot speak of “non-compliance” with the Code, since the first renewal of the BoD, after the Code update, have not occurred yet (Guiding principle VIII of the 2011 Code).

#### *c) Chairman of the Remuneration Committee*

In 177 cases (i.e. 88% of the aggregate) the name of the RC Chairman is disclosed (see Tab. 19). In 5 companies (3 of them are FTSE Mib banks) he is the chairman of the BoD (or of the BS in two-tier companies), in 9 cases a deputy chairman, in a small company the Managing Director. In 176 cases the chairman of the committee is a non-executive director (always except for one company). In 157 cases (i.e. 89% of the aggregate) the chairman is an independent director. In 34 cases (including 2 FTSE Mib companies) the committee is chaired by the LID. In 6 companies (i.e. 8% of the aggregate<sup>84</sup>) the chairman of the Remuneration Committee is drawn from a minority slate.

#### *d) Age and time in office*

The RC components are slightly older than the other directors (see Table 20), also taking into consideration their peculiar composition (the wide majority of them are non-executives, more than  $\frac{3}{4}$  of which are independents)<sup>85</sup>. The average age is 59 years and a half for the RC components (compared with 58 years and a half of the entire board), which rises to almost 61 in the case of the chairman. The age of the chairman is, however, variable according to the size (more than 64 years in FTSE Mib, 61 years and a half among Mid Cap, 59 years and a half among Small Cap) and, above all, to the sector (over 66 years in the financial sector, which in turn reflects a significant difference between insurance companies - where the average age is 69 years and a half - and banks - where it is 65 years and a half).

---

<sup>83</sup> Referring to the definition of the Code. One or more independents "by CLF definition" can be present.

<sup>84</sup> That is the number of companies which follow these conditions at the same time: a) they have minority directors (and they disclose their names); b) they established the CR; c) they have identified the chairman. Four companies whose chairman of CR is a representative of minority are in FTSE Mib.

<sup>85</sup> We already shown that non-executive and, particularly, independent directors are, on average, the older categories.

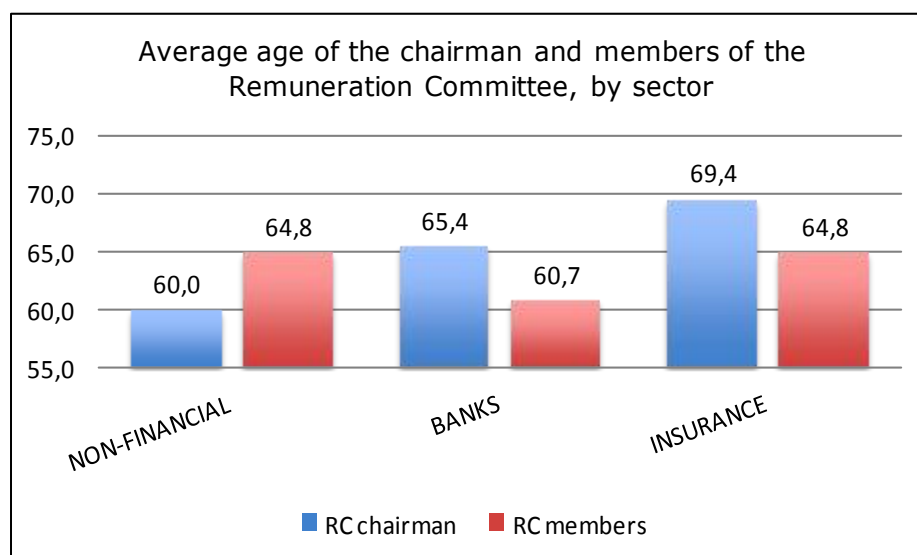
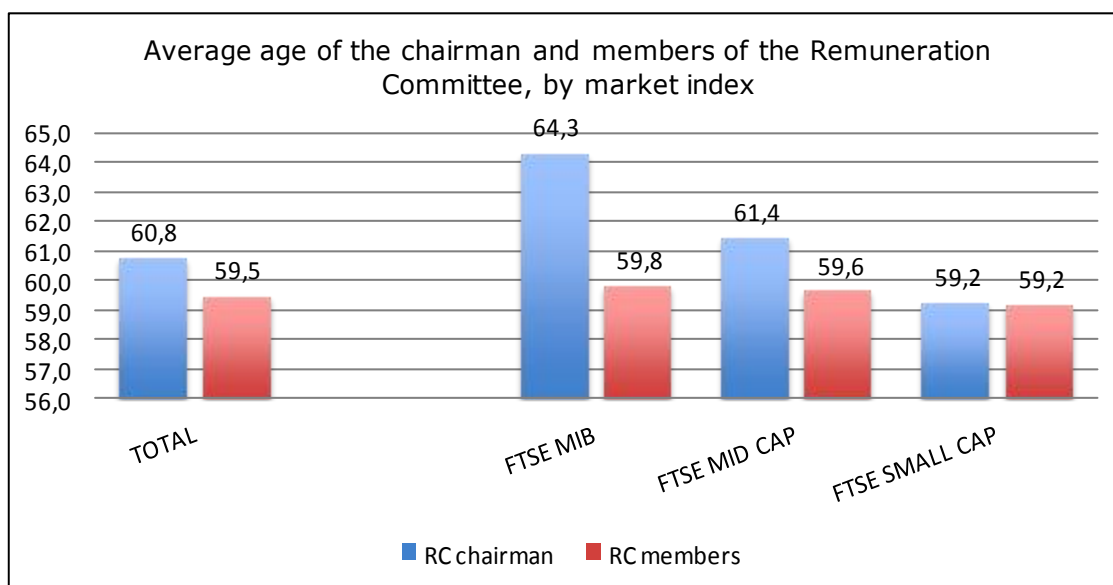


Figure 23

The time in office (as board members) is aligned with the average of non-executive directors for the components of the RC and slightly higher (5 years and a half) for the chairmen. As for chairmen, significant differences exist across sectors; in the financial sector the time in office for RC chairmen is higher (6 years and a half)<sup>86</sup>.

e) Frequency of meetings

<sup>86</sup> The figure is the weighted average of the time in office in banks (about 3 years and a half) and in insurance companies (over 17 years). This last figure is also affected - because of the small sample size - by a single outlier (who has been a board member for 33 years).



The information about the frequency of committee meetings is available almost always (in 97% of the cases, see Tab. 20). The average number of meetings is 3.8 and is generally increasing (3.5 in 2013, 3.3 in 2012, and 2.8 in 2011). It varies with industry (7.3 in financial, 3.3 in non-financial companies, 8 in banks) and firm size (6.6 in FTSE Mib, 3.9 in Mid Cap, 2.7 in Small Cap firms). The number of meetings varies a lot from company to company, ranging from 0 (in 4 cases<sup>87</sup>) to a maximum of 17 meetings per year.

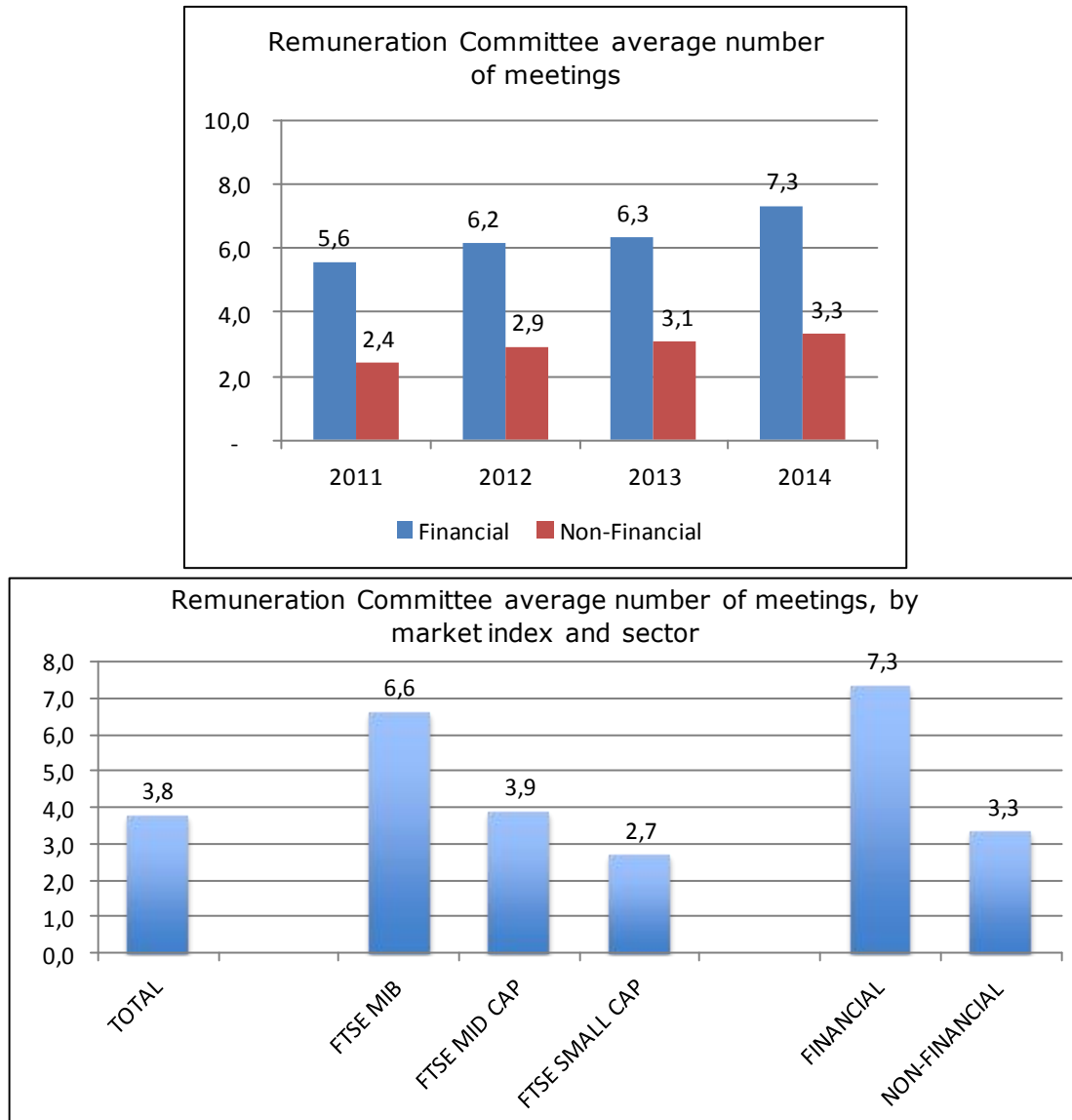


Figure 24

<sup>87</sup> It is worth noting that in one case the committee had never met even in the previous three years.

### f) Length of meetings

The Code recommends disclosing the average length of Committees' meetings. This information has already been provided by 145 companies (i.e. 72% of the aggregate; 65% in 2013) for the Remuneration Committee. The average length is little more than 1 hour (70 minutes) and it varies according to the firm size (87 minutes within FTSE Mib firms, 69 within Mid Cap and 63 in Small Cap)<sup>88</sup>.

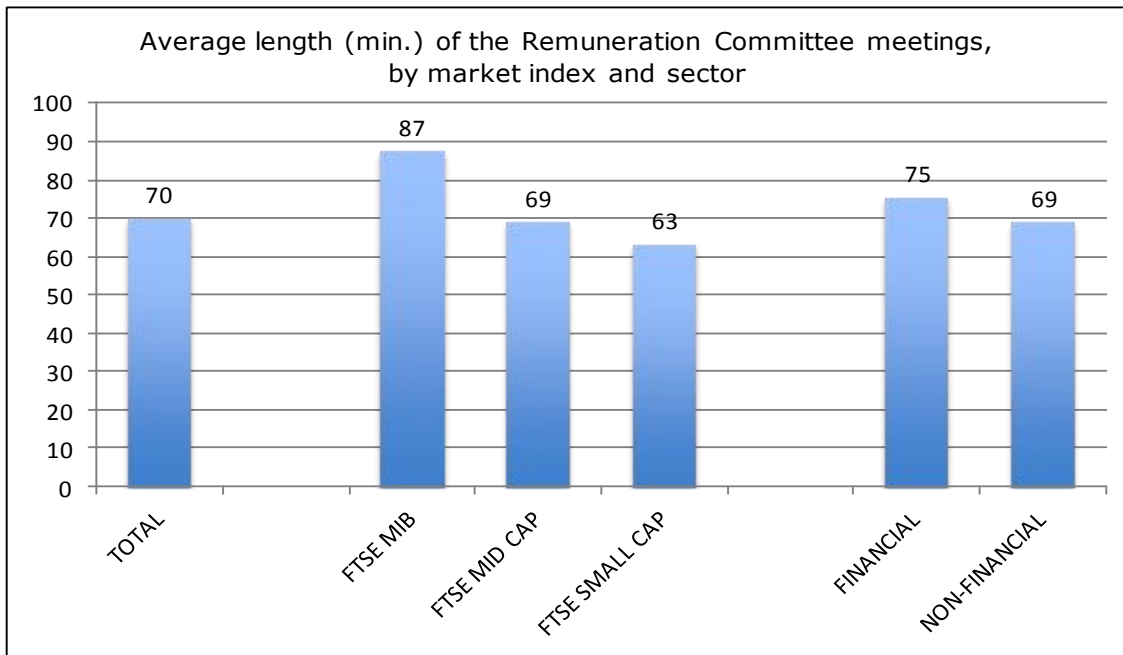


Figure 25

### g) Global time commitment

On the basis of the previous information, it is possible to estimate the global time commitment, in terms of hours per year, required on average to attend Remuneration Committee, in addition to board meetings; even in this case the figure merely refers to the RC meetings attendance (see Tab. 3).

The additional commitment required to directors for the attendance to RC meetings is usually modest: on average 5 hours per year, i.e. 1/5 of what is required to attend BoD

<sup>88</sup> At the individual company level, the length of Committee meetings varies from a minimum of 10 minutes (in a Small cap where only one meeting took place, followed by two companies with 20 minutes) to a maximum of 3 hours (in 2 companies). The meeting frequency among them ranges from 1 to 6 meetings. 41 companies (mostly Small and Micro cap; however, there are also 4 FTSE Mib) have an average length of meeting below one hour (46 in 2013). On the other hand, in 20 companies, among them 8 FTSE Mib (respectively 24 and 10 in 2013), the length of meetings is equal to, or higher than two hours (the number of meetings per year varies here from 1 to 17).

meetings. Time commitment grows with firm size (11 hours in FTSE Mib companies and 10 in the financial sector)<sup>89</sup>. While a modest additional time commitment may be connected to temporary situations, since the most relevant part of its activity (connected to the elaboration of multiple-year incentive plans) may have taken place in previous years, it is difficult to escape the feeling that the committee does not always play a substantial role in directors' remuneration setting.

#### *h) Attendance to meetings*

The Code recommends providing information about personal attendance of directors to meetings of the Committee. Transparency on this point is often good (see Tab. 22). 624 directors are members of a Remuneration Committee; information about their attendance to committee meetings is available in 557 cases<sup>90</sup> (i.e. 89% of the aggregate): 87% of them (487 directors) have attended all meetings. 97% of them attended at least one half of the meetings; a low attendance is extremely rare<sup>91</sup>.

### *3.7. Control and Risk Committee*

We analyzed the following points:

#### *a) Establishment of a Control and Risk Committee*

An Internal Control Committee has been established in a wide majority of listed firms (210 issuers, 91% of the aggregate: see Tab. 23), especially in large companies (the committee has been established in all FTSE Mib, in 95% of Mid Cap and in 92% of Small Cap firms; only Micro Cap and Other companies established the CRC less often).

---

<sup>89</sup> At the individual company level, the additional commitment required to directors varies a lot: it ranges from a minimum of 10 minutes to a maximum of 34 hours. 9 companies (mostly Small or Micro cap) disclose an additional time commitment below one hour. On the other hand, 23 companies (18 in 2013, 10 in 2012; among them 15 FTSE Mib, 11 in 2013) show an additional time commitment equal to, or higher than 10 hours.

<sup>90</sup> Six directors for whom no information is available, are actually members of committees that never met during the year.

<sup>91</sup> 10 directors (in 7 companies) did not attend any meeting. Quite always these became part of the Board or of the committee at the end of the year. In 2 cases they are members of committees that met once during the year.

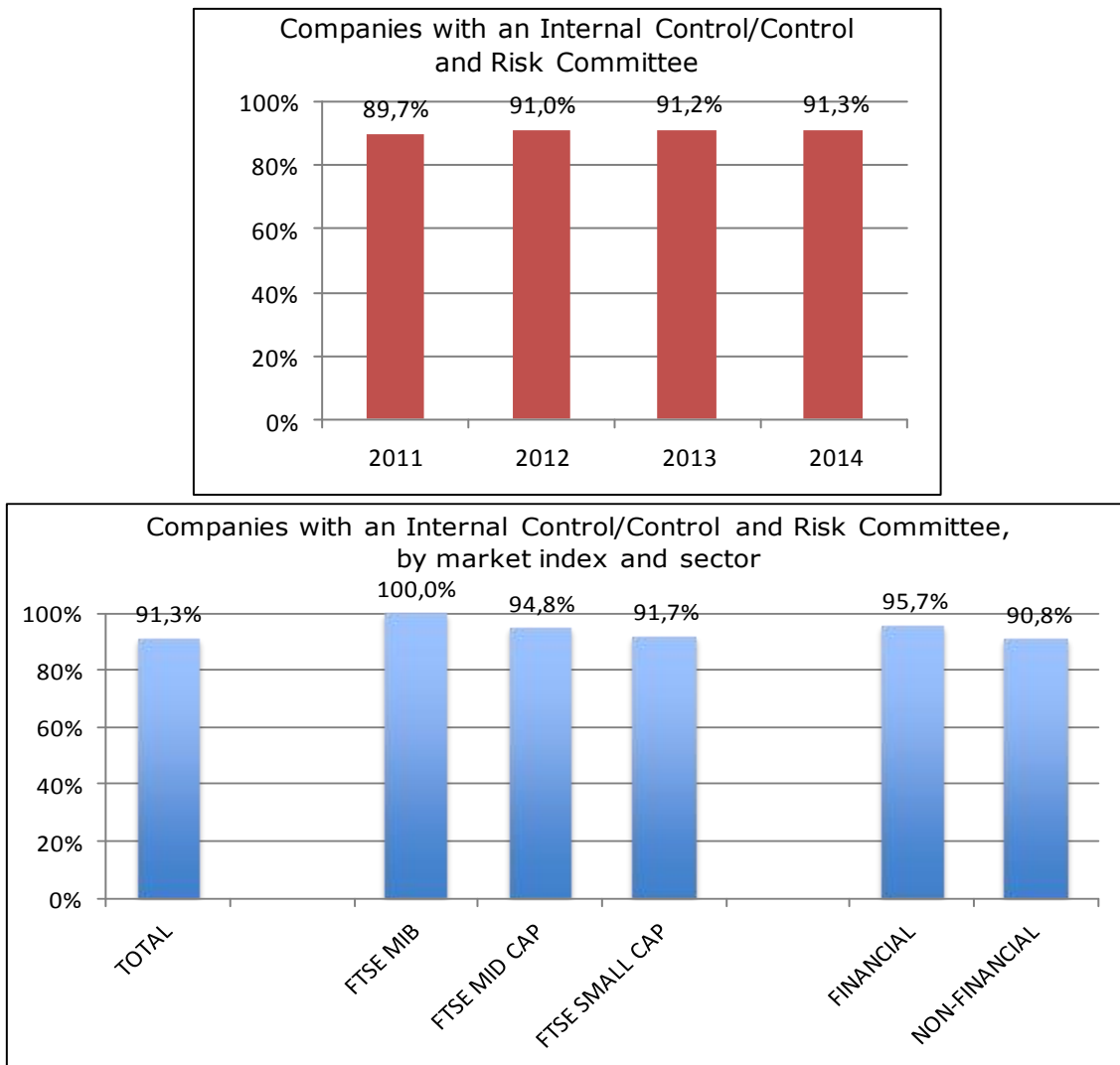


Figure 26

#### b) Composition of the Control and Risk Committee

The composition of the Control and Risk Committee is always available. The number of its members ranges from 2 (in 19 cases, as in 2013; 13 in 2012, 8 in 2011) to 9 components (in one large bank followed by 12 companies with 5). In a majority of cases (151, i.e. 72% of the aggregate), the committee is made up of 3 members.

The Article 7.P.4. of the Code recommends that the committee shall be made up only of independents or, alternatively, of only non-executive directors with a majority of independents, among whom the chairman is elected. As already noted with reference to the remuneration committee, this is a recommendation intended to be applied over

time (starting from the renewal of the governing bodies following the entry into force of the 2011 Code).

The first option (CRC made up only independents) is followed by 104 companies (50% of the companies with a CRC established). The second option (CRC composed by non-executives, with a majority of independents and the chairman chosen among them) is followed by 78 companies (i.e. 37% of the aggregate). Consequently 182 firms (i.e. 87% of the aggregate) have a CRC already in line with the Code recommendation.

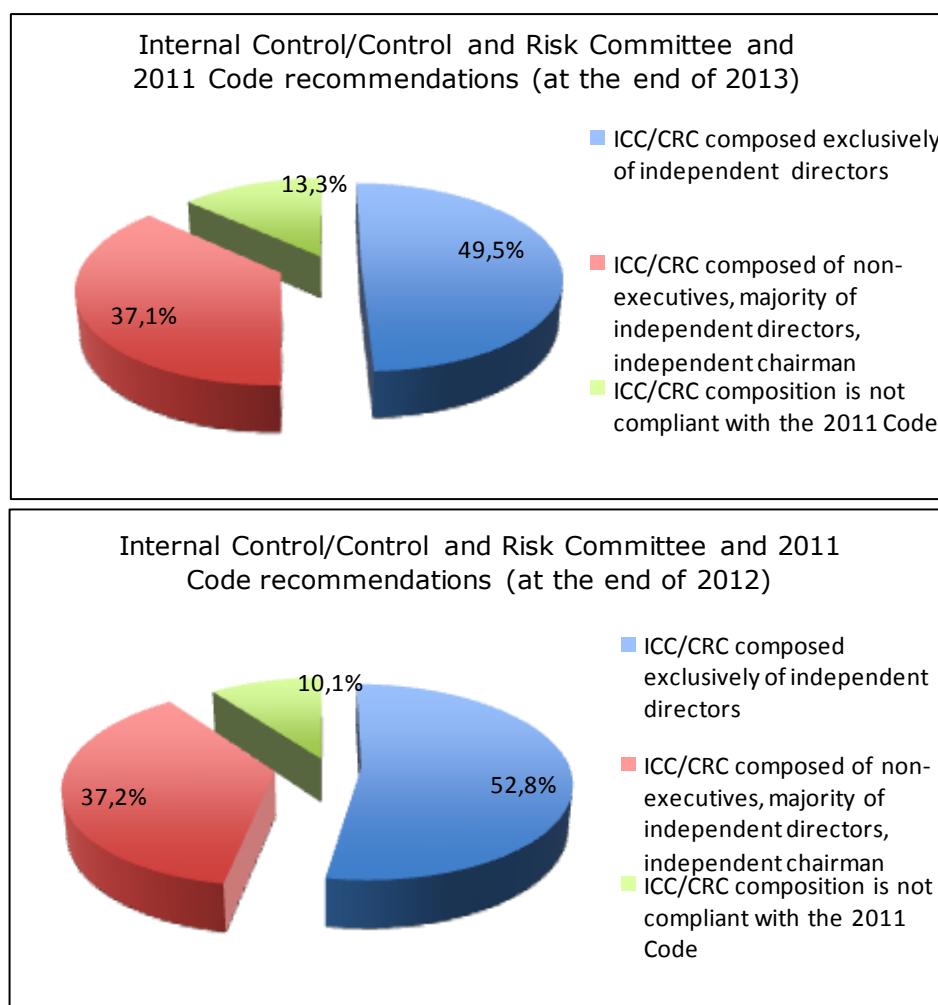


Figure 27

In the remaining 28 cases the composition of the CRC is not in line with that recommended by the Code: a company has an executive director in the committee; a company (non adopting the Code) has 3 executive directors inside; in 7 cases

(including the two companies just mentioned) no independent director<sup>92</sup> is part of the CRC or they are in the minority<sup>93</sup>; in 3 cases the RC is composed only of two members although the BoD is made up of more than 8 directors; in a single case the RC is not made up only of independents (as recommended by Principle 7.P.4), even if the issuer is subject to management and control; in remaining cases the committee has a majority of independents but the chairman has not been identified (12 companies) or he/she is not an independent director (5 cases).

*c) Chairman of the Control and Risk Committee*

The name of the chairman of the committee is disclosed in 179 cases (i.e. 85% of the aggregate; see Tab. 19). In a two-tier company belonging to FTSE Mib the committee is chaired by the chairman of the Supervisory Board, in 8 cases by a deputy chairman. The chairman of the committee is always qualified as a non-executive director, in 170 cases as an independent. In 42 cases (5 of which are FTSE Mib companies) the committee is chaired by the LID. In 11 companies (i.e. 6% of the aggregate<sup>94</sup>) the chairman of the CRC Committee is drawn from a minority slate.

In 38 companies (mostly Small Cap; only 3 of them are FTSE Mib) the same person chairs both the CRC and the Remuneration Committee.

*d) Age and time in office*

The CRC committee members have on average the same age as the other directors (see Tab. 23), i.e. about 58 years and a half. The average age rises, however, at almost 61 years in the case of the chairman. As in the case of the remuneration committee, the age of the president is much variable according to firm size (64 among FTSE Mib companies, 59 years and a half among Mid Cap, 60 years among Small Cap) and according to the industry (58 years and a half among financial companies, where the average age strongly decreased from the past year; 61 years among non-financial firms).

---

<sup>92</sup> Referring to the definition of the Code. One or more independents "by CLF definition" can be present.

<sup>93</sup> Three of them are companies non adopting the Code.

<sup>94</sup> The company there must satisfy contemporary these conditions: a) minority chairman; b) the CRC must be established; c) it's chairman must be identified. 5 companies (out of 11) with the CRC Minority Chairman belong to FTSE Mib.

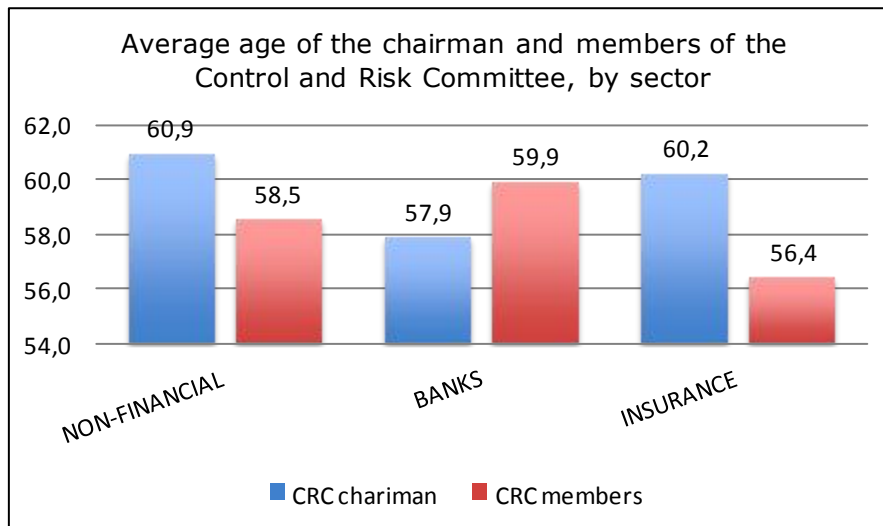
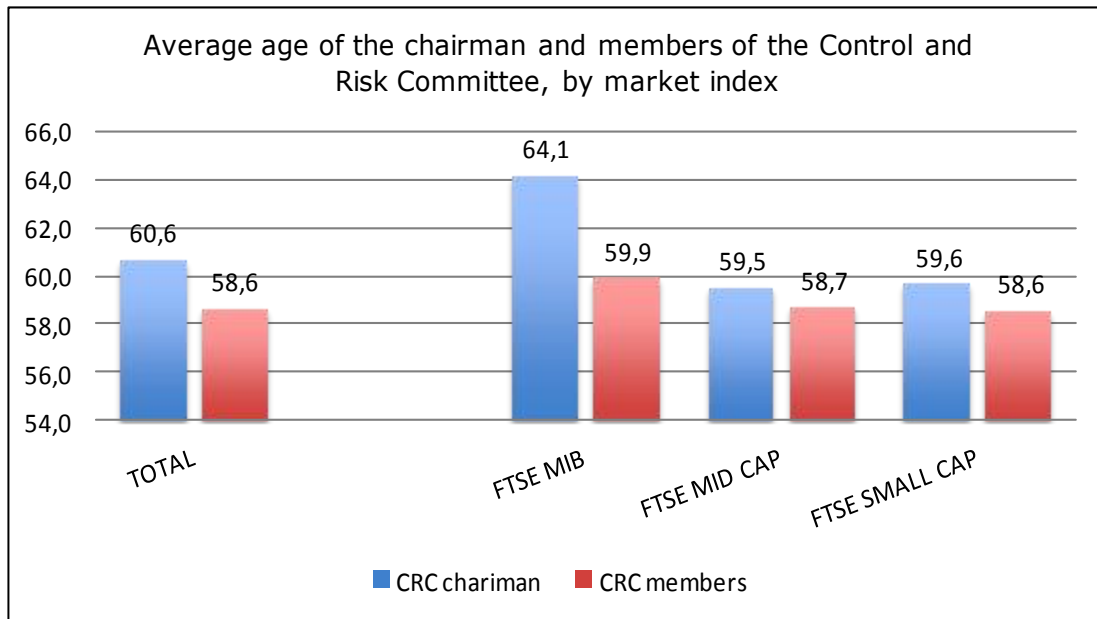


Figure 28

Time in office (as board members) is below the average (about 5 years for the CRC chairman, 4 years and a half for other members, compared to about 5 years and a half for the entire board); this is probably a consequence of the particular composition of the CRC recommended by the Code (only non-executive directors with a majority of independents).

e) *Frequency of meetings*

Information about the frequency of CRC meetings is available almost always (see Tab. 23); the average number of meetings per year, 7, varies with firm size (13.1 meetings in FTSE Mib, 7 in Mid Cap and 5.5 in Small Cap companies) and industry (15.8

meetings/year in the financial sector, in particular 18.3 in banks; 6.1 in other industries). The meeting frequency is almost everywhere increasing in comparison with previous years; in particular among banks (where the average number of meetings per year was 15.1 in 2013 and 13.4 in 2012).

The number of meetings varies a lot from company to company, ranging from 1 (in 5 cases, among them 2 Small Cap and 1 Micro Cap)<sup>95</sup> to 48 meetings per year.

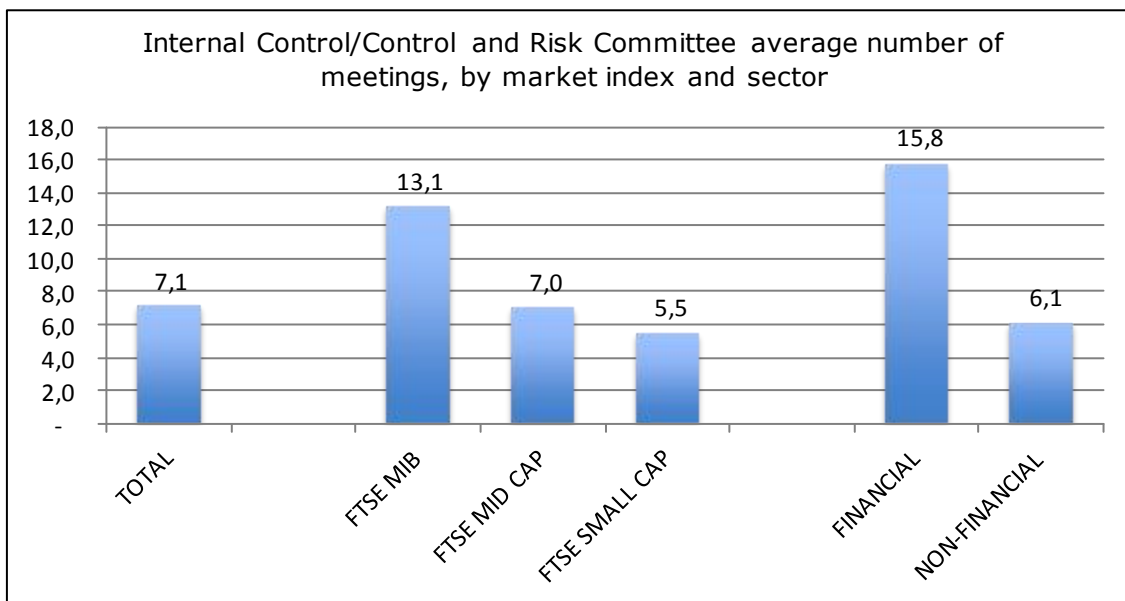
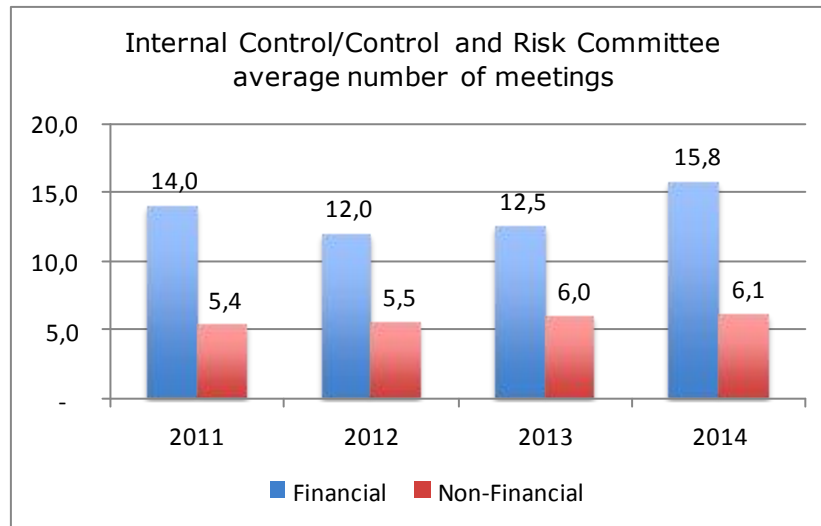


Figure 29

<sup>95</sup> The CRC of two newly-listed companies had never met. This is probably due to the fact that the Committee was constituted only when the company became listed and therefore it had never met before the end of the year.



### f) Length of meetings

The Code recommends that CG Reports disclose the average length of committee meetings. This information has been provided by 161 companies (i.e. 77% of the aggregate, 75% in 2013: see Tab. 3) for the Internal Control Committee. The average length is almost 2 hours (106 minutes). Average length varies with firm size (91 minutes in Small Cap, 147 minutes in FTSE Mib companies) and industry (100 minutes in non financial companies, 164 minutes in banks)<sup>96</sup>.

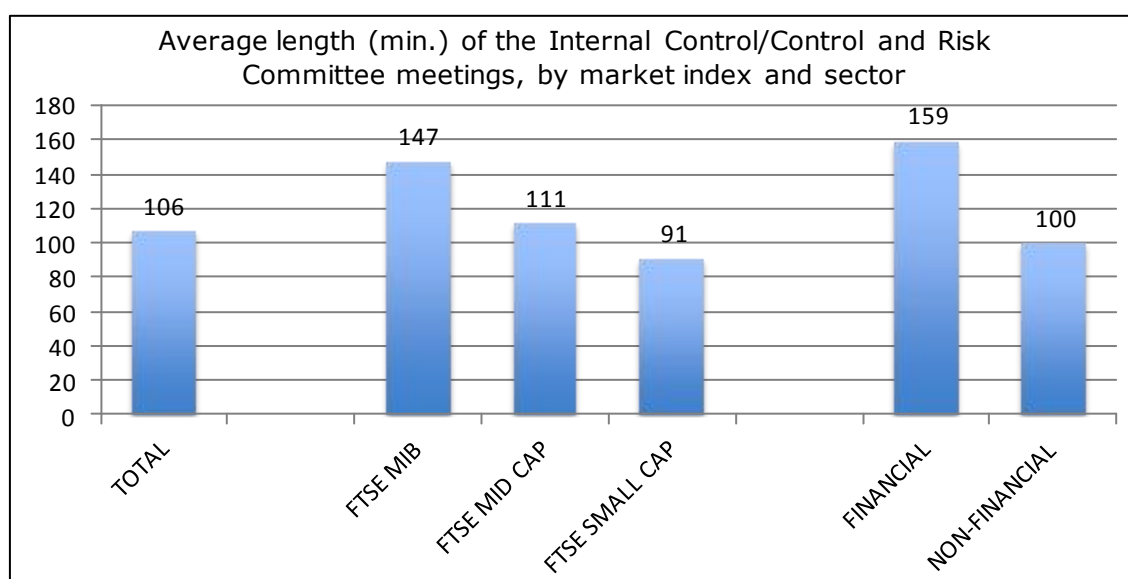


Figure 30

### g) Global time commitment

On the basis of the previous information, it is possible to estimate the global time commitment, in terms of hours per year, required on average to attend Remuneration Committee, in addition to Board meetings; even in this case the figure merely refers to the RC meetings attendance (see Tab. 3).

The additional time commitment required to directors to attend CRC meetings is substantial and it is increasing over time: on average, 16 hours per year (15 in 2013, 12 in 2012), i.e. 2/3 of the average time commitment required for Board meetings (and three times what is required to attend Remuneration Committee meetings).

<sup>96</sup> The length of CRC meetings varies a lot at the individual company level, ranging from 25 minutes (in a Small Cap company that held 2 meetings) to 5 hours (for 48 meetings). 12 companies (8 in 2013, 15 in 2012) (mostly Small Cap and Micro Cap) disclose an average length below one hour. On the other hand, 20 companies (26 in 2013, 13 in 2012), among which 11 FTSE Mib, disclose an average length of at least 3 hours; 69 companies (68 in 2013, 60 in 2012) show an average length of at least 2 hours.

Commitment varies significantly with firm size (more than twice, 38 hours, in FTSE Mib and down to 10 hours in Small Cap companies) and across industries (55 hours in banks; 12 hours in non-financial companies)<sup>97</sup>.

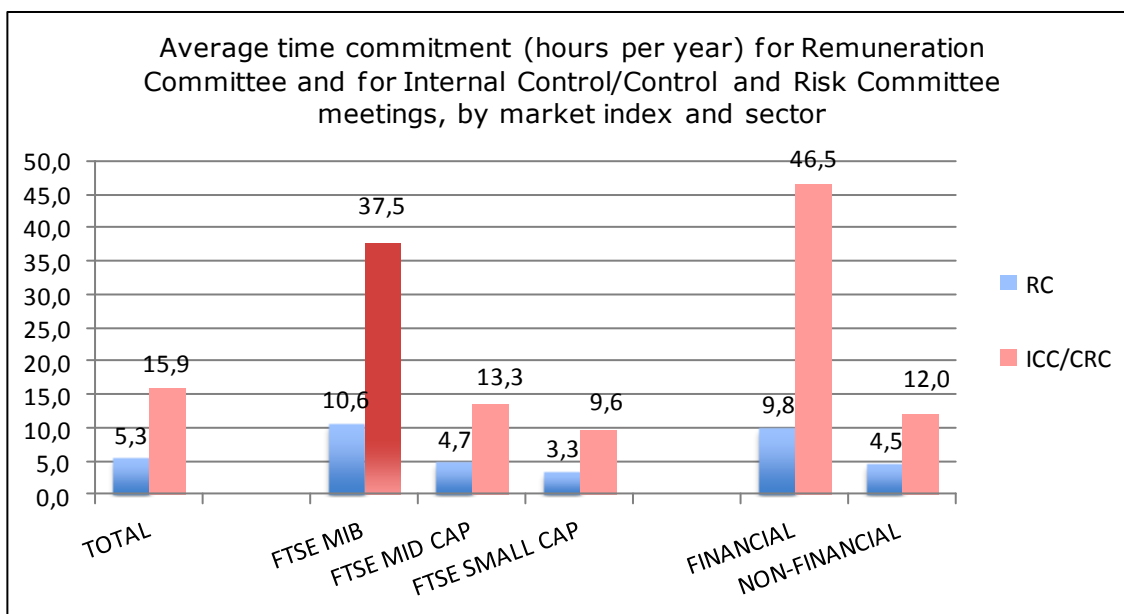


Figure 31

#### h) Attendance to meetings

The Code recommends providing information about personal attendance of directors to meetings of the committee. Transparency on this point is often good (see Tab. 22). 666 directors are members of a Control and Risk Committee; information about their personal attendance to committee meetings is available in 614 cases, i.e. 92% of the aggregate: 78% of them (480 directors) were always present. 97% of them attended at least one half of the meetings; a low attendance is extremely rare<sup>98</sup>.

### 3.8. Other issues concerning the Internal Control System

We analyzed the following points:

<sup>97</sup> Global time commitment varies a lot at the individual company level, ranging from 50 minutes to 240 hours. 20 companies (19 in 2013 and 2012: mostly Small Cap) disclose an average commitment below 4 hours. On the other hand, 34 companies (as in 2013; 19 in 2012; among which 20 FTSE Mib) disclose an average commitment equal to or above 20 hours.

<sup>98</sup> Attendance is equal to 0 in 6 cases, in 6 companies (always different from those of 2013). Three cases refer to directors who became part of the BoD or of the committee near the end of the year. In a case he/she is a member of a committee that met only once during the year.

*a) Director in charge of the internal control and risk management system*

The Code recommends (Art. 7.P.3.) that the Board of Directors shall identify one or more directors to be charged with the task of establishing and maintaining an effective internal control and risk management system. This director should:

- a) identify the principal business risks, taking into account the characteristics of the issuer and its subsidiaries, and periodically submit them to the BoD;
- b) implement the guidelines defined by the Board, overseeing the design, implementation and management of the internal control and risk management system, and constantly monitoring the adequacy and effectiveness;
- c) propose to the BoD the appointment (and dismissal) of the Internal Audit responsible and his related remuneration, in line with the company policy.

The name of the director in charge of the internal control and risk management system has been disclosed in the CG Report by 181 companies (i.e. 79% of the aggregate). It is worth noting that 6 companies (as in 2013) have exploited the power to identify 2 directors "in charge" (up to a maximum of 5), among which the functions identified by the Code are shared. A small size company has charged with this task the entire Board. The total number of directors "in charge" identified in the CG reports is therefore equal to 190.

Usually (in 131 cases, i.e. 69% of the aggregate; 140 in 2013) the director "in charge" coincides with the CEO (or with one of them where the board has delegated to more directors). In 22 cases (27 in 2013), the responsibility is given to the chairman, in 9 (8 in 2013) to the deputy-chairman, almost always classified as executive directors. In 15 cases (21 in 2013), he is identified as executive director but different from the CEO; in 3 of these cases (5 in 2013), the director "in charge" holds the office of General Manager<sup>99</sup>.

In 6 cases (mostly small issuers; 6 issuers also in 2013) the role of director "in charge" is covered by non-executive directors: in a company he is a non-executive chairman. In the last 4 cases he is expressly qualified as independent. In these cases, this figure has – clearly – a control and guarantee role, rather than that to establish and manage the system.

---

<sup>99</sup> In addition to these 3 directors, there are also 27 directors "in charge" which cumulate the position of CEO and GM. The solution to cumulate the CEO-GM position is not widespread, even if is increasing with time: the directors who hold the office of GM are 63 in all (51 in 2013); 43 of them (30 in 2013) are identified as CEO (among which 30 – 23 in 2013 - are also director "in charge"). This solution is more common among large companies (12 CEO-GM out of 43 belong to FTSE Mib companies and 15 to Mid Cap).

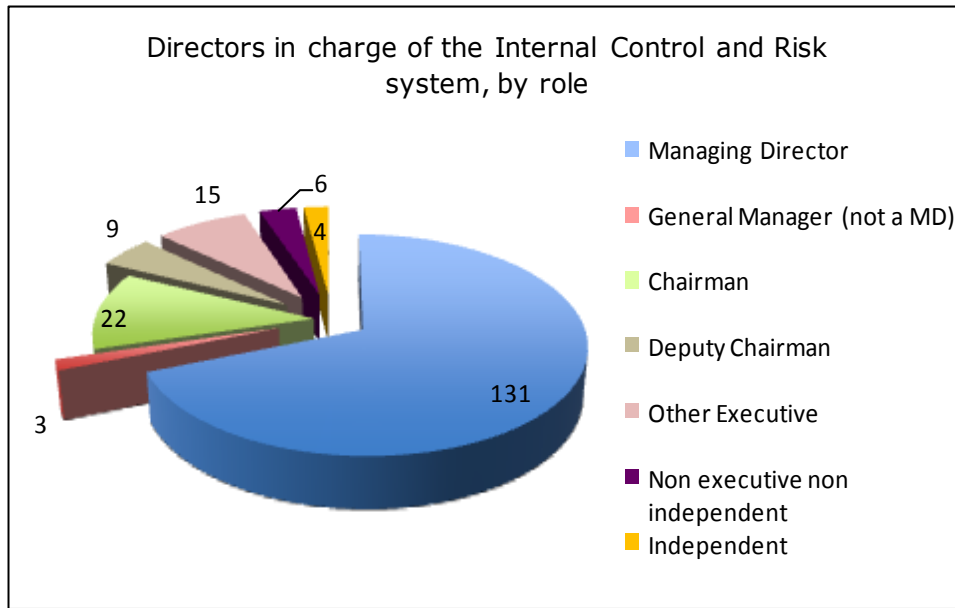


Figure 32

*b) Person in charge of the Internal Audit function*

The Code recommends that the BoD, upon proposal of the director in charge of the internal control and risk management system, subject to the favourable opinion of the “control and risk committee” (formerly ICC), as well as after hearing the Board of statutory auditors, to appoint and revoke the person in charge of the Internal Audit function.

Companies almost always disclosed (in 216 cases, i.e. 94% of the aggregate) that they established an Internal Audit function and/or they appointed a person in charge of the internal control. Almost always the person in charge of the internal control is appointed by the BoD, as recommended by the Code: this happens in 204 companies, i.e. 94% among those firms that established the function.<sup>100</sup> Exceptions are mostly Small and Micro Cap companies.

Where the information is available, the board generally is entitled to the appointment. In few cases, the companies report that the appointment of the person in charge of this function is a task of the chairman, of the CRC, of the director “in charge” or of the parent company; sometimes companies declare that function exists but it is not disclosed who appoints the person in charge of this function.

<sup>100</sup> The percentage computed taking into account all listed companies is equal to 89% (204 cases out of 230).

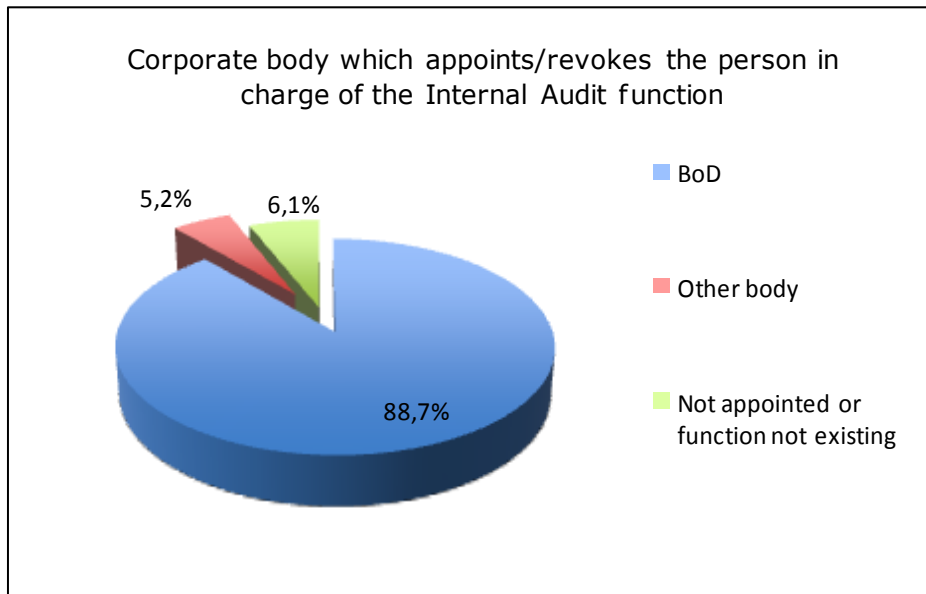


Figure 33

The Article 7.C.2. letter b) of the Code recommends that the person in charge of the Internal Audit function is not responsible for any operational area and depends hierarchically by the BoD. Information on the hierarchical position of this figure is provided by 157 companies (i.e. 68% of the aggregate). 106 companies, i.e. 68% among them, report that they have followed the recommendation of the Code<sup>101</sup>. Some companies report that this figure either hierarchically depends from (or reports to) the CRC, or reports to the Board through the chairman (or the MD, or the CRC) or to the Board of statutory auditors.

*c) Remuneration of person in charge of the Internal Audit function*

The Code recommends that the Board of Directors shall, upon proposal of the director in charge of the internal control and risk management system, subject to the favourable opinion of the control and risk committee, as well as after hearing the Board of statutory auditors, define the remuneration of the person in charge of the Internal Audit function, in line with company policy. In 142 cases (i.e. 62% of the aggregate) issuers provide information on this regard. Where information is available, the decision-making power is almost always conferred to the Board of Directors, as recommended by the Code (this happens in 128 cases, i.e. 91% of the aggregate). Occasionally it happens that the proposal to the board comes from the Remuneration Committee or the chairman.

<sup>101</sup> The number indicated in the text, however, also includes issuers that, without making explicit reference to the "hierarchy" dependence of the person in charge of the Internal Audit function, refer to the existence of exclusive or main reporting lines ("reports", "refers") in respect of that organ.

In a company the remuneration is defined by the executive committee, upon proposal of the CRC; some other companies state that the remuneration is defined by the CEO, the director "in charge" or the personnel management.

Quite common is the communication that the remuneration of the person in charge of the Internal Audit is consistent with company policies. Some issuers provide more detailed information on the parameters to which it is linked. In 22 cases (16 in 2013) it is explicitly said that it is released from the financial results of the company.

*d) Work plan and periodic reports of the Internal Audit function*

The Code recommends that the BoD approve, at least on an annual basis, the work plan drafted by the person in charge of Internal Audit, after hearing the Board of Statutory Auditors and the director in charge of the internal control and risk management system. Otherwise, the Risk and Control Committee is entrusted with the task to review the periodic reports concerning the assessment of the internal control and risk management system, as well as the other reports of the Internal Audit function that are particularly significant; it is also in charge of monitoring the independence, adequacy, efficiency and effectiveness of the internal audit function.

Companies disclose quite often (in 173 cases, i.e. 75% of the aggregate; 140 in 2013, 49 in 2012) information on that. The work plan of the person in charge of the Internal Audit function has been formally approved by the BoD, as recommended by the Code, in 149 companies. In 9 cases (47 in 2013, 136 in 2012) the work plan has been approved by the committee, as recommended by the 2006 Code. Two companies state that the work plan will be approved by the BoD starting from 2014.

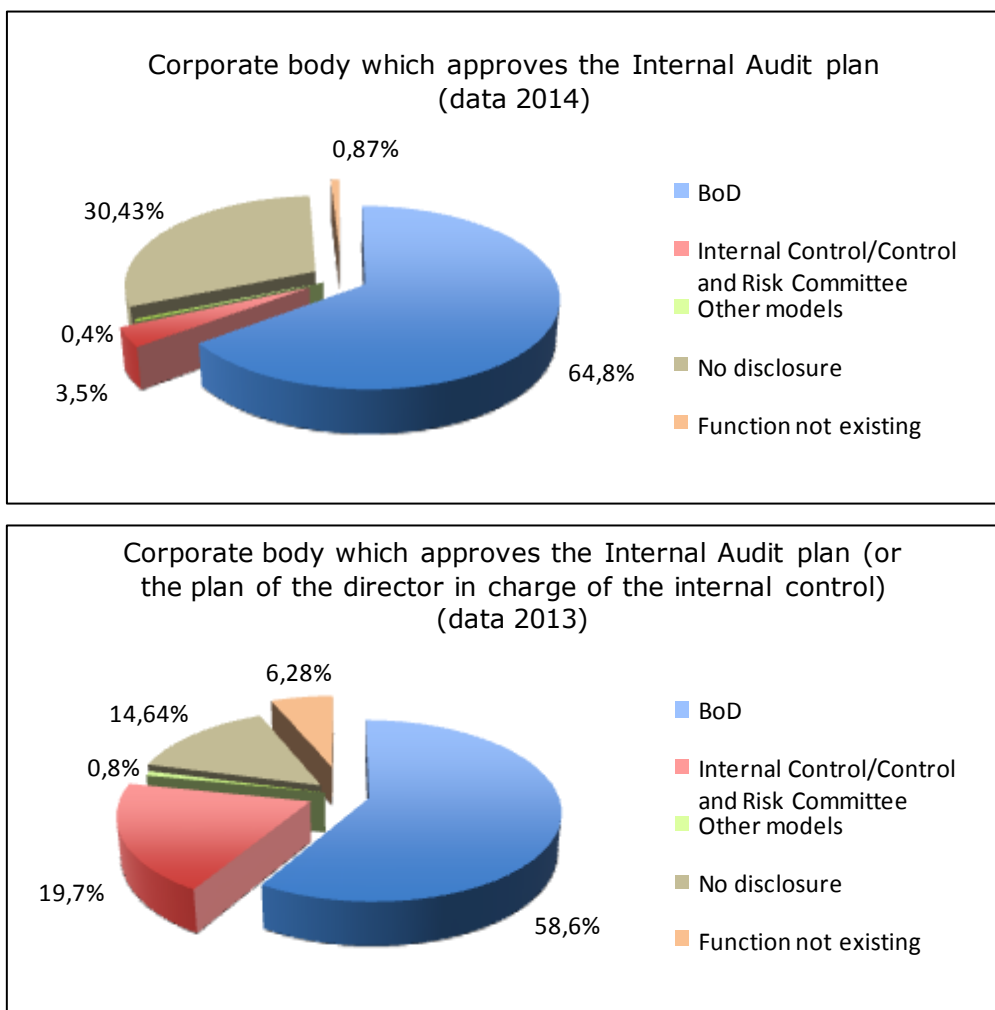


Figure 34

## SECOND PART:

### DIRECTORS' AND STATUTORY AUDITORS' REMUNERATION

#### 4. The Remuneration Reports

Corporate Governance Reports provide information also about the application of the CG Code's Article concerning remunerations, approved by the Corporate Governance Committee in March 2010 and only slightly modified with the new Code, approved in December 2011.

Other information are available in the Remuneration Reports, drawn up – by the BoD of listed companies – according to Legislative Decree no. 259/2010, which introduced in the Consolidated Law of Finance (CLF) the new Article 123-*ter*. The analysis of Remuneration Reports provides complementary information to those that are disclosed in Corporate Governance Reports. Therefore, as in 2013, it seemed appropriate to conduct a coordinated analysis.

##### 4.1. The structure of Remuneration Reports

The Remuneration Report is divided into two sections.

The first section describes: *a)* the company's remuneration policy with reference to, at least, the following year, and *b)* the procedures used for the adoption and implementation of this policy<sup>102</sup>.

The second section provides information, on an individual basis, for directors, statutory auditors and general managers, and, on an aggregate basis, except from specific Consob Issuers Regulation provisions, for key management personnel<sup>103</sup>.

---

<sup>102</sup> The Remuneration Report should provide at least information required by Consob in the Scheme no. 7-*bis*, Annex 3A of the Issuer Regulation. Information required for the first section of the Report should be given also in a negative form, if they are not available since they are concerning some issues that are not provided by the remuneration policy.

<sup>103</sup> See Circolare Assonime no. 8/2012, *La disciplina sulle remunerazioni delle società quotate*. Art. 84-*quater* of the Consob Issuer Regulation refers to the Scheme no. 7-*bis*, Annex 3A of the Regulation, which provides a scheme about the information to be provided in the Remuneration Report. That Scheme requires information to be provided, on an individual basis, in case of companies of “non-small” size, as defined by Consob Regulation no. 17221/2010, also for key management personnel in case their “total compensation (as a result of monetary remuneration and that one based on financial instruments, including also those received by subsidiaries and affiliated) exceeds the highest total compensation” paid to “members of the administrative or control corporate bodies or general managers”. This happens rarely



- a) it provides an adequate representation of each remuneration component, including termination payments and indemnities in case of early resignation, highlighting its consistency with the company's remuneration policy, as approved in the previous fiscal year of reference;
- b) it analytically illustrates the compensation paid during the year, for any reason and in any form, by the company, its subsidiaries or affiliated companies.

The AGM is required, pursuant to Article 123-ter, paragraph 6 of the CLF, to "decide in favour or against" the first section of the Report. The vote is not binding.

The Remuneration Report is therefore an extensive report, which provides a lot of information, both *ex ante*, on the policy adopted by the company, and *ex-post*, on the effectively paid remuneration. We chose to focus our analysis on directors, statutory auditors and general managers since information about their remuneration is available on an individual basis<sup>104</sup>. Therefore our conclusions are not necessarily extensible to the management of the company, whose compensation is often structured in a different way.

Information have been collected both in the Section I (describing the remuneration policy and the governance procedures put in place to define remunerations) and in Section II (reporting the compensations effectively paid).

#### 4.2. The Remuneration Policy

The first section of the Report provides information on the remuneration policy and the governance procedures<sup>105</sup>.

The policy may have a different level of detail and specification depending on the company and on the specific topic. In particular, not all companies have expressed a precise orientation with respect to each point provided in the regulatory scheme. A number of companies either communicates not to have made specific provisions

---

and it is generally related to "exit situations", when a subject hierarchically subordinate receives – exceptionally – a total remuneration which is higher than that paid to the top management of the company (MD or GM).

<sup>104</sup> Therefore we decided not to analyse the remuneration of key management personnel, which are disclosed only on an aggregate basis. However, managers who sit in the board of the issuer are included in the analysis (generally classified as "other executives", see below).

<sup>105</sup> Further information on the governance procedures are given in par. 3.6.

relating to a specific point or state that the board "may" decide on a case by case basis<sup>106</sup>.

The following aspects were examined:

*a) Benchmarks*

The Scheme 7-bis of the Annex 3A to the Issuers Regulation (the so-called Consob Scheme) requires issuers to provide, in the first section of their Remuneration Reports, if the remuneration policy has been defined also with reference to the policies of other issuers and, if so, how this benchmark has been selected.

177 companies disclosed this information (i.e. 77% of the aggregate). Among those providing this kind of information, 68 companies (i.e. 30% of the aggregate) provide also information with respect to the criteria used to identify the benchmark companies (peers): or, however, companies considered as basis for comparison when fixing remunerations; the percentage is substantially higher (50%) among FTSE Mib companies. Peers identification is instead quite uncommon: the name of the benchmark has been disclosed only by 13 companies (6 in 2013), i.e. 6% of the aggregate (see Tab. 24).

*b) Consistency with the remuneration policy*

The Consob Scheme requires issuers to provide, in the second section of their Remuneration Reports, an adequate representation of each item of the remuneration table, underlining the consistency with the policy of reference. Therefore, we analysed the Remuneration Reports looking explicit information about the consistency of remunerations paid in 2013 and the policy "of reference", which is, usually, the remuneration policy approved by the AGM of the same year. Information on this point has been provided by a small number of issuers: 74 companies, i.e. 32% of the aggregate (strongly increasing from 21% in 2013: see Tab. 24).

The AGM vote is, as already mentioned, an advisory vote: the exceptions are companies in the financial sector, where the AGM should "approve" the remuneration policy<sup>107</sup>. Companies providing this kind of information are usually disclosing also the consistency of the policy with the effectively paid remuneration. Only in 3 cases (5 in

---

<sup>106</sup> This kind of communication is frequent in cases of termination payments. Many companies disclose that, in fact, there are no "agreements" that provide a compensation (see Art. 123-bis, par. 1, lett. i) CLF) to directors in the event of resignation or unfair dismissal. However, companies are frequently disclosing that the BoD "may" or "shall" assign such compensation in the future.

<sup>107</sup> See par. 4.1. of the Supervisory measures of the Bank of Italy (March 30<sup>th</sup>, 2011) on "Politiche e prassi di remunerazione e incentivazione nelle banche e nei gruppi bancari" and Art. 6 of the Isvap Regulation n. 39 (June 9<sup>th</sup>, 2011) on "Politiche di remunerazione nelle imprese di assicurazione".

2013) companies declare that they have detached from the policy submitted to the vote of the AGM. A bank discloses its decision not to enforce the variable component of the remuneration, because of its difficult economic situation; in the other two cases the directors themselves (or some of them) spontaneously decided not to receive part of the remuneration.

### c) Changes of the policy

The Consob Scheme requires issuers to provide, in the first section of their Remuneration Reports, the objectives pursued with the adopted remuneration policy, its principles and eventual changes of the policy compared to the previous year.

In 38 cases (i.e. 17% of the aggregate, decreasing from 22% in 2013) Reports are explicitly disclosing that the remuneration policy has been changed with respect to the previous year (see. Tab. 24). The reduction is stronger among larger companies (from 34% to 19% of the aggregate among FTSE Mib) and, in particular, in the financial sector (from 44% to 17% of the aggregate).

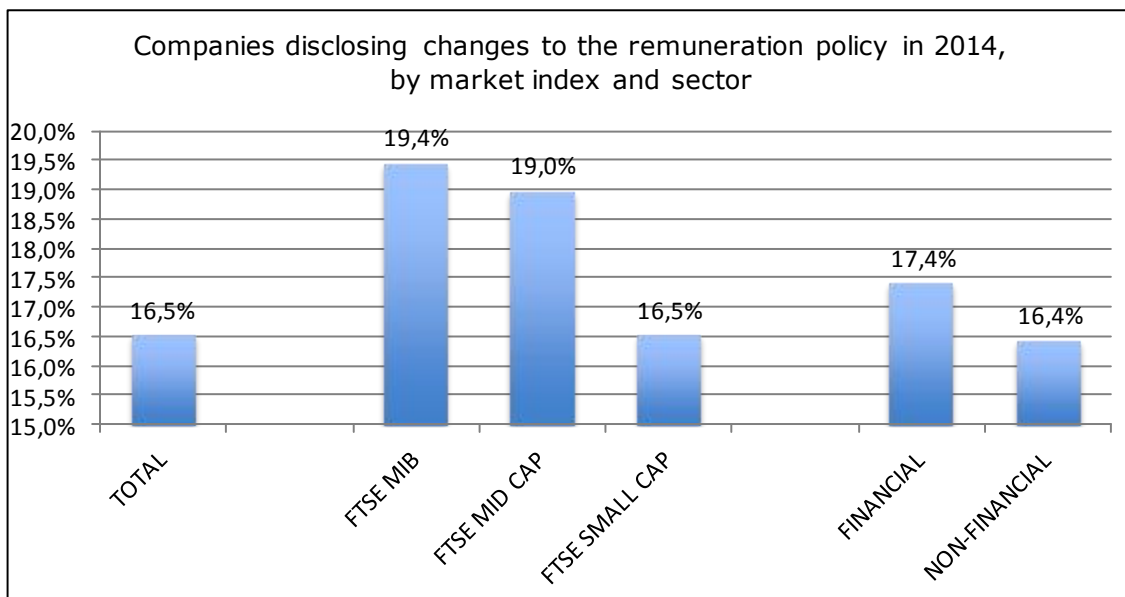


Figure 35

### d) Fixed and variable remuneration

The Code recommends that a significant part of the remuneration of managing directors and key management personnel shall be linked to the achievement of specific performance objectives, also no-economical ones, set out in advance and consistent with the remuneration policy's guidelines.

The existence of a variable remuneration linked to business results is disclosed by 175 companies (i.e. 76% of cases: the figure is slightly increasing from 2013, when the percentage was equal to 74%) (see Tab. 25). The frequency of such disclosure increases according to company's size (94% in FTSE Mib, 88% in Mid Cap, 71% in Small Cap). The existence of a relevant number of companies (medium-small) where no director receives a variable remuneration may be surprising.

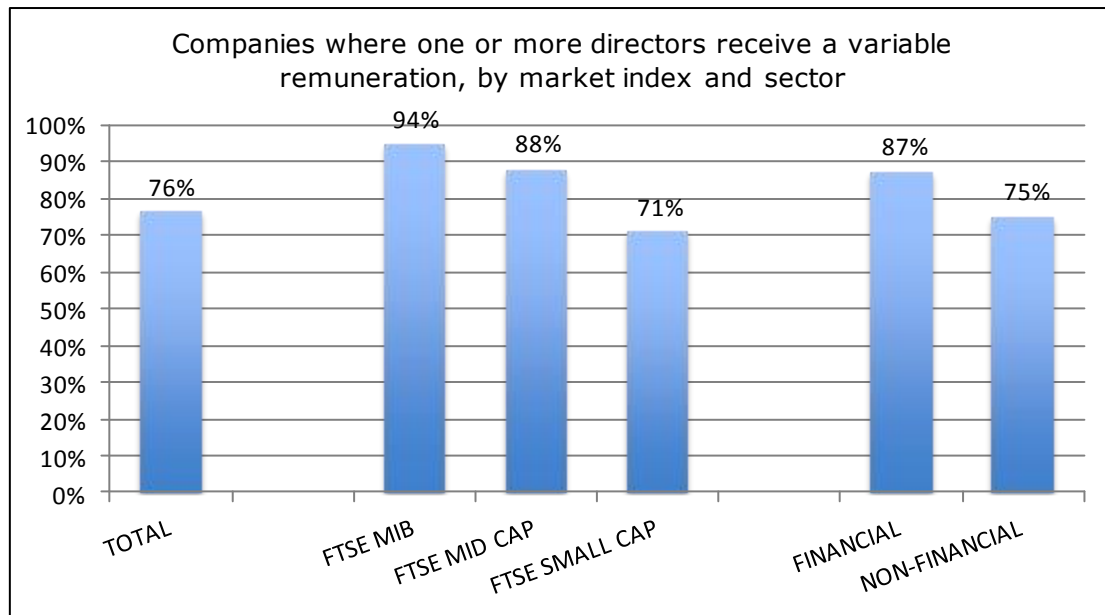


Figure 36

#### e) Parameters

The Code makes various recommendations regarding the structure of the variable component. *Inter alia*, it is provided that: a) the fixed component and the variable component should be properly balanced; b) it should be set a ceiling for the variable component; c) performance goals should be predetermined, measurable and linked to the creation of value for shareholders over the medium-long run; d) the payment of a significant portion of the variable remuneration should be deferred for an appropriate period of time; e) compensations provided for early termination should not exceed a specified amount or a specified number of years of remuneration.

A description of the – predetermined – performance parameters, to which the variable remuneration is linked, is almost always provided. This is true in 167 cases (95% of the companies having a variable component for directors; 92% in 2013: see Tab. 26).

Parameters' choice may be different<sup>108</sup>; the reference to accounting indicators (EBITDA, EBIT, Profit, EVA, etc.) is largely prevailing: it can be found in 93% of cases. Way less common (42% of cases) is the reference to "business" targets. The presence of remuneration components related to shares' market value (stock-based compensation plans, usually options or allocation of shares, the latter often linked to the achievement of business results; more rarely phantom plans based on algorithms related to this value) is reported by 38% of companies; it is more frequent among larger companies (65% of FTSE Mib companies disclosing the presence of variable components). The adoption of stock-based compensation plans for directors is strongly decreasing (46% in 2013, 50% in 2012).

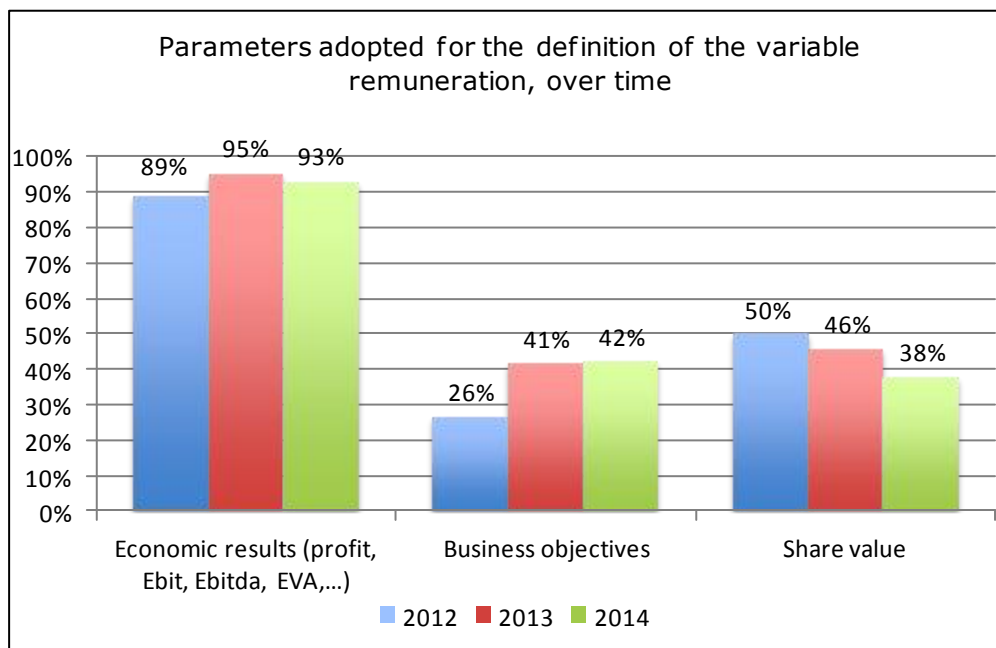


Figure 37

In 126 cases (72% of the companies having a variable component) an indication of the relative weight of fixed and variable component is provided (see Tab. 25). Such information is more frequent in the financial sector (85% of cases); less frequently, but still in a pretty high percentage (70% of cases) in other industries. It is basically impossible to report aggregate statistics on the relative weight of the two components because this information is generally provided in a non-homogeneous form, depending on the different structure of incentive plans. In particular, the variable component can

<sup>108</sup> The following data should not be compared, because different *criteria* have been used (e.g. bonus defined using an Ebitda *criterion* and stock options linked to the shares value); this is true for the remunerations established for different beneficiaries or even for the same one.

be referred to the target of the plan or to the maximum value, to the individual components or to the total, to the annual or to the overall amount, etc..

In the 89% of cases companies communicate to have set a cap on the variable remuneration.

*f) Short and medium-long term oriented variable components*

The presence of incentive components – clearly separated – in the remuneration is very widespread: variable remunerations are generally linked to short term (Management-By-Objectives plans or MBO) or medium-long term performance targets (Long-Term Incentive Plans or LTIP). The CG Code recommends that the variable remuneration should be defined in such a way to pursue the creation of value for shareholders in the medium-long term, without any specific indication concerning the timing of the performance targets. A short term oriented variable remuneration has been observed in 156 cases (i.e. 89% of companies disclosing the presence of a variable remuneration; 82% in 2013).

On the other hand, 131 companies disclosed the adoption of a long term based variable remuneration (i.e. 75% of the total, substantially increasing from 67% in 2013). Such a variable component is more frequent in the financial sector (80% of cases) and, above all, among larger companies: 94% of companies among FTSE Mib disclosed the presence of a long term based variable remuneration; the percentage drops to 80% among Mid Cap and to 65% for Small Cap).

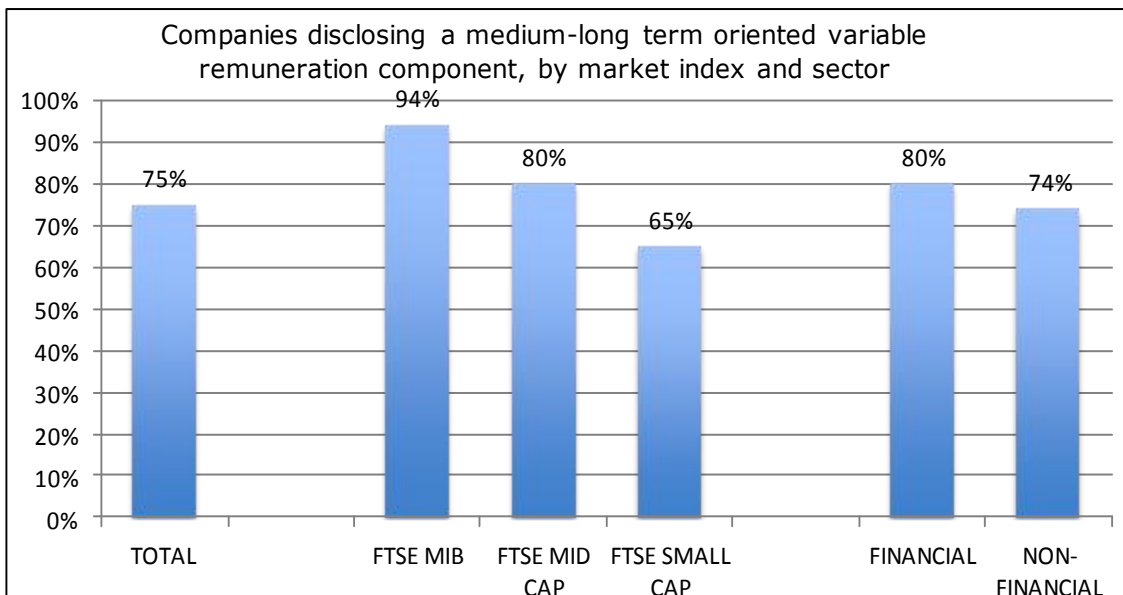


Figure 38

The Code recommends that shares, share options or any other right granted to directors in connection with stock-based plans have a vesting period of at least three years. Given the great variety of plans that could be observed in reality, it is not easy to calculate aggregate statistics; this is true also because the terms of reference have changed over time. First, it should be noted that incentive plans – especially stock-based ones – are typically long-term contracts: many plans approved in years (dating as far back as 2001) preceding the formulation of the above-mentioned recommendation are still active. Therefore, the implementation of this recommendation can take place only gradually. Moreover, beneficiaries of stock grant plans may not be subjected to vesting periods but to lock-up clauses instead, a solution that can lead to similar effects.

*g) Indemnities in case of resignation or dismissal*

The existence of a cap for indemnities to directors in case of resignation or unfair dismissal is explicitly reported - in the Remuneration Report - in 57 cases, i.e. 25% of the aggregate, as recommended by the Code. It does not mean necessarily that each of these companies has already adopted an agreement on this point: in many cases, in fact, they have a policy which is going to be applied in the future, if and when specific agreements with directors and key managers will be signed. The frequency of such cap is much more frequent among FTSE Mib companies (47% of cases).

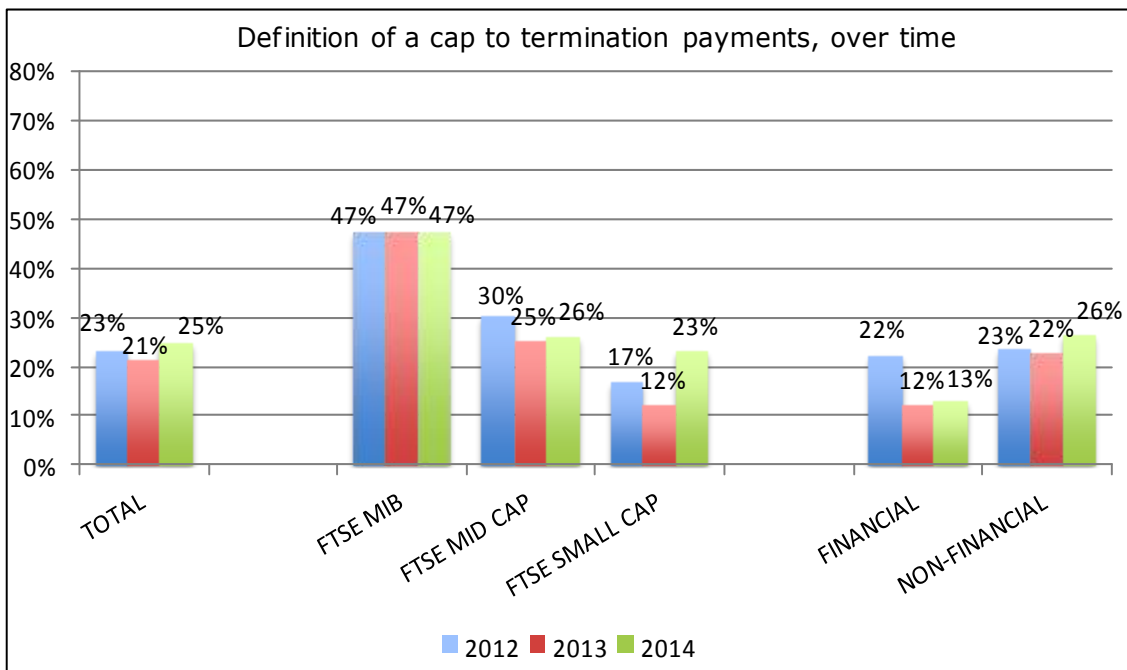


Figure 39

Eventual caps are defined according to different parameters and, consequently, data are not easy to analyse on an aggregate basis. The most common situation is the settlement of the cap at two years of remuneration. However, we can also find companies where the cap is lower (for instance, 0.3 or 1 year of remuneration) or higher (for instance, 2.5 or 3 years of remuneration), up to a maximum of 6 years of remuneration. Companies are generally (even if sometimes not explicitly) referring to the global remuneration, including its variable component. On the other hand, some companies make explicitly reference only to the fixed remuneration, eventually linked to the RAL of the recipient. In some other cases, they disclose the payment of a fixed remuneration, of a more complex remuneration package, that includes a fixed component plus a component linked to the variable remuneration already received, or a “termination treatment” (trattamento di fine mandato, TFM) linked to the length of the mandate or the time prior to the natural termination of the mandate.

Some companies underlined that the policy should be understood as the “main rule and would not apply in exceptional circumstances”. Other companies declare that the BoD “can” decide to provide these indemnities; others state that the payment of an indemnity is “generally not intended” (except from law prescriptions for directors that are also managers of the company). In such cases, the cap is obviously intended as 0.

#### *4.3. Directors’ remuneration*

Data on the level and structure of individual directors’ remuneration were collected from section II of the Remuneration Report. As in the past, these data have been matched with information drawn from Corporate Governance Reports, in order to extract information about some relevant issues.

The remuneration reports disclose details on the remuneration of individual directors: in particular, they report the tables drawn up in accordance with the models set out in Scheme 7-*bis* of Annex 3A of Consob Issuer Regulations, which provide information on the following points:

- Table 1: Remuneration;
- Table 2: Stock options;
- Table 3A: Incentive plans based on financial instruments other than stock option;
- Table 3B: Monetary incentive plans.



Our analysis mostly focused on Table 1 which lists the compensation paid according to the following classification:

- a) Fixed Compensation;
- b) Compensation for committee participation;
- c) Variable non-equity compensation, in turn divided into "Bonuses and other incentives" and "Profit sharing";
- d) Non-monetary benefits;
- e) Other remuneration.

After the total column are listed:

- f) Fair value of equity compensation;
- g) Indemnities for the end of the mandate and termination payments;

that allows us to estimate the total remuneration of directors, inclusive of the value (calculated in accordance with IFRS) for the accrual year and also inclusive of extraordinary items related to the termination of office<sup>109</sup>.

The Consob Scheme requires companies to provide the information in Tables 1, 2, 3A and 3B "separately with reference to the positions held in the company drafting the financial statements and for those that may be held in subsidiaries and associates." The Scheme mandates the creation, in each table, of three separate lines for each member of administrative and control bodies that, following a standard pattern, should indicate: a) the compensation paid by the issuer; b) the total compensation paid by subsidiaries and associates c) the overall compensation (equal to the sum of the first two rows). Where board size is particularly large, this may lead to the creation of very complex tables, and often to the duplication of a number of information already

---

<sup>109</sup>When looking at the reported data, we need to be aware that a discontinuity in the historical time series data exists, because of a change in the Consob scheme. Consequently, historical series till 2011 have been reclassified and made corresponding to the following categories: a) Remuneration for the charge = Fixed remuneration; b) Non monetary benefits = non monetary benefits; c) Bonuses and other incentives = Bonuses and other incentives; d) Other remunerations = Other remunerations. Committee's fees were previously ranked, from some companies, as "Remunerations for the charge", while from others as "Other remunerations"; until 2011 "Remuneration from subsidiaries" and "Indemnities for the end of the mandate" were typically ranked as "Other remunerations". The scheme implemented thus let us make a comparison with a reasonable grade of precision.

provided in other parts of the Report<sup>110</sup>. In the following analysis (and in the tables that can be found in the annex) we preferred to reclassify the information using a more compact pattern, which gather the fees paid by subsidiaries/associates in an ad-hoc column (rather than in a line describing the individual components).

Some companies have reported the compensation paid by subsidiaries and associates with a level of detail even higher than required by the Regulation (e.g. filling - for each director – a number of lines for each subsidiary from which they received a compensation, and/or filling in separate lines depending on the nature of the compensation)<sup>111</sup>, or reported as many tables as the number of subsidiaries/affiliated companies. 7 companies (14 in 2013, 30 in 2012)<sup>112</sup>, after reporting the compensation paid by the issuer on an individual basis, have then provided information regarding remuneration paid by subsidiaries only on an aggregate basis, that is, in a single line, without distinguishing individual earners: this choice does not comply with legislative requirements (Article 123-ter, par. 4, CLF mandates companies to disclose on an individual basis all information contained in the second section of the Report). Some companies have provided the information using a tabular scheme different from the one required by Consob: this happens, above all, when the remuneration structure is quite simple and the adoption of the Consob Scheme would lead to tables with many empty boxes. A small company has reported a 4 columns table, as suggested by the previous regulation: even this solution is not consistent with the ongoing regulation, as it omits to distinguish in detail among the compensation paid by the issuer and the compensation paid by subsidiaries/associates. Lastly, it is worth noting that many companies did not disclose information concerning remunerations eventually paid by subsidiaries/affiliated companies (which may have not been paid at all: the omission may correspond to empty boxes).

The following aspects were examined:

*a) The remuneration level*

---

<sup>110</sup> This happens because the row referred to remunerations from subsidiaries/affiliated companies is often empty and thus total remunerations are mere duplicates of the row referred to the remuneration from the company itself.

<sup>111</sup> For example, reporting separately imports due to the charge of director, to particular charges (distinguishing among them, in case of role change during the fiscal year) or to the participation at the executive committee, to participation fees or to the remuneration linked to contingent employment relationship. In one case this generated a table of 4 thick pages, for a total of 282 rows (an average of 8.8 rows for each director).

<sup>112</sup> Among which one FTSE Mib and a newly listed company. In the other 7 cases remunerations from subsidiaries or affiliated companies, disclosed in a single row, are explained in the note: the information is thus disclosed in a conversational way and not in a tabular way.

General information on the structure of the remuneration provided can be drawn from Table 1 of the Reports drafted following the Consob Scheme (see Tab. 27).<sup>113</sup> The average directors' remuneration amounts to 229,000 €<sup>114</sup>. It varies greatly according to the size of the company (it is 403,000 € in the FTSE Mib, approximately 2.8 times more than the average remuneration in the Small Cap, amounting to 142,000 €).

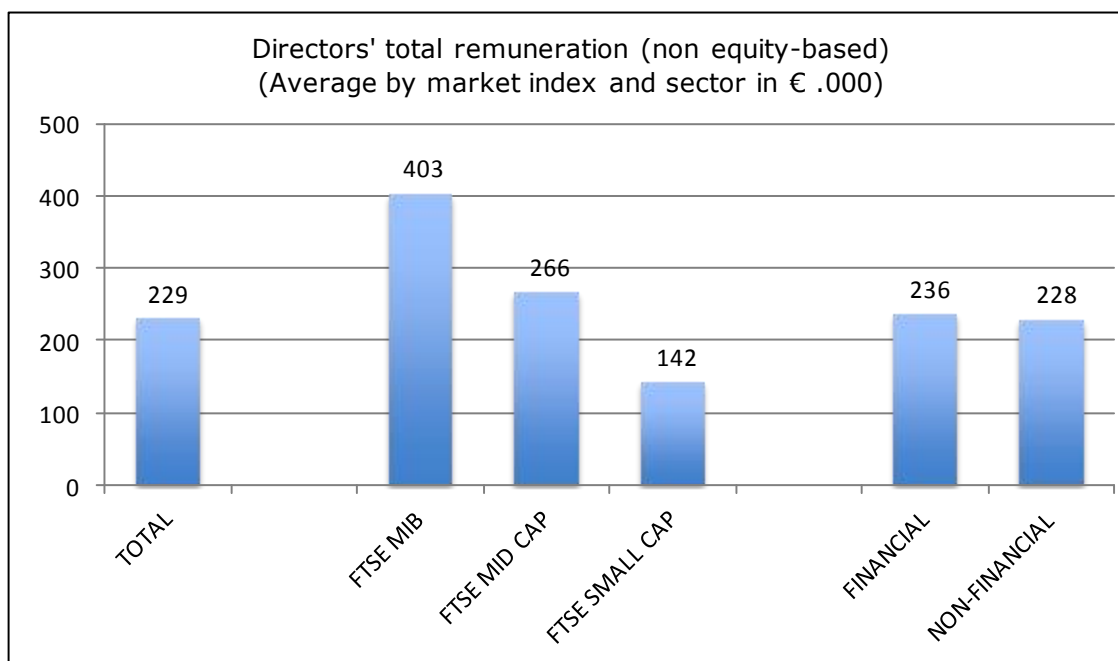


Figure 40

Variations over time are generally not significant.

The fixed remuneration accounts, on average, for more than half (56%, the percentage is slightly increasing over time: 55% in 2013, 53% in 2012) of the total remuneration; the compensation paid by subsidiaries accounts for 16% (in decrease: 22% in 2013), the monetary bonus accounts for 14% (13% in 2013)<sup>115</sup>. Other items have a relative low

<sup>113</sup> These data refers to directors of BoD of companies adopting the “traditional” model or one tier, and also to the director of management board and of supervisory board in two tier companies.

<sup>114</sup> “Non-equity” remuneration, that is the “global” remuneration reported in the column 6 of Table 1, plus eventually received *una tantum* compensations as indemnities or termination payments. Data are actually reflecting the sum of some cash remuneration components and “non-monetary” benefits. Equity-based remuneration components are not included (see below).

<sup>115</sup> As detailed below, bonuses refer to a narrower subsample of beneficiaries. Statistics reported in Table 28 are calculated including in the average – with null value - all the directors of different categories, hereby included those who don't receive any of these incentives. Necessarily, resulting values are very “compressed”. Thus, the data is useful to give indication – on a comparative basis - of the global cost for the issuers of the different components of the remuneration but highlights a correct picture of (much higher) remunerations received by beneficiaries of incentive plans. For specific information, see below.

weight: they overall account for 14% of the aggregate (10% in 2013). The increase is mainly due to *una tantum* payments of indemnities for the end of the mandate (from 1.5% up to 3.7%).

Reports provide the number of directors who are beneficiaries of stock-based plans and of the fair value of such plans, measured using the conventional criterion of the "operating cost" - borne by the issuer - for the accrual year, pursuant to international financial reporting standards.

A very small number of directors (71 directors, i.e. 3% of the sample) receives equity compensation "expensed" in whole or in part, during the fiscal year of reference<sup>116</sup>. The number of beneficiaries is almost stable over time (76 directors in 2013, i.e. 3.1% of the aggregate). These amounts are quite considerable (amounting to an average of 515,000 €, that is, more than 2 times the global cash remuneration). Frequency and amount of equity compensations vary according to the size of the company: the recipients are usually in FTSE Mib companies (5.6% of directors in the FTSE Mib, vs. 4.2% in the Mid Cap and 1.5% in the Small Cap); also average amounts vary according to company size (927,000 € in FTSE Mib, 314,000 € in the Mid Cap, 133,000 € in the Small Cap)<sup>117</sup>. In the last year the difference in the average equity compensations decreased between large and small companies (in FTSE Mib companies, average compensations dropped from 1,035,000 to 927,000 €, while in Small Cap grew up from 89,000 to 133,000 €).

Cross-checking data of remuneration with those concerning meetings attendance, we investigated the remuneration of the directors who did not take part in any meeting during the 2013. The goal was not to identify unjustified fees (commitment for meetings, as mentioned earlier, does not measure the actual commitment required to members of corporate bodies) but to stimulate a reflection on the most appropriate parameters for the commensuration of fees. It is thus observed that among the 15 (8 in 2013, 23 in 2012) directors that attended no meeting (10 of which due to appointments near to the end of the year), 1 did not receive any compensation. Other 13 directors have received a low remuneration (less than/equal to 10,000 €), possibly calculated in

---

<sup>116</sup> We remember that, as shown in IFRS 2, the accrual cost of a *stock option* plan is defined, conventionally, evaluating the theoretical value (for example, by the Black-Scholes or the binomial formulation) of option at the assignment data (*grant date*) and subdividing this pro-quota amount on the *vesting* period. So, for example, a plan that considers the options assignment with a 3 years *vesting* and a deadline after other 5 years, with a overall theoretical value at the *grant date* equal to 300 is divided pro-quota (100 per year) on the first three years; no cost is attributed in the following years. Moreover, book values (and so also the amount in Tab.1) are substantially insensitive to the situations that follow the *grant date* (the market value of underlying securities of the plan options' following dynamic is also included).

<sup>117</sup> For further information about equity-compensation plans, see below.

proportion to their time in office. In the last case the fees paid by the issuer amounted to 20,000 €.

*b) Remuneration and directors' role*

Data on remuneration related to directors' role are reported in Tab. 28. As in previous years, we adopted a classification which combines the categories available on Consob database (MD, chairman, deputy-chairman, others) with data available in the Corporate Governance Reports (in particular, the classification of directors as executive directors, non-executive, independent). Tab. 28 refers to the following classes:

- a) Managing Directors (MD): 280 directors classified as MD in Consob database (including the cases of chairman-MD or deputy chairman-MD);
- b) Chairmen: 166 chairmen not identified as MDs<sup>118</sup>; in turn, they are distinguished according to whether they are qualified in the Report as executive (90 cases) or non-executive directors (73 cases);
- c) Deputy Chairmen: 150 deputy chairmen not qualified as MDs;
- d) Other executives: 162 directors without specific positions (i.e. chairmen, deputy-chairman or MD) classified as executive in Corporate Governance Reports; they are typically directors who are also executives of the issuer and/or hold executive positions in subsidiaries;
- e) Non-executive members of the Executive Committee (46 cases)<sup>119</sup>;
- f) Other non-executive non-independent directors: 607 non-executive directors that, according to the Corporate Governance Reports, are NOT qualified as independent directors (by CG Code);
- g) Other independent directors: the 935 directors qualified as independent directors (by CG Code) in the Reports and not included in any of the above definitions;<sup>120</sup>

---

<sup>118</sup> In cases of concentration of offices (for example, Chairman and MD or Deputy-chairman and MD), the MD's role has been evaluated predominant. We included in this category also 7 honorary chairmen who are also member of the BoD). In two-tier companies, the chairmen of Management Board and Supervisory Board have been included among chairmen, unless (in the case of the chairmen of Management Board) they have been addresses of personal mandates. For three chairmen (of banks) the executive/non-executive classification is not available.

<sup>119</sup> Substantially, they are the members of executive committees different from chairmen, deputy-chairmen, MD and, anyway, not qualified as executives in Reports. They could be qualified both as "simple" non-executives and independent directors.

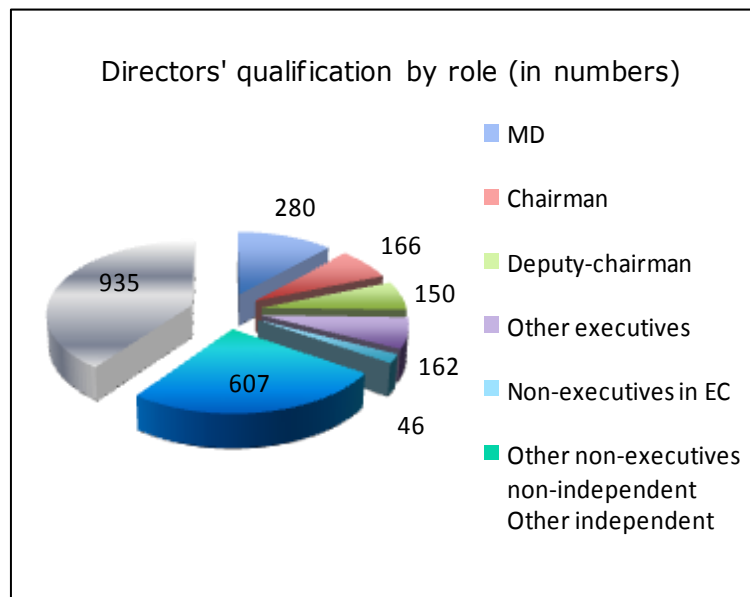


Figure 41

The asymmetry of the compensation distribution is clearly evident: as in previous years, the majority of directors belong to classes that receive, on average, a remuneration lower than or equal to 80,000 €; the last two classes ("simple" non-executives and independents) include 1,542 people, accounting for 66% of the aggregate.

The remuneration rank sees at the top MDs, who receive an average remuneration of 846,000 €, followed by executive chairmen, who receive about 25% less than MDs (645,000 €). The other executive directors receive a remuneration which is approximately a little less than 60% of MDs' remuneration (499,000 €). There are then non-executive chairmen (302,000 €) and deputy-chairmen (257,000 €). Even the following steps are quite sharp: non-executive members of executive committees receive on average 83,000 €. Other non-executive (76,000 €) and independent directors (54,000 €) stand at the bottom of the list.

<sup>120</sup> The definition of "independent" considered is more restrictive than that of the Code and that used by companies in Reports, since this definition excludes the independents with role (chairmen or deputy-chairmen) and the executive committee's independent members.

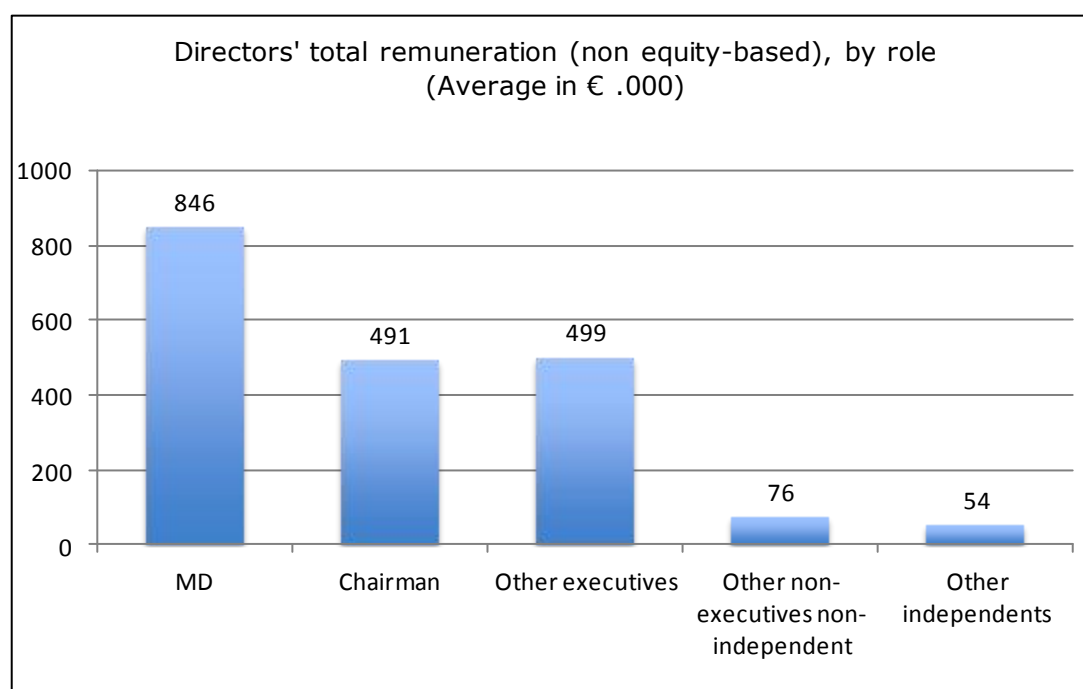


Figure 42

It may be interesting to analyse together data concerning both directors' age and compensation, distinguishing them by role. MDs and "other executives" are the youngest category (average age of 56 years: see Tab. 29). Followed by "other non executives" and "other independents" (average age of respectively, 56.5 and 59 years). Directors belonging to other categories are generally older (62 years for deputy-chairmen, 68 for non-executive chairmen, up to 71 for executive chairmen)<sup>121</sup>. Analysing those data by company' index and sector we still came out with the same results; however, it should be noted that data concerning each group may be low representative due to the lack of some categories, which may be strongly influenced by few outliers.

The average total remuneration of 54 general managers that are not members of the BoD is about 670,000 €, an amount which is slightly greater than the one of executive chairmen (and about 80% of MDs' remuneration). The structure of their remuneration package stands in the middle between MDs and other executives' ones (in particular, bonuses' weight is slightly lower, i.e. 14% of the aggregate, on average)<sup>122</sup>. The age of

<sup>121</sup> We have to remember that here we consider only the chairmen qualified as executive, but not as MDs at the same time. Data is equal to 72 years on average for chairmen that are not explicitly qualified as executives/non-executives. As already observed, differences among single directors are particularly high.

<sup>122</sup> However, data is influenced by a few cases where the indemnity for the end of the mandate has a relevant weight.

general managers that are not members of the BoD (56 years, on average) is similar to the average age of MDs and “other executives”<sup>123</sup>.

c) *The remuneration structure*

Both the amount of the remuneration and the structure of cash remuneration vary according to directors' role: the remuneration of a MD is made - on average - for the 55% of a fixed component, while bonuses account for 24% and remunerations from subsidiaries for 11% (other items account for smaller amounts). The remuneration of executive chairmen is composed of higher fixed components (68%), much lower bonuses (5%) and fees from subsidiaries generally comparable to those of the MD (11%). The remuneration structure of other executive directors is quite the same, even though they receive a lower fixed component (39%) and definitely higher compensations from subsidiaries (31%). Non-executive chairmen receive almost only fixed compensation (84% of the aggregate).

Non-executive directors rarely receive bonuses and other incentives<sup>124</sup>; when this happens, small amounts are involved. Non-executive directors (not independent), however, receive significant compensation from subsidiaries (23,000 €): the weight of this component (31% of the aggregate) is basically the same as for “other executives”. Independent directors basically perceive additional compensation only for their participation to committees and, however, for limited amounts (16,000 €, i.e. 29% of the aggregate).

---

<sup>123</sup> Differences among single cases (GM) are smaller than among directors.

<sup>124</sup> Further details about monetary incentive plans are reported *infra* in the par. 4.3. i).



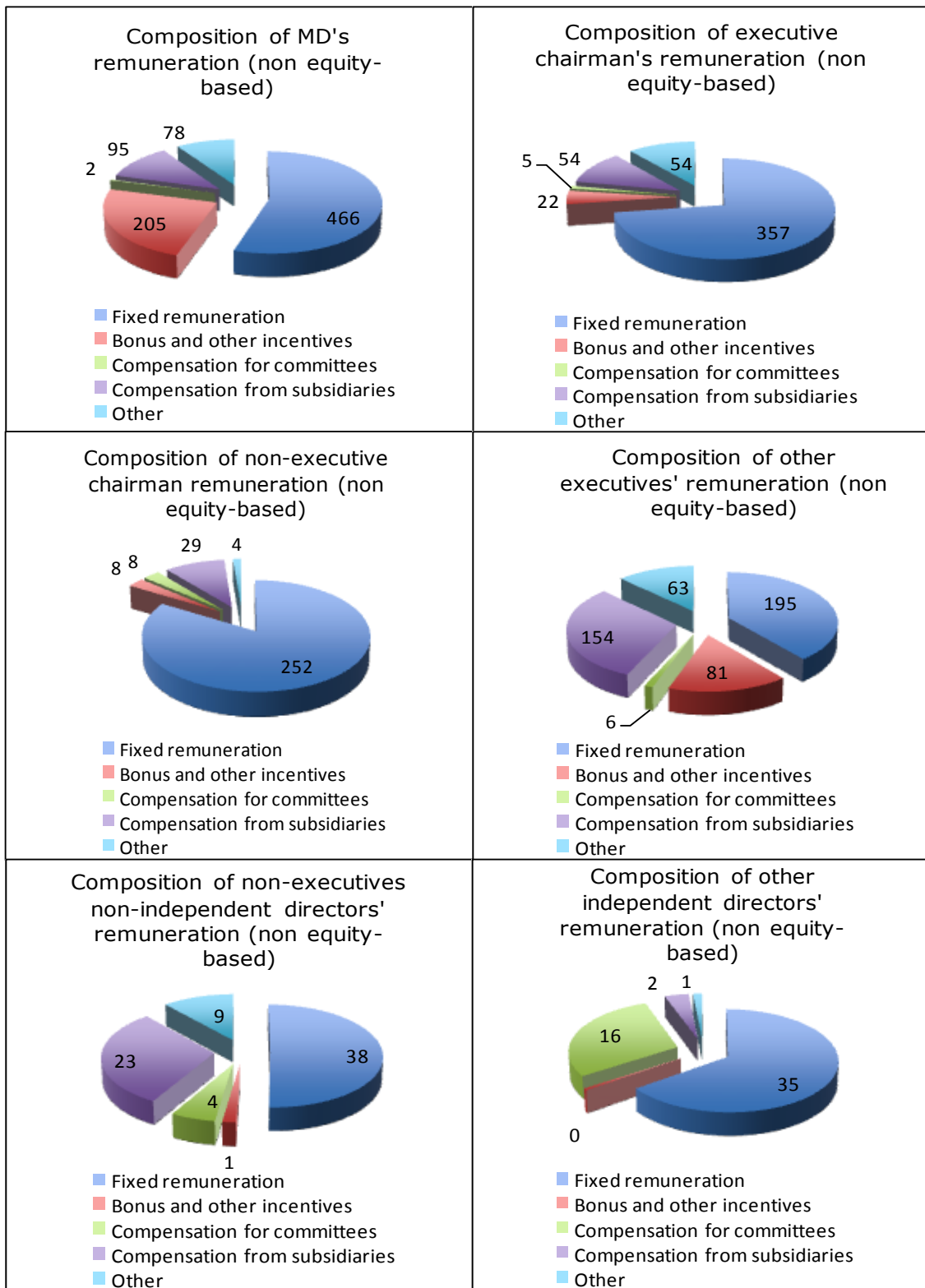


Figure 43

Beneficiaries of stock-based plans are generally MDs (14% of the sample) and, to a lesser extent, executive chairmen (8% of the aggregate) and “other executives” (10% of the aggregate). Other categories rarely benefit of such plans. Directors, who receive incentives, are generally perceiving substantial amounts: directors’ equity compensations account, on average, for 515,000 € (up to 686,000 € for MDs). Equity compensation amounts, on average, for the 46% of the total cash compensation (fixed + variable part) received by beneficiaries of those plans<sup>125</sup>.

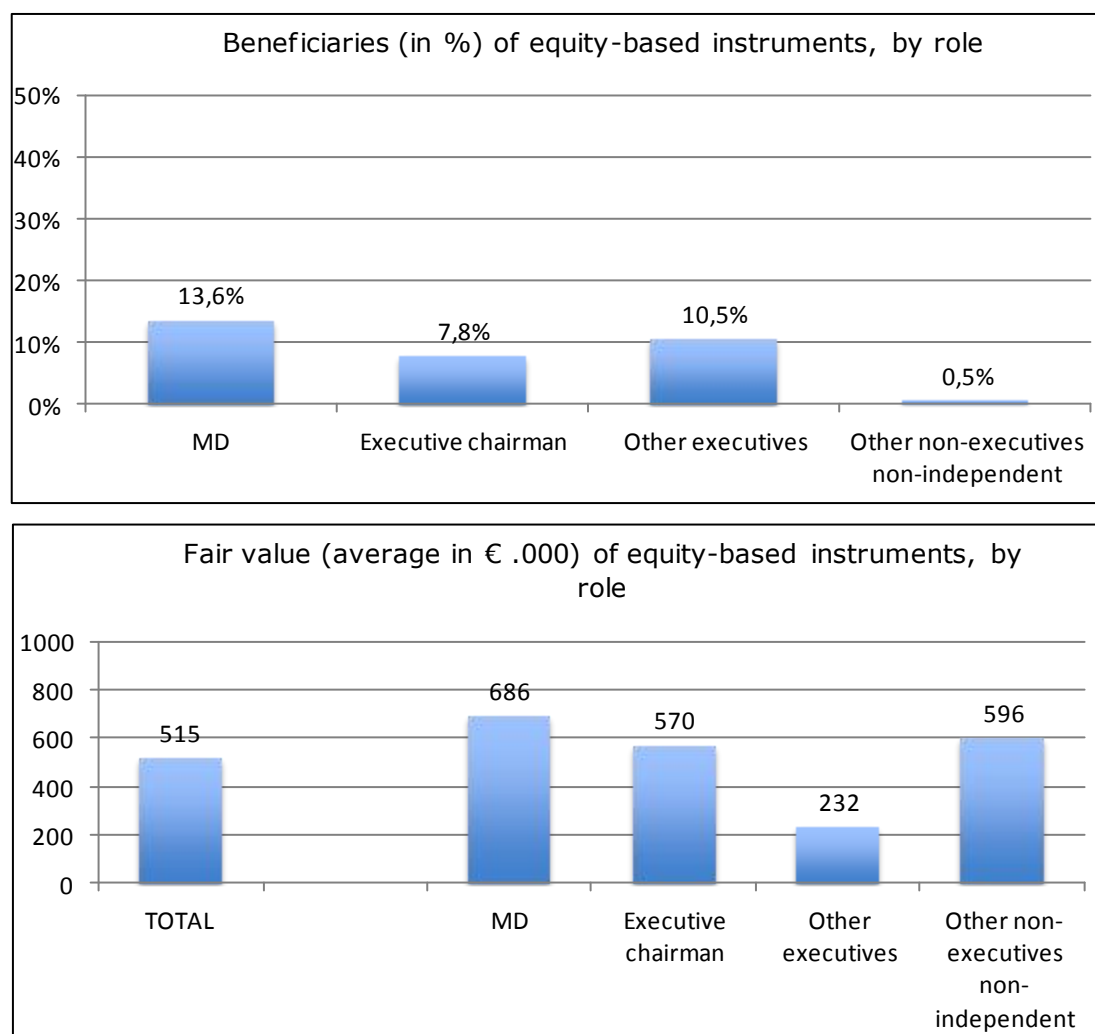


Figure 44

<sup>125</sup> Global equity remunerations account for about 1,108,000 €. Thus, equity compensations are generally given to those (for example, MDs and other executive directors in larger companies) who already receive remunerations that are definitely higher than the average ones. For further details on incentive plans, see below, in par. 4.2. e).

Remunerations are usually higher in the financial sector (see Tab. 30), also due to the greater average size of issuers. It should also be observed that, in this sector, fixed compensation covers a substantial part of the total remuneration for almost all categories of directors.

*d) Managing directors' remuneration (non-equity)*

Tab. 31 reports “non-equity” remunerations received by the MDs over time, which depend on company’s size and sector. Amounts vary, as expected, to an appreciable extent with the size of the company. The average remuneration of the MD of a company in the FTSE Mib is a little less than 1,900,000 €, almost 60% more than the remuneration of his colleagues in the Mid Cap (1,200,000 €) and 4 times more than the ones working in Small Cap (464,000 €). There is the same trend also for the fair value of equity components. Sector differences are also relevant (the average remuneration of MDs in banks (insurance firms) is about 1.2 (2.7) than in the non-financial sector).

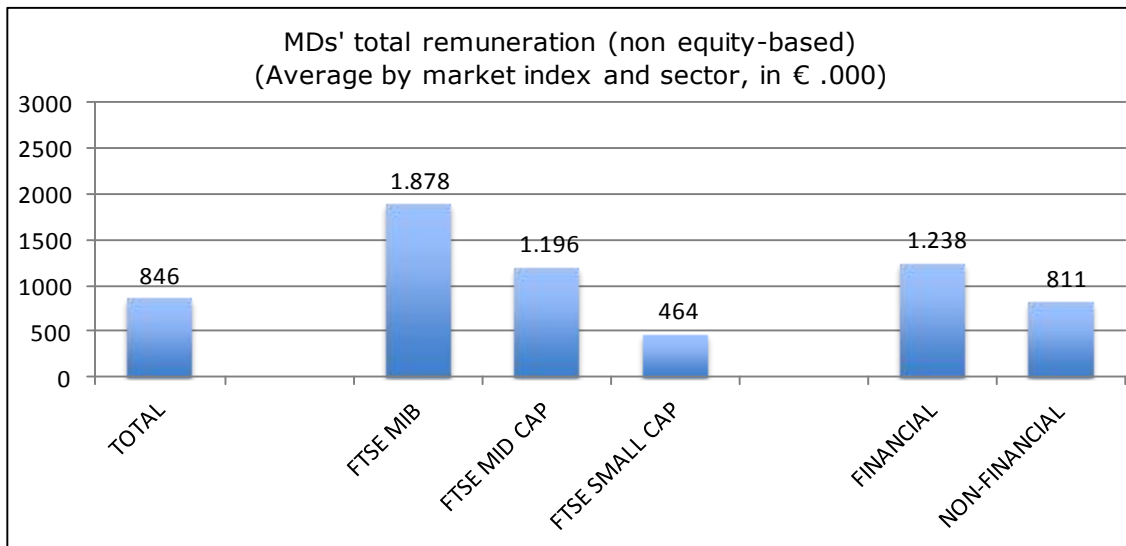


Figure 45

The structure of the remuneration package changes with company size and sector. In larger companies the weight of the fixed component is less relevant (52%, compared to the 60% of Small Cap) while the weight of the variable component increases (bonuses represent 31% of the total equity compensation, compared to 19% in Small Cap). In the financial sector, different trends can be noticed: bonuses have an extremely low weight in banks (3% of the total cash remuneration); on the other hand they are strongly increasing in the insurance sector, mainly because of a few cases. However, it cannot be said, only on the basis of these data, if and how this trend is linked to worse business results in the banking sector or to the influence of regulatory constraints and to the pressure coming from regulators and investors.

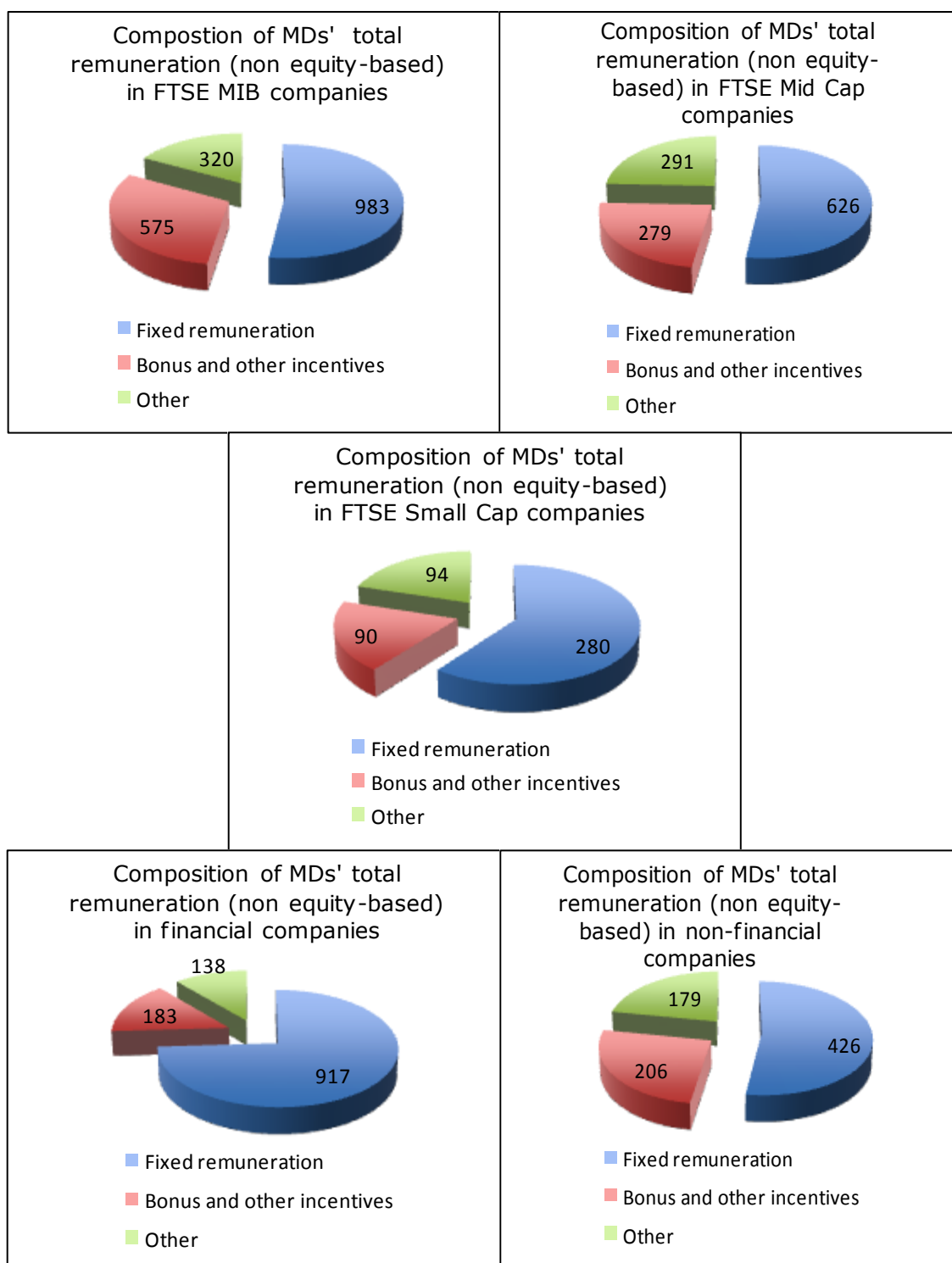


Figure 46

In the non-financial sector bonuses are substantially higher, both as average amount (more than 200,000 €) and total remuneration (25% of the total compensation; 27% in 2013 and 29% in 2012). The cash compensation received by MDs in the last year is increasing by 10%, after decreasing by 7% in 2013; the growth is due to small (+47%) and medium size (+9%) firms, while FTSE Mib companies experience a further drop (-11%).

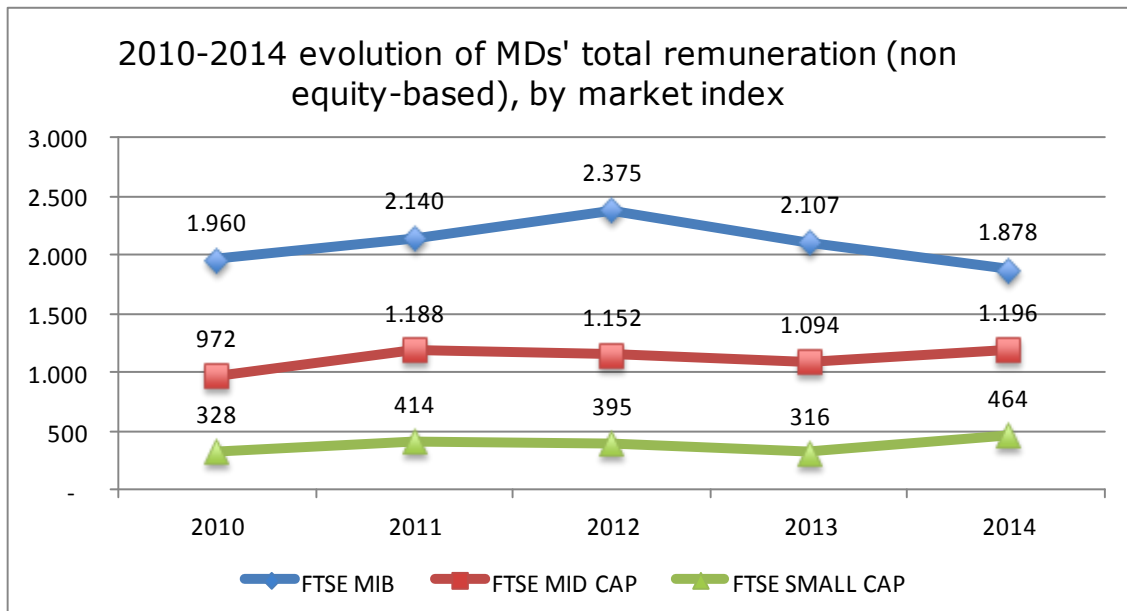
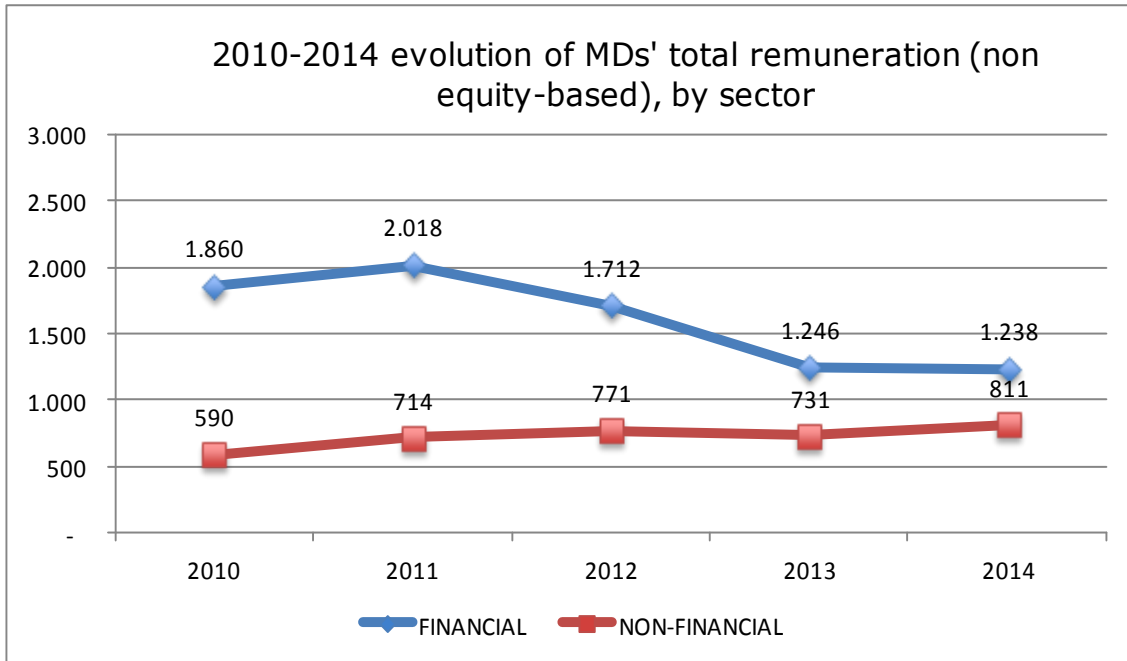


Figure 47

*e) Managing directors' remuneration (equity)*

Further information on the remuneration of MDs are reported in Fig. 48, which shows the structure of their remuneration and its, eventual, equity part<sup>126</sup>. Directors' equity compensations have a certain weight in larger companies (21% among FTSE Mib, 5% in Mid Cap and 1.5% in Small Cap). The weight of the equity component is higher in the non-financial sector (11% vs. 7% of the financial sector).

---

<sup>126</sup> The average amount of equity compensations are evaluated as 0 for directors who are not beneficiaries of any incentive plan or the plan has been entirely cashed in the previous years.

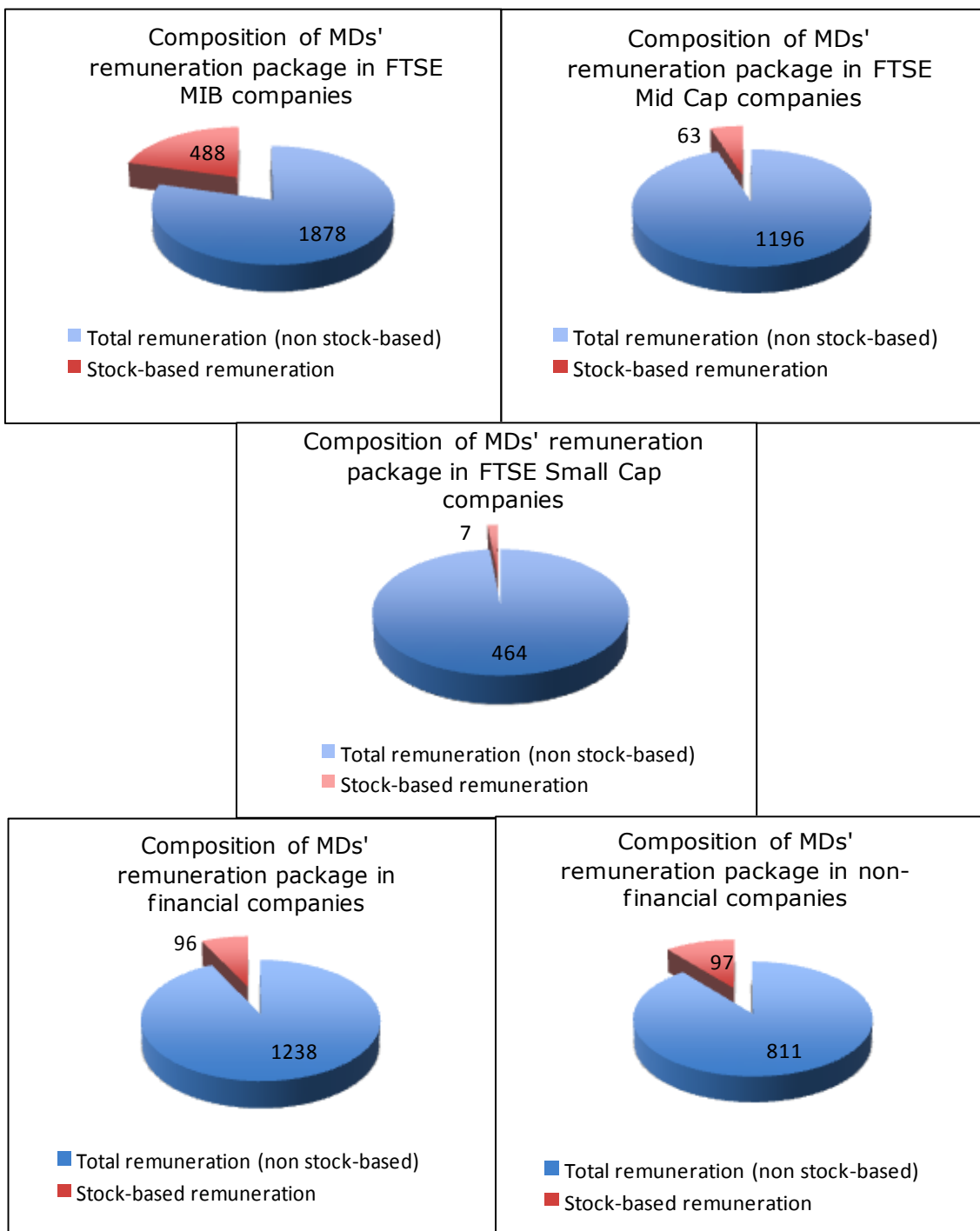


Figure 48

Below reported data represent the average structure of MDs' remuneration packages (taking into account the frequency by which they are beneficiaries of equity compensations). If we consider only the MDs who are beneficiaries of stock-based plans "expensed" during the fiscal year of reference, the picture that comes out is quite similar to the general one, even if the weight of equity compensation is – obviously – higher<sup>127</sup>. As pointed out in Fig. 49, Managing Directors of FTSE Mib companies, who are beneficiaries of stock-based plans, receive, on average, "non-equity" compensations (which are the sum of cash compensations – for fixed remuneration and bonuses – and non-monetary benefits) about 2,705,000 € (2,220,000 € in 2013); additionally, we should consider financial instruments that account (according to the accounting standards) about 1,523,000 € (1,343,000 € in 2013), for a total of 4,228,000 €/year (3,563,000 € in 2013). Among smaller companies, these amounts are definitely lower (1,611 + 238 = 1,839 thousand € for Mid Cap - 1,703,000 € in 2013 - and 533 + 115 = 648 thousand € - 527,000 € in 2013 - for Small Cap that have incentive plans). The equity component of the package varies, on average, between the 18% of Small Cap and the 36% of FTSE Mib companies.

---

<sup>127</sup> Amounts reported in Fig. 48 are, in fact, equal to the weighted average of remunerations received by beneficiaries of equity plans (reported in Fig. 49) and compensations (only cash + non-monetary benefits) of those who are not beneficiaries of equity plans.



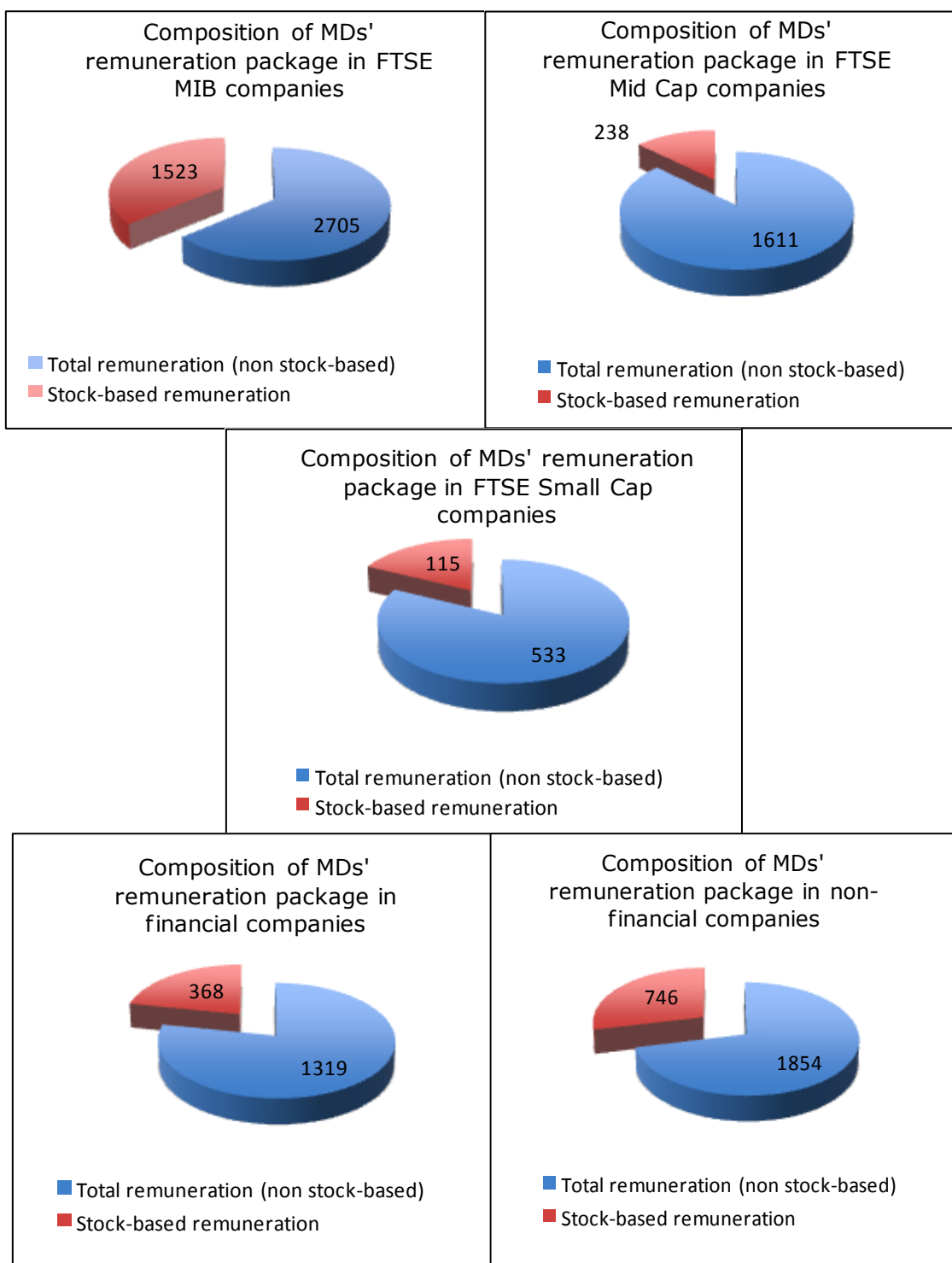


Figure 49

The weight of the equity compensation is higher in the non-financial sector (29% vs. 22% of the financial sector). It should be observed that the lower incidence of equity remuneration in the financial sector seems to be connected to a different compensation structure and not to economic difficulties in the industry – this could instead be the case for the data on the temporal dynamics of bonuses, as already commented – because the equity value of the plans is calculated using a “model” – according to accounting principles – at the grant date; and as such, it is not sensible to the evolution of corporate results after that date.

*f) The remuneration of chairmen (executive and non-executive)*

Tab. 32 and 33 show “non-equity” remunerations received by chairmen, qualified as executive and non-executive respectively, according to firm size and sector. As expected, the amounts significantly vary depending on size. The fixed remuneration received by the executive chairman of a FTSE Mib company is a little less than 1,000,000 €, about 60% more than the remuneration of his colleagues in Mid Cap (about 700,000 €) and a little less than 4 times more than the ones working in Small Cap (262,000 €). Even differences for what concerns bonuses and other incentives are very strong<sup>128</sup>. It should be noticed that total remunerations are less directly comparable, because they are affected (in Mid Cap and Small Cap) by a certain number of *una tantum* payments of indemnities for the end of the mandate.

Keeping constant the firm size, an executive chairman (not qualified as MD) receives, on average, a fixed remuneration that is about twice the one received by a non-executive chairman. The fixed compensation of an executive chairman does not significantly vary across sectors: in the financial sector the average fixed remuneration of the executive chairman is 477,000 €, that is 9% more than the one received by his counterpart in the non-financial sector (438,000 €). However, the latter receives bonuses for an amount that is more than enough to fill the gap. Non-executive chairmen are never beneficiaries of equity compensation. Discrepancies in the remuneration level are instead very relevant for chairmen qualified as non-executive: the fixed compensation of the non-executive chairman is, on average, 542,000 € in the financial sector, more than three times the one received by his counterpart in the non-financial sector (164,000 €).

*g) The remuneration of independent directors*

---

<sup>128</sup> Data on equity remuneration have a poor significance because of the small number of observations in the sample.

Tab. 34 shows the remuneration of 935 “other independent” directors<sup>129</sup>. As well as for directors in general, also their remuneration varies according to company size: among FTSE Mib companies the remuneration slightly exceeds 100,000 €; in Mid Cap companies is halved (51,000 €) and in Small Caps remuneration decreases by 40% (30,000 €). This trend reflects – probably – not only the different kind of problems affecting firms that belong to different index sections, but also a different depth in the application of the Code recommendations that require a specific commitment of independent directors. Global average remuneration of independent directors is stable over time.

Consob classification shows separately the fees received expressly for the participation in committees. These amounts are worth between 24 and 33% of the total remuneration. Differences are particularly observable in absolute values, where remunerations ranges from 28,000 € in FTSE Mib and 9,000 € in Small Cap companies. The average remuneration for committees does not vary significantly across financial and non-financial sector, even though the time commitment in committees of financial firms is probably higher (as results from the number and length of committees' meetings and the global commitment in hours/year).

Therefore, it is not clear whether the remuneration paid to independent directors is everywhere sufficient to “attract, retain and motivate directors with the required professional skills” and if they are “commensurate with the time commitment” which is required to each director, “taking into account also their participation to one or more committees”, as recommended by the Corporate Governance Code.

---

<sup>129</sup> As already observed, this category excludes directors with role (chairman or deputy-chairman) and the executive committee's members. This means that remuneration reported in the text are not influenced by additional compensation connected to these situations.

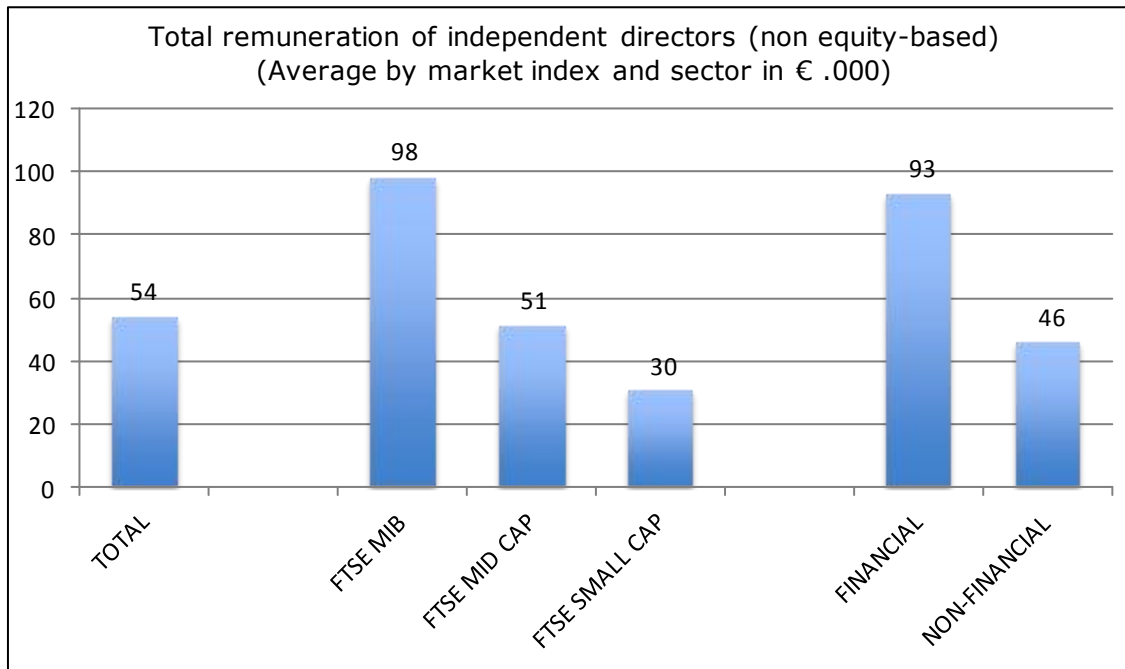


Figure 50

The CG Code (Art. 6.C.4.) recommends that the remuneration of non executive directors shall not be – other than for an insignificant portion – linked to the economic results achieved by the issuer and that they shall not be beneficiaries of share-based compensation plans, except from the case of a motivated decision of the AGM. 29 non executive directors (21 in 2013) are beneficiaries of compensation as “bonuses or other incentives”. Among them, 5 non executive directors have important positions (to which bonuses are in whole or – in a single case – in part linked) within one or more subsidiaries or affiliated companies. Other 24 directors are instead beneficiaries of bonuses directly by the issuer: 3 of them (all qualified as independent directors<sup>130</sup>) receive less than 10,000 €; in other 21 cases, there are relevant amounts, until the maximum of 500,000 €<sup>131</sup>.

Only three non executive directors (in three companies) are beneficiaries of equity-based plans “cashed” during the fiscal year of reference. Only one independent director receives stock-based plans.

<sup>130</sup> It should be noticed that this is the only company who drafted Table 1 in accordance with the previous regulation, so without providing a distinction between remuneration by the issuer and by subsidiaries/associates. Because of the frequency of these situations, we decided to classify conventionally these remunerations as paid by the issuer.

<sup>131</sup> In 3 cases are non executive chairmen. No independent director receives particularly high bonuses (the maximum is 50,000 €, received by three directors in small companies).

Tab. 35 compares the remunerations received by those who are entrusted with the role of Lead Independent Director (LID) and the remunerations of “other independents”, in companies where a LID has been appointed.<sup>132</sup> First of all, it should be noted that 96 LIDs out of 101 belong to the so-called “other independent” directors (i.e. they are neither holding another office nor participating to an Executive Committee)<sup>133</sup>.

As in previous years, LID’s remuneration is in line with the one received by “other independents” (43,000 € in companies where a LID has been appointed).

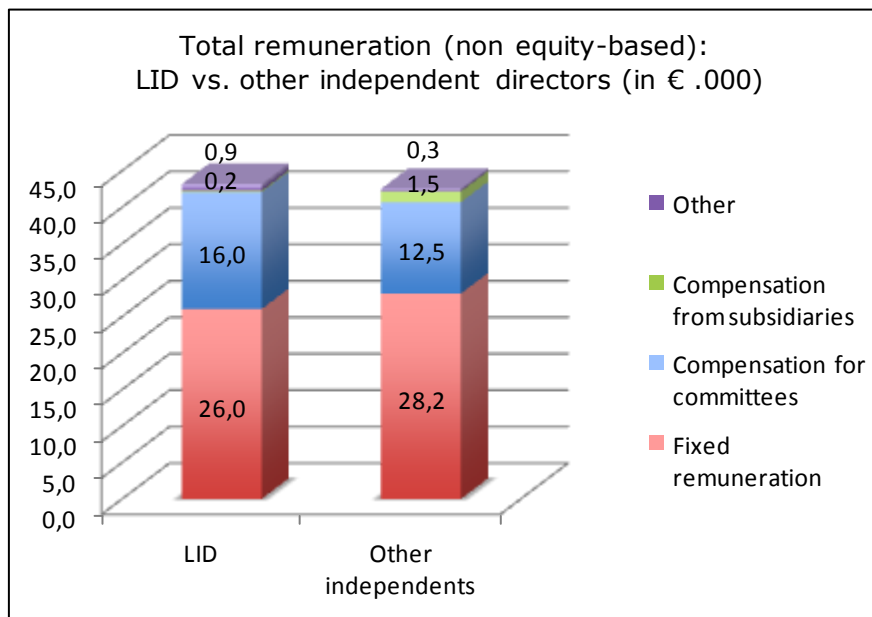


Figure 51

#### *h) Remuneration and participation to board committees*

The cross-reading of the remunerations of independent directors with the composition of the so-called “Code committees” allows investigating whether remuneration is proportional to the commitment required to directors. Tab. 36 shows the average remuneration of the “other independents” according to their membership in the Control and Risk and/or in the Remuneration Committee.

As already noted in the past, not all independent directors are equally involved in the board committees; 236 directors, approximately 1/4 of the “other independents”, are

<sup>132</sup> Considering only issuers that appointed a LID allows to obtain results that go beyond any effects related to the determinants of this choice (e.g. size or sector of the company that have appointed a LID).

<sup>133</sup> The exceptions are the chairman of the Management Board in a two-tier company and 4 deputy chairmen.

not members of any committee. On the other hand, 273 directors are members of both committees. First causes of these differences are company size and sector (see Tab. 37): the existence of independent directors not involved in any committee is more common in larger companies (32% of the FTSE Mib, 25% in the Mid Cap and 20% in Small Cap firms) and in the financial sector (42% of the aggregate, against the 22% in non-financial firms). The involvement of independent directors in both committees, instead, is more frequent in smaller companies (48% of the aggregate among Small Cap, 24% in Mid Cap and 13% in the FTSE Mib companies).

Independent directors who are not involved in committees receive an average of 44,000 €; those involved only in the CRC receive 45% more (64,000 €); those involved only in the RC 33% more (59,000 €). The directors who are members of both committees receive even 2% less (43,000 €): however, the latter data are influenced by smaller companies that have independent directors in both committees.

Some interesting results are observable crossing remuneration data with those about the additional effort required to committees' members (Tab. 3). The participation to CRC requires, in fact, on average, an additional commitment of 66% if compared to the commitment required for board meetings, while the Remuneration Committee involves a more limited additional effort (on average 22% more than the sole BoD). The additional effort entailed by the CRC therefore involves an increase of the average remuneration which is less than proportional to the commitment (while the RC involves an additional remuneration that is more than proportional to the commitment).

Tab. 38 and 39 are giving also some other information regarding the directors involved in board committees: they show, respectively, the remuneration of the members of the Remuneration Committee and the Control and Risk Committee, distinguishing according to the role of each director within the committee (chairman versus others)<sup>134</sup>.

In both committees the chairman receives, on average, a slightly lower compensation (67,000 vs. 72,000 € in the RC and 63,000 vs. 76,000 € in the CRC) than other members. For what concerns the RC only, the situation reverses in larger companies (among FTSE Mib the RC chairman receives on average 151,000 € against 125,000 € of other members) and in banks (where the chairman receives 177,000 € vs. 154,000 € of others committee's members). In both cases the reason is not related to committees'

<sup>134</sup> The data are here referring only to companies that have identified the chairman of the Remuneration Committee (or, respectively, of the Control and Risk Committee), in order not to take into account any effects related to company characteristics that influenced this choice (for example, the company's size or sector). The table shows data referring not only to independent directors (or, even less, to those identified as "other independents") but to all members of the committee, regardless to their qualification (i.e., including also the non-executive but also non-independent directors and even rare cases of executive directors (5 members of the RC and 4 members of CRC).

remuneration (or only in a little part): the main reason lies in basic differences of fixed remuneration<sup>135</sup>.

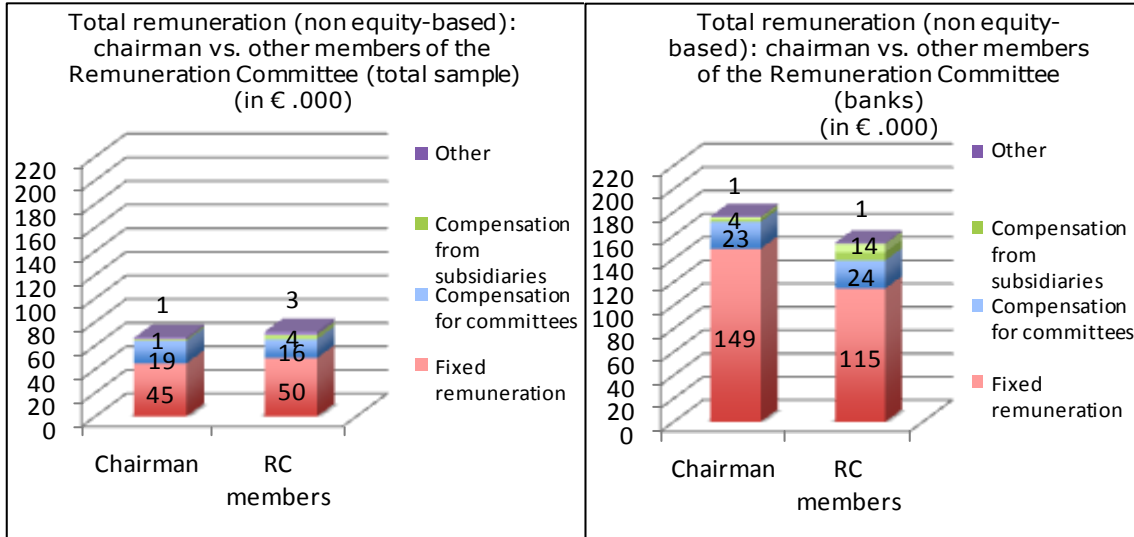


Figure 52

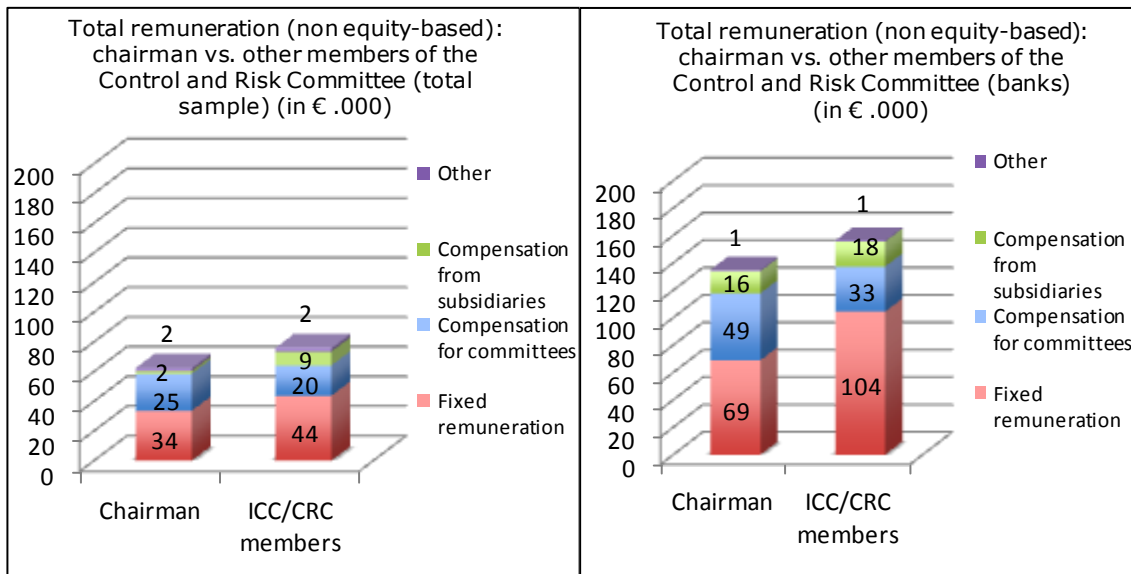


Figure 53

<sup>135</sup> These differences are sometimes related to the different position hold in the company: out of 175 chairmen of the Remuneration Committee, one is Managing Director, 3 chairmen (along with a chairman of the Supervisory Board of a two-tier company) and 8 deputy chairmen (along with a deputy chairman of the Supervisory Board of a two-tier company).

*i) Remuneration and situations “at risk”*

Finally, we matched the remuneration of “other independent” directors and data concerning “at risk” situations (see par. 3.3. and Tab. 15) to verify if such situations are associated with higher remuneration (a possible symptom of independence impairment). Results are reported in Tab. 40: in line with past years, independent directors “at risk” got significantly higher remunerations (65,000 vs. 52,000 € of other independent directors who are not involved in “particular situations”). However the gap is more than halved compared to 2013 (when independent directors “at risk” received 79,000 vs. 48,000 € of other independents). As in 2013, this situation is quite common, although the remuneration gap seems to be more pronounced in larger companies (127,000 vs. 93,000 € of other independent directors who are not involved in “particular situations”) and especially in the banking sector (176,000 vs. 87,000 € of independent directors who are not involved in “particular situations”), where the gap even increased (160,000 vs. 98,000 € of other independents in 2013).

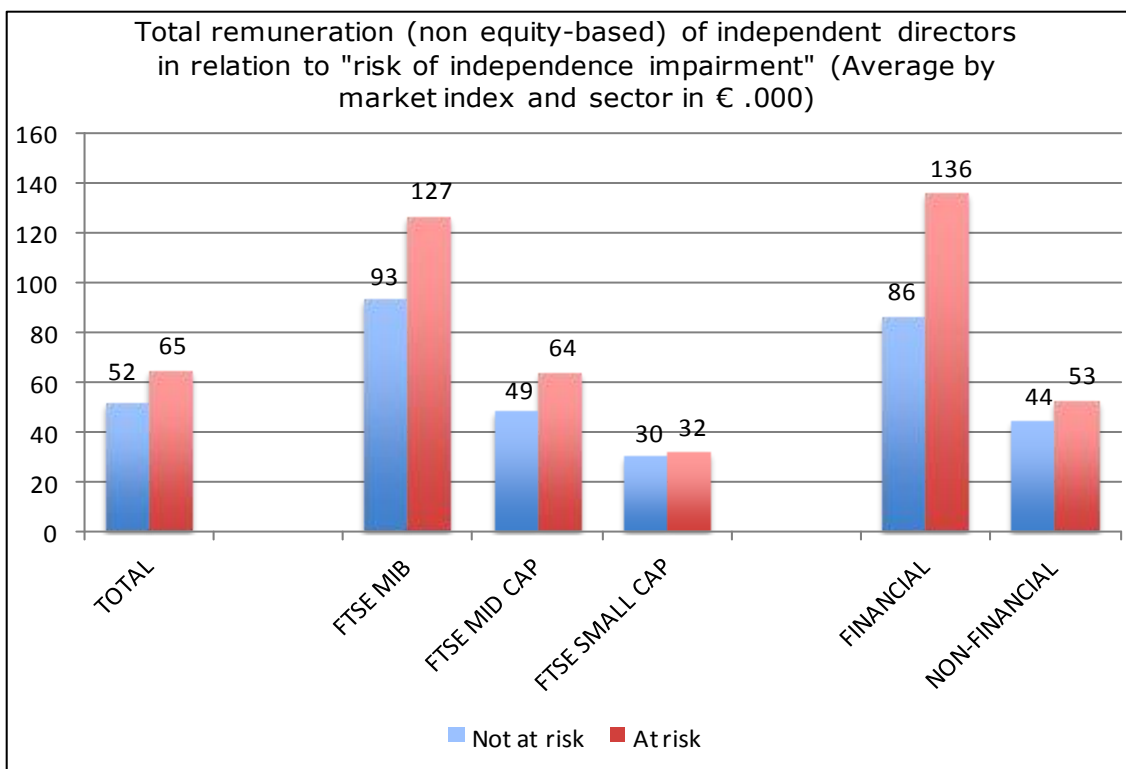


Figure 54



A considerable portion of the higher remuneration received by independent directors “at risk” is typically related to higher fixed remunerations and/or to some positions of directors (not necessarily “offices”) held in subsidiaries or associates<sup>136</sup>.

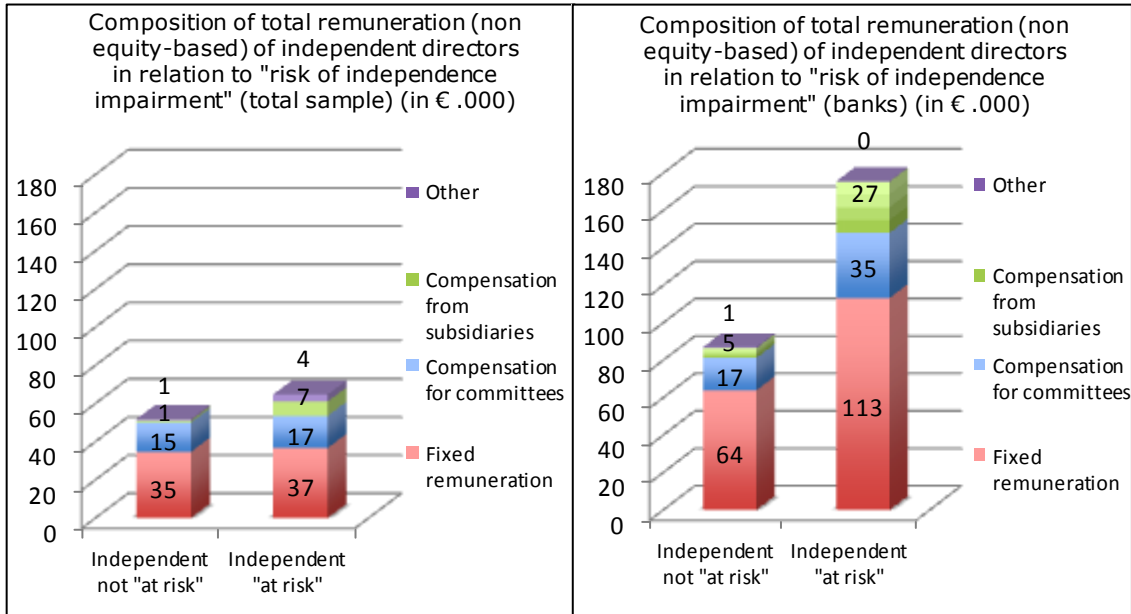


Figure 55

We finally analysed the possible link between independent directors' remuneration<sup>137</sup> and the phenomenon of holding the office for more than nine years. An increase in the remuneration can be noted (66,000 € for independent directors with a longer tenure vs. 55,000 € for other independents). The remuneration gap is more pronounced in the banking sector (see Tab. 41), where independent directors with a longer tenure are paid 55,000 € more (+55%) than other independents. For the first time, an increase in the remuneration when a director holds the office for more than nine years can be observed also in non-financial companies, but to a lesser extent (the additional remuneration is 9,000 €, i.e. 19% more).

<sup>136</sup> Besides, of course, to roles in the company or to the participation at the executive committee. These situations are not taken in consideration in Tab. 38, referred only to “other independents”.

<sup>137</sup> This analysis has been done on all independent directors, in order to verify if the *phenomenon* of holding the office for more than nine years is linked to increases in remunerations, due to any cause (also being chairman, deputy chairman, or participating at the executive committee). To keep highest homogeneity, besides, we focused only on companies listed more than nine years ago (and on companies born from extraordinary mergers between that companies).

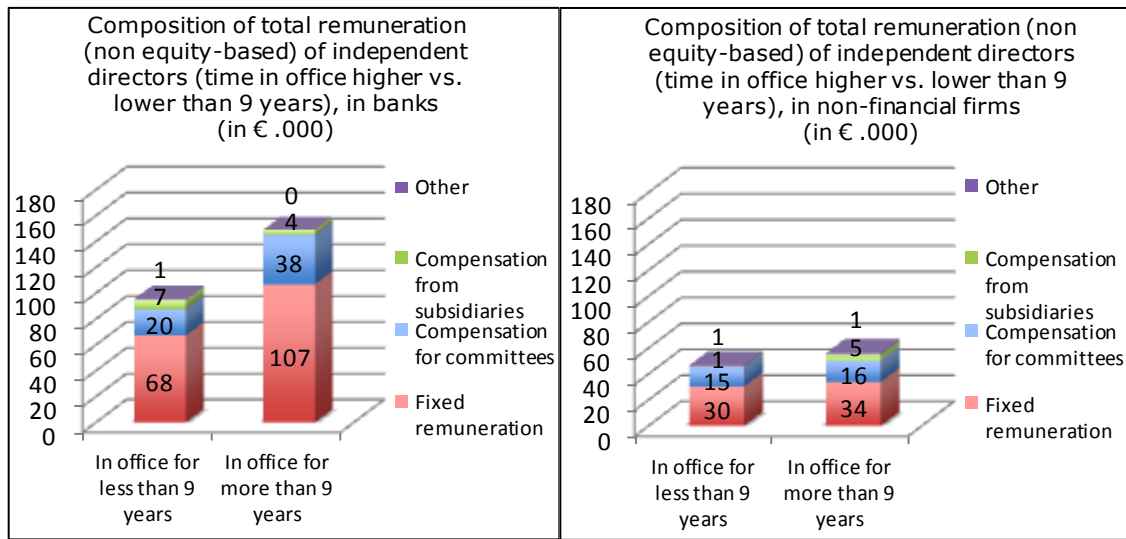


Figure 56

Similarly, we find a remarkable increase in the remuneration of independent directors with longer tenure only among FTSE Mib companies (19,000 € more) and, much less, in Mid Cap ones (15,000 € more). In Small Cap firms, independent directors with a longer tenure get even lower remunerations than the others. In FTSE Mib companies, the increase is related to fixed remunerations, to committees' remunerations and to positions held in subsidiaries.

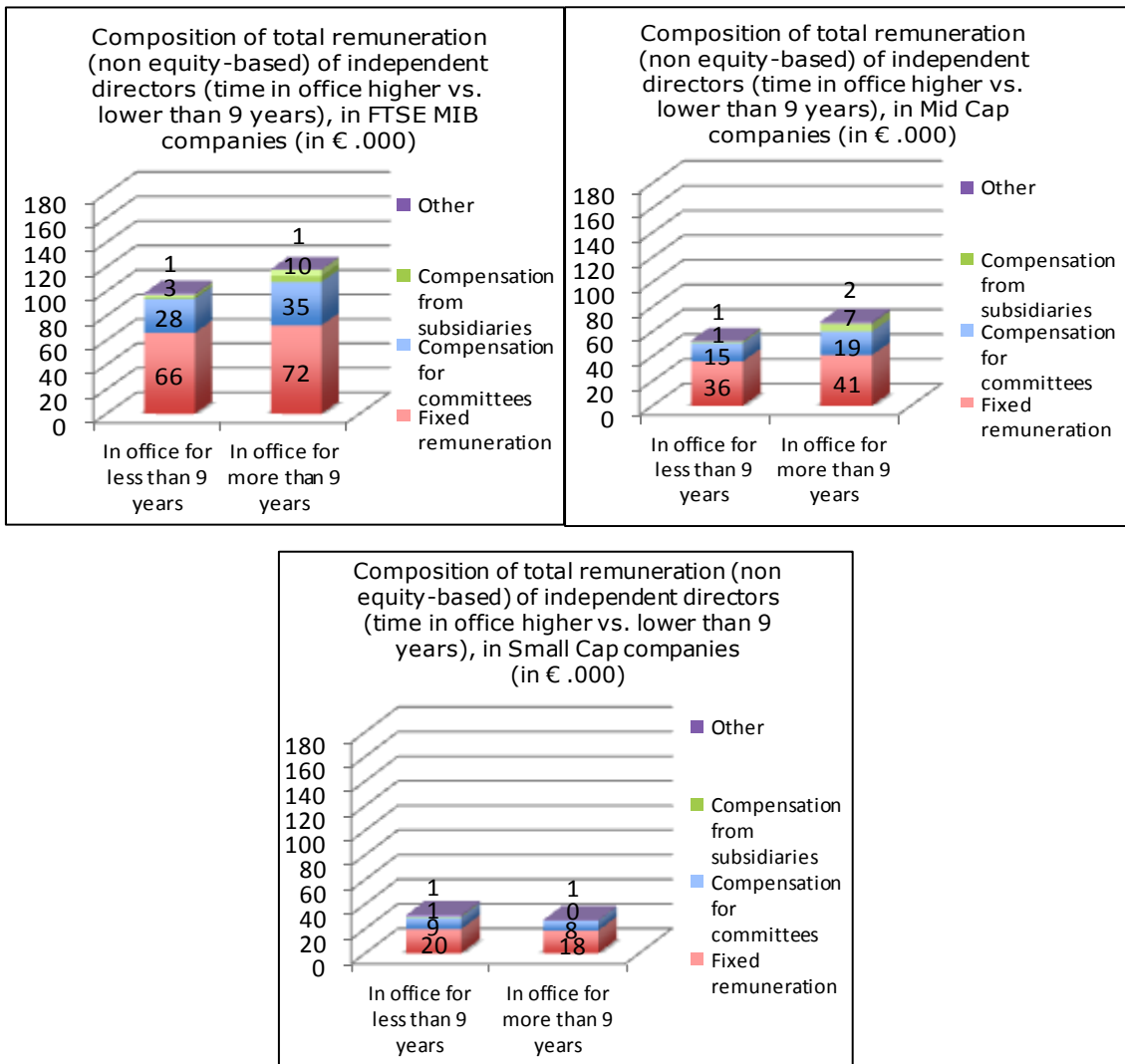


Figure 57

Our data show that holding an office for more than nine years is linked to additional compensation only in a few, precisely identifiable, cases. This kind of compensation seems to be a more precise symptom of independence impairment than the mere passing of time, especially if these compensations are not related to additional tasks recommended by the CG Code, but to a “role change” of the independent director, who is appointed to new offices in the company or in other companies of the group.

Holding an office for more than nine years is one of the *criteria* that the Code proposes in order to evaluate, into practice, the risk of losing independence requirements. It is, however, a mere suggestion of the CG Code, to follow “having regard more to the

substance than to the form”, as the same CG Code recommends. Passing of time does not impair independence automatically; however, time increases the risk that independent directors are “captured” by executives and/or controlling shareholders. That risk may be evaluated by investors also after considering any role (and remuneration) changes of independent directors. Available data allow investors to develop a precise opinion on company’s conditions and evaluations performed by boards.

*j) Cash incentive plans*

Firstly, it is useful to recall that 175 companies disclosed - in the Section 1 of the Report - that a variable remuneration is envisaged for directors (see Tab. 25); information regarding the parameters to which the variable component is linked is provided by 167 among them. This cash remuneration is based on “accounting” or “business” targets in respectively 155 and 70 companies<sup>138</sup> (see Tab. 26). The number of companies that disclose – in Table 1, drafted according to the Consob Scheme – to have effectively paid “bonuses and other incentives”, is actually lower (out of 115 companies, in 96 cases only by the issuer, while in 9 cases only by subsidiaries or associates and in 10 cases by both).

Different factors may explain this difference. Above all, “bonus plan” may not have been already effective in 2013 and thus, even though it was “expected”, it had not been actually paid out. Secondly, the difference could be also related to bonus deferral, often envisaged in multi-year incentive plans<sup>139</sup>. Finally, it is possible that the “expected” bonus has not been paid simply because the performance targets have not been achieved.

Annex 3A of Consob Issuers Regulation requires the disclosure – in Table 3B – of detailed information on monetary incentive plans that provide “bonuses and other incentives”, reported in Table 1. Table 3B is available in 106 Reports (see Tab. 42): 29 companies do not draft Table 3B, at least the section concerning directors, despite “bonuses” paid out in 2013 come clearly out in Table 1.

This omission is not easy to explain: in some cases, information about variable remuneration was disclosed in a conversational way in the first part of the Report; in other cases, bonuses are set *ex post* by the BoD, in a discretionary way, on the basis of

---

<sup>138</sup> These numbers are not addable because the two targets can coexist.

<sup>139</sup> The deferred bonus is often given, in these cases, when and if further conditions of time and/or performance, defined in the plan, will happen. That causes, necessarily, a “sensible decrease” of the beneficiaries in the first years of the plan (where the bonus referred to the year is integrally deferred), while in the last year that number can increase (as, of course, the imports, because previous bonuses are paid in a unique time, along with last year’s bonus).

actual company results; thus, it is possible that companies understood Table 3B and its reference to “plans” as not compulsory<sup>140</sup>. In some companies, Table 1 reports the payments of bonuses to directors due to their charge of key managers (4 cases) or by subsidiaries/affiliated (7 cases).

Starting from the Table 3B, it is possible to calculate the average value of monetary incentive plans. These data requires some *caveats*, mainly due to the fact that not only global imports, but also the structures of such plans are extremely different: for this reason, the data reported below are - mostly – calculated as average values of bonuses extremely different from person to person<sup>141</sup>. Besides, for the same reasons, the information disclosed by 106 companies refers to a sub-sample of beneficiaries (212 directors out of 233)<sup>142</sup>. They are, on average, 2 persons for each company, usually identified as executives (but we can find also 29 non-executive directors: 2 of them are chairmen and 2 are chairmen of the management board of a two-tier company). 13 bonus beneficiaries (in 3 companies) are also qualified as independent (both by Code and CLF); independent directors receive always bonuses ranging from a few thousand € to 50,000 €. The number of beneficiaries does not significantly vary according to firm size and sector<sup>143</sup>.

In order to define the global amount of bonuses on the accrual-basis, we sum up bonuses of the year “payable/to pay”, other bonuses and bonuses still deferred to next years. The average bonus (for beneficiaries for whom information is available) is 469,000 € (705,000 € in 2013), of which a little more than a quarter (137,000 €) is deferred to future fiscal years. Other 162,000 € (145,000 € in 2013) “pass by” without

---

<sup>140</sup> This interpretation would, actually, be ambiguous. Consob Scheme, in fact, states that numbers reported in Table 3B must be in accordance with the data provided in Table 1 and thus, mutually, that the column “bonuses and other incentives” of Table 1 must find explication and further details in Table 3B. Furthermore, it is clearly stated that in the “other bonuses” column of Table 3B “must be written competence bonuses non included in specific *ex ante* plans”.

<sup>141</sup> Reported data refer to the whole sample of 212 beneficiaries; these data are often – particularly considering single sub-items – average data between high amounts received by a few directors and zero amounts received by the other components of the sample above. In fact, besides persons who received bonuses accrued and paid out in the fiscal year of reference, we found also persons whose bonus (accrued in the fiscal year of reference or related to previous fiscal years) is, entirely or partially, deferred to future years, or persons who received in 2013 – in a unique solution – bonuses entirely referred to past fiscal years. At an individual level, the counter value of bonuses varies between 2,000 (5 directors in 3 companies) € and 5,100,000 €. Finally, data referred to little sub-samples are often affected by a few outliers.

<sup>142</sup> It should be observed that, in these numbers, we can find 3 cases of duplication, due to subjects that - as already observed - are in charge of more than one task in the same holding group. The law, in fact, requires transparency towards remuneration paid out not only by the issuer but also by subsidiaries and associates.

<sup>143</sup> Taking data concerning each company, the highest number of beneficiaries of monetary incentive plan is 9, in 2 issuers.

being cashed during the year. Obviously, amounts vary in a very considerable way according to company size.

In order to define the global amount of bonuses “cashed” in, we sum up bonuses of the year “payable/to pay”, other bonuses and bonuses deferred in the previous years and “payable/to pay” in the fiscal year of reference. The average beneficiary received 332,000 € (of the fiscal year of reference and cashed; 520,000 € in 2013) and, additionally, 68,000 € more (239,000 € in 2013), “accrued” in previous fiscal years. The average value of the bonus globally received (in companies where information is available) is 400,000 €, an amount widely lower than previous years (759,000 € in 2013, 719,000 € in 2012).

Bonuses, both those on the accrual-basis and those “cashed”, are considerably lower compared to 2013 (and also to 2012). The decrease (equal to 33% for bonuses on the accrual-basis and almost 50% for bonuses “cashed”) is common to all sectors and more pronounced in larger companies (FTSE Mib and Mid Cap)<sup>144</sup>.

“Other bonuses” not included in *ex ante* plans deserve a specific comment: these sums are usually attributed, on a discretionary basis, in relation to particular events or extraordinary transactions. The average sum paid for the whole sample of 212 beneficiaries of bonus plans does not seem particularly high; however, these bonuses are actually perceived only by a small number of executives (13; 17 in 2013), for whom sums actually paid out are quite high (up to 700,000 €; the maximum value in 2013 was 1,300,000 €): considering only the effectively received amount, the average value is 222,000 € (in 2013 was 278,000 €). Moreover, data here reported are affected by some cases where Table 3B has been erroneously omitted (probably, in these cases amounts are related to bonuses that were “out of the plan”, as already seen above).

A small number of issuers (5, with globally 24 directors) paid to one or more directors, in place of or in addition to bonuses, further amounts as profit sharing. The average amount for each beneficiary, excluding one specific case where it was a small amount (13,000 €), is quite significant and equal to 360,000 € *pro-capite* (300,000 in 2013). Two companies disclose that some directors receive some profit sharing from subsidiaries. Also here amounts vary a lot from case to case (20,000 € on one hand and amounts ranging from 123,000 and 343,000 € on the other).

#### *k) Equity incentive plans*

---

<sup>144</sup> The decrease remains significant also if we clean the 2013 dataset, omitting some outliers which substantially influence the result. In the non-financial sector the decrease of bonuses is always considerable, even if to a lesser extent (-16% on the accrual-basis and -32% for those “cashed”).

It should be reminded that 63 companies, among the 175 companies that set a variable remuneration for directors, chose to link that remuneration to stock market values (see Tab. 26). The number of issuers disclosing – in Table 1 – that they have “expensed” in the fiscal year, entirely or partially, the fair value of equity-based remuneration is however lower (45 firms<sup>145</sup>). Such plans are made up by stock options and/or “other equity instruments”, usually stock grants, often linked to the prior achievement of accounting or business targets (performance shares). Companies sometimes make use of phantom stock options, warrants or other instruments whose value is linked with that of the issuer’s stock.

A number of factors may explain this difference. Above all, as is the case for bonuses, it is possible that the equity-based incentive plan had not yet been approved by the shareholders’ meeting, or the performance targets, without which the cost cannot be expensed, had not yet been met. Secondly, according to international accounting standards, the “cost” of equity-based plans must be expensed over the vesting period, i.e. in the first years of the plan: thus, “old” plans still in place will find appropriate disclosure in Table 2 but no fair value will be reported in accrual terms in Table 1 (since their cost was entirely “expensed” in past fiscal years).

Tables 2 and 3A of Consob Scheme provide detailed information on share-based incentive plans that contributed to the creation of the fair value of equity compensation reported in Table 1. Some information is reported in Tab. 43 and 44. The total number of beneficiaries resulting from the Consob Tab. 2 and 3A is equal to 104 for stock options and 65 for plans based on other financial instruments (respectively about 62% and 38% of the aggregate<sup>146</sup>).

Beneficiaries who received stock options (other plans) that have generated “costs” expensed in the fiscal year of reference are only 61 (or, respectively, 39). The total number (61+39=100) is different (and superior) to that of the beneficiaries resulting in Table 1 (and reported in Tab. 28, which is 71, plus 8 recipients of plans in subsidiaries). The difference is due to two factors: first, 31 subjects receive both types of plans;

---

<sup>145</sup> Among them, 54 companies published Table 2 and gave stock options, while 38 had plans based on other instruments and published Table 3A. As already observed in 2012, the final number of companies (45) is lower than their total (54+38=92), because some of them had stock option plans as well as plans based on “other instruments”. In these cases, the problems associated with the omitted publication of the additional tables seems less relevant than in the case of bonuses. There is a consistency problem: some companies disclosed in Table 2 and/or Table 3A the payment of equity remuneration “expensed in the fiscal year of reference”, but the same amounts have not been reported in Table 1.

<sup>146</sup> Data show clearly out the relative frequency of different kind of plans. However, they do not provide specific details on their frequency (for example, one person may be the beneficiary of both type of plans). The number of beneficiaries of stock options is slightly decreasing (66% of the aggregate in 2013), while the number of beneficiaries of other equity instruments is increasing (34% in 2013).

secondly, as already noted, Tables filled out according to the Consob Scheme do not report always numbers that are perfectly consistent.

The average accrual value of such compensations for each beneficiary (calculated by summing up, for each director, all compensations that may be related to one or more plans and then calculating their average value inside the company, in the case of more beneficiaries) is significantly higher with reference to “other financial instruments” (862,000 €, compared to 377,000 € value of stock options plans); differences are considerably asymmetric, so that average values reported in Tab. 43 and 44 are significantly affected by the influence of a few outliers.

#### *l) Severance payments*

Finally, we analysed information about compensations in case of the end of the mandate (or severance payments). Among 2,346 directors analysed in this study<sup>147</sup>, only 42 (in 23 companies), i.e. 1% of the aggregate, received compensations at the end of their mandate (or severance payments). The number of beneficiaries has increased by 50% since 2013, when indemnities were paid to 28 directors (in 16 companies). Such compensations are almost always paid by the issuer. Only in two cases, indemnities of a considerable amount have been paid by subsidiaries. There are two situations that, typically, generate these payments:

- a) a role change that creates relevant discontinuities in the issuer: this is the case of some directors that were employees of the company (for example, as general managers) and maintained the office of director or have resigned their dismissal to accept new positions in the company (for example, new or old managing directors);
- b) “end of mandate” treatments, usually addressed to executive directors, with the intention to give them contractual guarantees similar to those enjoyed by employees. We observe that, in some cases, these indemnities are “expensed” (actually, sometimes paid out, but more frequently deferred) also during the mandate<sup>148</sup>. This is the typical case of companies where more directors are beneficiaries of such treatments, usually involving small amounts.

---

<sup>147</sup> As better explained below, these are directors still in charge at December 31<sup>st</sup>, 2012. Further are given some detailed information, significantly different, concerning directors that lost their position office during the fiscal year of reference.

<sup>148</sup> It should be observed that companies sometimes disclose that “there is not any defined end of mandate treatment nor severance payments for directors” and, at the same time, report in Table 1 the payment of “indemnities for the end of mandate”, linked to end of mandate treatments accrued in favour of the employees of the company.



The disclosure policies continue to be quite differentiated and not always correct<sup>149</sup>. We identified, sometimes, in Table 1 the disclosure of information that should be provided only in the first Section of the Report. In some cases of relevant amounts, indeed, companies disclose in Table 1 the maximum potential amount to be corresponded in case of early termination, instead of, as recommended by Consob, the severance payments actually paid at the end of the office, referring to the fiscal year when termination has occurred<sup>150</sup>. In these cases, transparency is guaranteed; however, the data are not directly comparable with those of other companies.

In the 40 cases we identified amounts of about 476,000 € (64% more than 2013, when the average value was 290,000 €). Differences among single directors are very high, from a minimum of 900 € to a maximum of above 3,800,000 €<sup>151</sup>.

Considering, as well as in the whole analysis, only directors still in charge at 31<sup>st</sup> December 2013, does not allow us to see the most relevant cases, because the payments of such indemnities is typically related to the end of mandate situations. Therefore, we decided to extend our analysis to directors that lost their position during the 2013 and which remunerations are disclosed in Remuneration Reports; in order to maintain specific limitations to our analysis, we decided to take only data concerning executive directors, who are most frequently beneficiaries of high indemnities.

Results are consistent with our expectations: first of all, among 58 executive directors that lost their position during the 2013 (68 in 2012), only 6, in 6 companies (14 in 2012, in 13 companies), received indemnities related to their end of mandate. Such average indemnities are, in these cases, almost equal to 3,000,000 €. These indemnities are always paid by the issuer. Differences among single beneficiaries are considerably high. Amounts are however very high: from a minimum of 186,000 € to a maximum of 5,800,000 € (this is the case of indemnities defined in accordance with the collective labour agreement for directors).

---

<sup>149</sup> For example, in 2 cases of relevant amounts a company specified – as in 2012 – that numbers in Table 1 are “gross values” referred to the “stability commitment” signed with beneficiaries. Therefore, the Table do not report the effectively paid amount (as set by Consob Scheme), but the maximum potential payment.

<sup>150</sup> The Scheme 7-bis effectively provides this definition: “The column “Severance indemnity for end of office or termination of employment” specifies indemnity accrued, even if not yet paid, in favour of directors for the termination of duties during the course of the financial year considered, with reference to the year during which the office was effectively terminated. The estimated value is also specified of any delivery of non-monetary benefits, the amount of any consulting contracts and indemnity relative to the making of non-competition commitments. The amount of indemnities for non-competition commitments is only specified once the office is ceased, specifying the duration of the non-competition commitment and the date of effective payment in the first part of the second section of the report” (underlining added).

<sup>151</sup> The here mentioned values are different from the cases of errors (commented above).

#### 4.4. Statutory auditors' remuneration

Remuneration Reports provide detailed information, on an individual basis, also about statutory auditors' remuneration, following the same model adopted for directors' compensation. Due to their different role, statutory auditors receive no incentive plan, either monetary or share-based. Consequently, we focused only on the analysis of Table 1.

Data about level and structure of the statutory auditors' remuneration (provided in the second Section of the Remuneration Report) were analysed together with the information provided in CG Reports, in order to extract information with regard to some relevant aspects. As we did for directors, in the following analysis (and in the Tables reported in the Appendix) we preferred to reclassify information adopting a more compact scheme, where remunerations paid by subsidiaries/affiliated companies are reported in *ad hoc* column (instead of a row providing a description of each single component).

We analyzed the following issues:

##### a) *The remuneration level*

General data are provided in Tab. 45. The average statutory auditors' remuneration (drawn from the Reports published in 2014) is 52,000 €, essentially aligned to that of "other" independent directors (54,000 €, see Tab. 28) and, in particular, of those who are not involved in "at risk" situations (52,000 €; see Tab. 40). The statutory auditors' average remuneration is slightly decreasing, after having continuously increased in previous years<sup>152</sup>: it was 54,000 € in 2013, 53,000 € in 2012, 49,000 € in 2011 and 44,000 € in 2010.

---

<sup>152</sup> It should be noted that the number of companies in the sample decreased and, however, significantly changed.

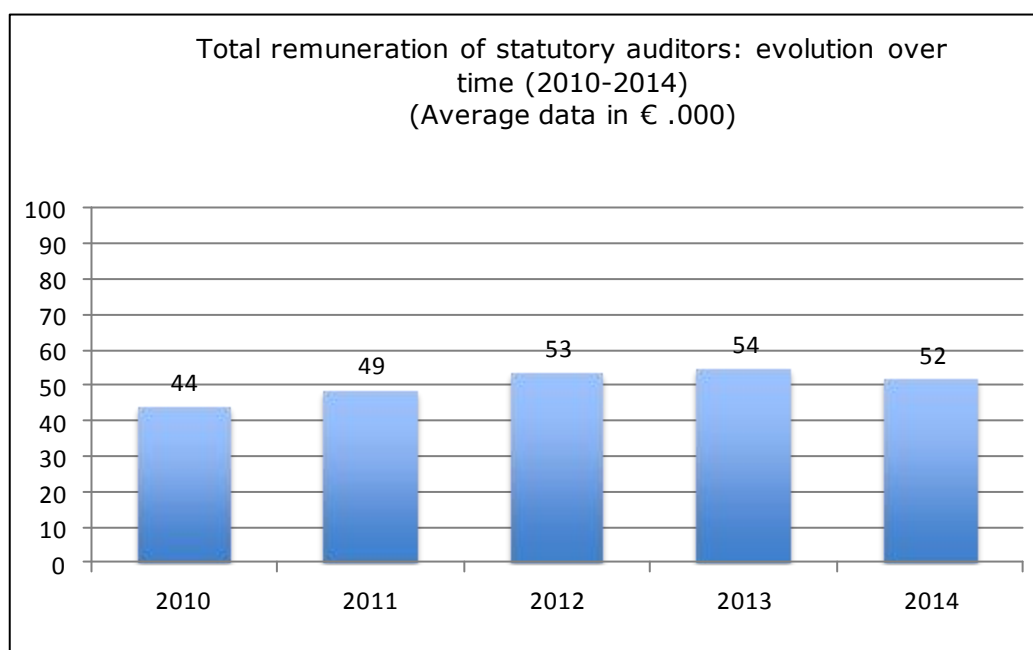


Figure 58

As noted for directors, the remuneration of the statutory auditors varies considerably according to the size of the company (93,000 € in FTSE Mib companies, 2.75 times the average remuneration in Small Cap, which is 34,000 €) and - to a lesser extent - according to the sector (100,000 € in financial companies vs. 46,000 € in the non-financial).

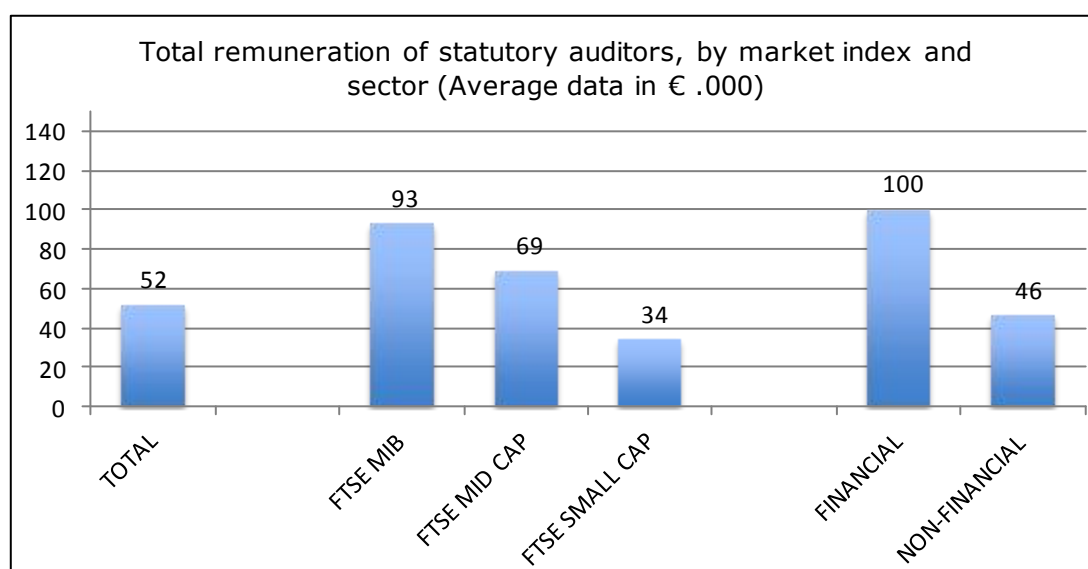


Figure 59

Fixed remunerations represent, on average, more than  $\frac{3}{4}$  of the total remuneration; compensations from subsidiaries amount for 18% (more than 20% in 2013). Other elements have a limited weight on the total amount.

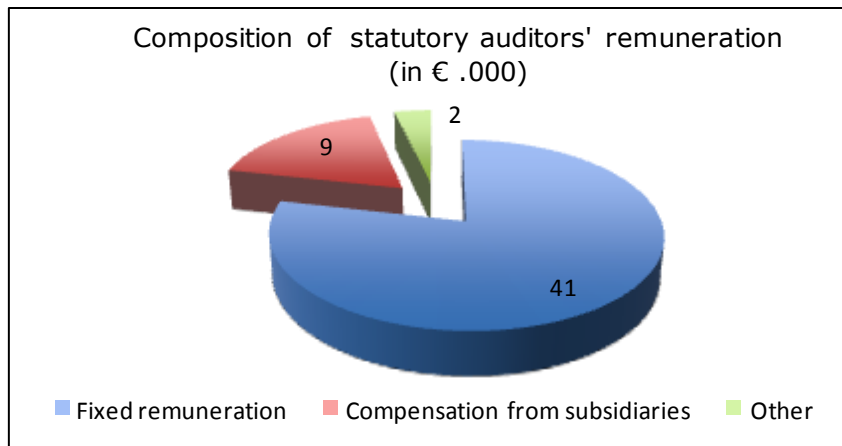


Figure 60

b) Remuneration and role

Tab. 46 reports data coming out from crossing the remuneration amount and role of each statutory auditor, distinguishing between chairmen and other members of the BoSA.

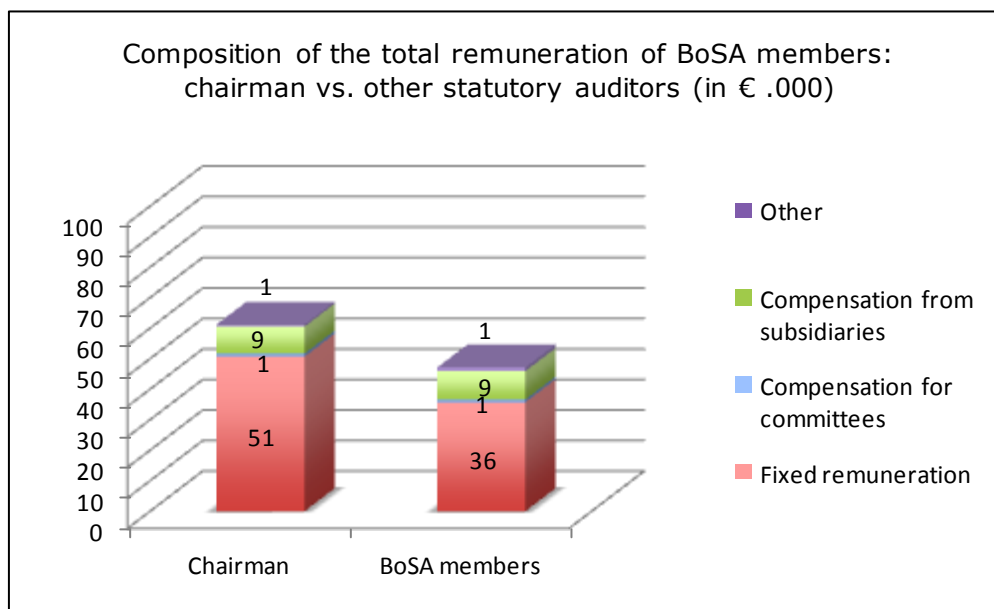


Figure 61

Chairmen of the BoSA receive a higher remuneration (61,000 €, i.e. 30% higher than that - 47,000 € - received on average by other statutory auditors). The difference (about 14,000 €, without significant variations related to company size or sector) is entirely due to the remuneration from the issuer; other components (compensation from subsidiaries, related to the interlocking phenomenon, which is typical for groups) are substantially aligned.

As well as for directors, it may be interesting to compare data concerning remuneration and those concerning the average age of statutory auditors, distinguishing by role. On average, chairmen are older than other BoSA members (almost 60 years vs. 56 of other BoSA members). The average age varies also according to the firm size (in FSTE Mib is about 60 years for all BoSA members, while in Small Cap the chairman is 59 years old, on average, while other members are 55 years old) and sector (in the financial sector the average age of the chairman is 62 – vs. 59.5 in other sectors – while the average age of other members is 58 – vs. 56 in other sectors).

The difference between the chairman's and other statutory auditors' remuneration is substantially the same - in value terms – across companies; consequently, the difference in percentage values is more significant in smaller companies (where the chairman's remuneration is 47% higher than that of other statutory auditors; 16% in FTSE Mib companies).

### *c) Remuneration and situations “at risk”*

Finally, cross-checking data on remuneration with those concerning the existence of “at risk” situations (see par. 3.3. and Tab. 17), we checked whether situations “at risk” are associated with a higher remuneration (a potential symptom of independence impairment). Results are reported in Tab. 47: “at risk” auditors - as early defined<sup>153</sup> – actually receive a higher remuneration (78,000 €, that is about 80% more than that - 44,000 € on average - of statutory auditors not characterized by “particular situations”). The remuneration difference - between the two categories of auditors - is more pronounced than that between the chairman and other statutory auditors. This situation is widespread, but the difference is more pronounced in larger companies (where compensation of “at risk” auditors is more than twice as high as that of other statutory

---

<sup>153</sup> “At risk” situations, already analysed in par. 3.3., were defined taking into account two basic situations: a) receiving a “high” compensation (60 cases) and b) holding the office from more than 9 years (118 cases). The two situations could, obviously, find place at the same time (i.e. for the same person). The data reported are affected by potential endogeneity problems, since “at risk” statutory auditors are defined also according to their remuneration. However, cases of “high” remuneration are about a half (60 vs. 118) of those concerning directors holding their office for more than 9 years. From Tab. 17 it should be observed that out of a total of (699-543)= 156 “at risk” statutory auditors, 96 are in charge from more than 9 years, 38 receive “high remuneration” and 22 are characterised by both situations.

auditors: 159,000 € vs. 79,000 € in FTSE Mib) and in the non financial sector (71,000 € vs. 39,000 € of statutory auditors “non at risk”. In the financial sector, instead, the difference is less pronounced: “at risk” statutory auditors receive 122,000 € vs. 90,000 € of others).

As well as for independent directors, higher remunerations received by “at risk” auditors are, typically, linked to additional positions in subsidiaries or affiliated companies. The payment of “other compensation”, e.g. for professional services, is quite rare.

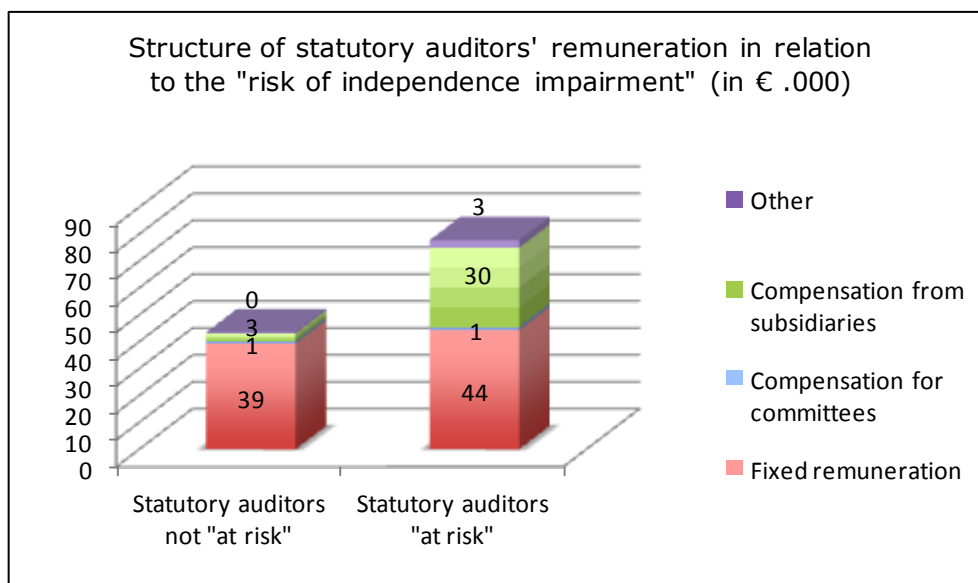


Figure 62

## THIRD PART:

### Quality of the comply-or-explain

#### 5. The comply-or-explain principle

##### 5.1. Principles in the Corporate Governance Code

The monographic part of this year focuses on the application of the comply or explain principle by listed companies. This principle plays a key role (and the topic is under closer scrutiny) in the application of Code recommendations:

- a) the Corporate Governance Committee stated (December 9, 2013) its intention to carry out an in-depth analysis on the quality of information provided by issuers on their corporate governance (and to continue to monitor the developments in the law and in the national and international practice), in view of a possible future revision of the Corporate Governance Code <sup>154</sup>.
- b) the European Commission published (April 9, 2014) a Recommendation on the quality of corporate governance information, highlighting the key role of the comply-or-explain principle and stating the need (in order to motivate companies to comply with the relevant CG Code and to clearly state which specific recommendations they have departed from) to carry out an efficient monitoring activity at national level, as a part of the extant monitoring mechanisms.

Therefore, an in-depth analysis on issuers' application of the comply-or-explain principle looked particularly interesting.

In the Italian jurisdiction, this principle finds a legal basis in Art. 123-*bis*, par. 2 lett. a) CLF, which requires companies to disclose information regarding: a) the compliance with codes of conduct for corporate governance promoted by companies managing regulated markets or by professional associations "explaining reasons for any non-compliance with one or more recommendations of that code", as well as b) the corporate governance practices actually adopted by the company beyond the obligations required by laws or regulations. While public disclosure is compulsory for each (significant) corporate governance decision adopted on a voluntary basis, the

---

<sup>154</sup> The revision of the Code actually took place on July 2014.

company is required to explain decisions if those are departing from recommendations contained in a code previously adopted by the issuer itself.

For what specifically concerns the Code, the functioning of the comply-or-explain principle is defined by main principle III<sup>155</sup>, which recommends issuers adopting the Code to provide in their Reports “accurate, concise and easily understandable information on the manner through which each single recommendation contained in the principles and criteria has been effectively implemented during the period covered by the report. If the issuer has not implemented, in whole or in part, one or more recommendations, it shall supply adequate information with regard to the reasons for the omitted or partial application.”

Monitoring the application of the comply-or-explain principle requires to identify in advance the cases where an explanation is actually due. In this regard, it should be noted, first, that some recommendations are not addressed to companies (i.e. to BoDs, which – however – are in charge to draw up the CG Report including all the required information), but to other subjects, i.e. shareholders, individual directors or other corporate bodies (e.g. the BoSA). Monitoring the application of the comply-or-explain principle is inherently difficult when the recommendation does is not addressed to the subject drafting the CG Report (i.e. the BoD), since the Board may not have the information needed to explain non-compliance.

Secondly, the content of some recommendations is not suitable for a formalized monitoring. For instance some principles and criteria merely provide definitions, and, unless otherwise indicated, the issuer is supposed to be compliant with them; other recommendations provide alternative solutions, and compliance may be reached through a mere description of the solution chosen, without providing any reason for the choice made. Finally, some recommendations apply only to specific situations, which may not be easily observable; in this case, the lack of information may be due,

---

<sup>155</sup> As in the rest of the analysis, we make reference to the version of the Code published on December 2011. CG Reports examined are indeed those available up to July 15, 2014. It should be noted that on July 14, 2014, the Corporate Governance Committee approved a new version of the Code, with a significant amendment of the main principle III, in accordance to the EU Recommendation n. 208/2014. According to the new principle: “issuers clearly state in their Corporate Governance Report which specific recommendations, laid down in principles and criteria, they have departed from and, for each departure: (a) explain in what manner the company has departed from a recommendation; (b) describe the reasons for the departure, avoiding vague and formalistic expressions; (c) describe how the decision to depart from the recommendation was taken within the company; (d) where the departure is limited in time, explain when the company envisages complying with a particular recommendation; (e) if it is the case, describe the measure taken as an alternative to the relevant noncomplied recommendations and explain how such alternative measure achieves the underlying objective of the recommendation or clarify how it contributes to their good corporate governance”.



alternatively, to a full compliance with Code recommendations<sup>156</sup> or to situations where partial or total non-compliance are not accompanied by “adequate explanations”.

Consequently, we focus on Code paragraphs where compliance with single recommendations can be objectively observed and, therefore, it is easily observable if, in case of omitted or partial application, the company discloses the reasons for non-compliance. The analysis covers non-compliance situations and explanations provided, without investigating the reliability and robustness of the latter, which should be – obviously – evaluated by the market.

### *5.2. The application of the principle with regard to single recommendations*

The analysis covers the following aspects:

#### *a) Adoption of the Code*

Almost all companies declared their formal adoption of the Corporate Governance Code: only 17 issuers explicitly stated that they did not adopt the Code. In this case, they provide information on their corporate governance model pursuant to Art. 123-*bis* CLF.

Neither the mentioned rule, nor the CG Code explicitly require companies not adopting the Code to provide an explanation for their choice. Nevertheless, issuers frequently provide an explanation for the non-adoption, or state that their corporate governance model is substantially in line with Code provisions, with national best practices or (in companies belonging to supervised sectors) with recommendations issued by surveillance authorities (this happens in 12 cases, i.e. 71% of the aggregate; 9 cases in 2013; see Tab. 48).

---

<sup>156</sup>The complete absence of information regarding the application of the Code’s principles to which to company adhered, however is never consistent with regulation. Even a company complying with Code recommendations is required to disclose (in line with Art. 123-*bis* CLF) information about its governance structure. Full compliance with the Code is sometimes defined as comply-AND-explain, even though – of course – the explanation due is different from the one required in case of non-compliance, since it would describe how the company implemented recommendations, and not why it made certain decisions.

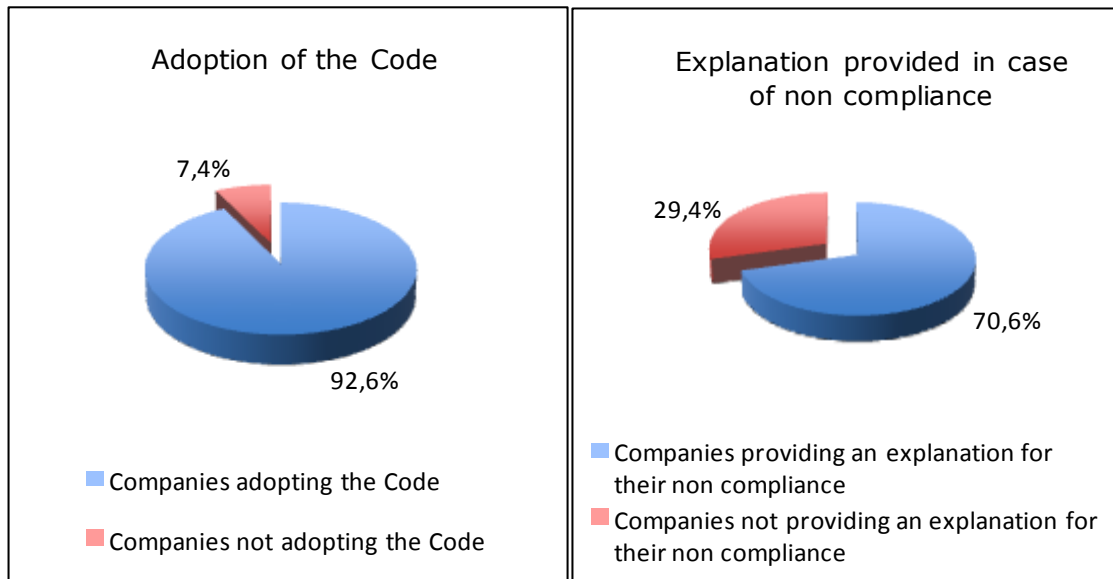


Figure 63

Given the small sample size, summary statistics are here of minor importance. Nevertheless, the analysis of individual cases may be of interest. For instance, one company not adopting the Code states its compliance with some Code recommendations. In such cases, companies are required to disclose the corporate governance practices implemented on a voluntary basis, but not to explain (*ex Art. 123-bis CLF*) departures from Code recommendations. Another company declares to be compliant with a prior version of the Code approved by the Corporate Governance Committee, i.e. not to have adopted the last version of the Code.

The decision not to adopt the Code is generally explained by reference to company features (e.g. size, structure) and/or ownership structure; sometimes companies declare that their governance model is adequate to those characteristics.

One small cap company states that, after many years of (partial) adoption of the Code, decided to adopt it no more. This company stated that, in the specific case, departures from Code recommendations were not particularly significant and that providing explanations for each non-compliance was not worth the effort required.

#### *b) Board evaluation*

182 issuers (i.e. 79% of the total) state that they have carried out the self-evaluation of the board of directors (see Tab. 5). The other 48 companies disclose that they did not put in place such activity or do not provide information. An explanation of the decision not to carry out the board evaluation is available in 12 issuers. Among the other 36

issuers, 11 have not adopted the Code; in the other 25 cases it is not clear whether the self-evaluation has been carried out and information is missing in the corporate governance report or, instead, the board evaluation has not been performed. In the former case, this would be a non-compliance with criterion 1.C.1., par. i), in the latter with criterion 1.C.1., par. g).

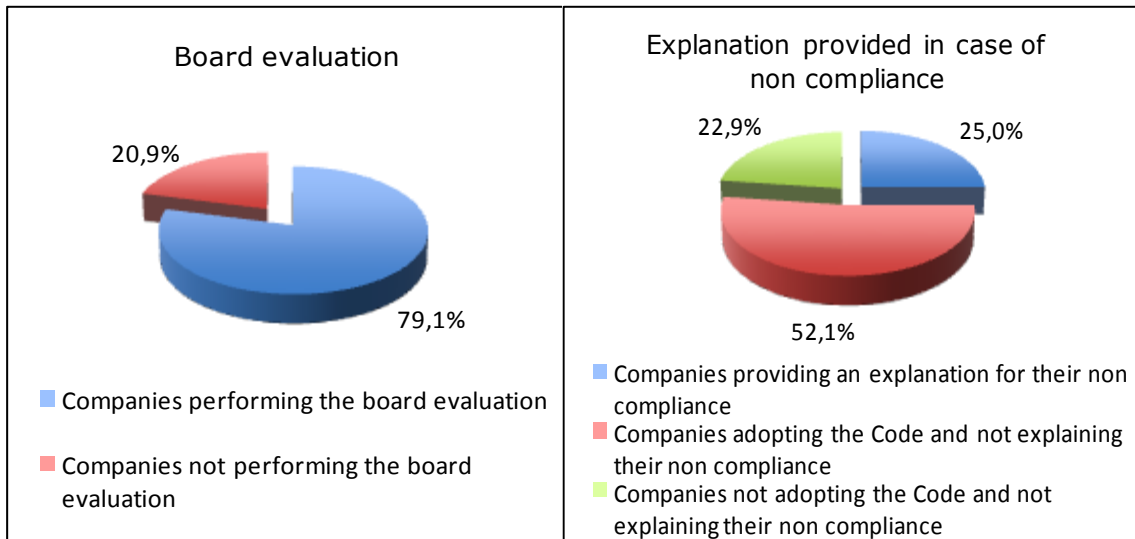


Figure 64

As already mentioned, information on board evaluation are provided more frequently by larger companies. Disclosure of the reasons not to carry out board evaluation is also more frequent in FTSE Mib companies (i.e. 67% among non compliant companies, vs. 43% among Mid Cap and 22% among Small Cap companies; see Tab. 48).

For what concerns the decision not to carry out the board evaluation, the explanations provided fall into a few well-defined categories. Issuers frequently report temporary reasons: in 6 (out of 12) cases, companies declare their intention to carry out the board evaluation in 2014, or explain the non compliance with a variety of reasons, such as IPOs, a recent board renewal or other specific circumstances, e.g. a spin-off from another company, changes to the governance model (from a two-tier to the so-called “traditional” model) or other specific and more urgent circumstances requiring the attention of the BoD. In other 3 cases an omitted self-evaluation is linked to issuer’s characteristics, e.g. small size, structural features or “no changes regarding professional requirements and well-founded experience of directors”; in one case, in addition to a small board size, the company provides as explanation also “the practice of having a continuous flow of information (...) about company’s activities”. In the last

two cases (one is a FTSE Mib company), the decision not to carry out the board evaluation is linked to its – stated – being of limited use.

*c) BoD composition*

The Code provides many recommendations on Board composition where it is easily observable<sup>157</sup> if the company is compliant or not: e.g. the BoD shall be made up of executive and non-executive directors (Principle 2.P.1) and independent directors shall be not less than two or – in FTSE Mib companies - at least one third of BoD members (rounded down) (criterion 3.C.3.).

Companies whose Board of Directors does not meet one of these recommendations are 21 (i.e. 9.1%) (see Tab. 48): one company has no executive directors; the other 20, as already noted (par. 3.3 b), have an insufficient number of independent directors: 13 companies have no independent director (or do not disclose information on their presence)<sup>158</sup>, 5 have only one independent; in the last two companies – belonging to the FTSE Mib – the number of independent directors is at least equal to 2, but is, however, lower than 1/3 of the BoD (one company is not, however, formally non-compliant, since still under the temporary regime, that allows this composition until the next BoD renewal, taking place in 2015).

Non-compliance with recommendations on BoD composition may well be due to a shareholders' (in the selection of nominees) and not to a Board decision. Consequently, disclosure of the reasons for non-compliance is quite uncommon (8% of the aggregate). However, in other 12 cases, it appears to be related to the omitted adoption – *tout court* – of the Code.

---

<sup>157</sup> Monitoring the compliance with other recommendations, e.g. the one requiring an “adequate” number of independent, is clearly more complicated and relates to the evaluation of subjective values.

<sup>158</sup> However, it is possible that companies have one or more directors qualified as independent by CLF.

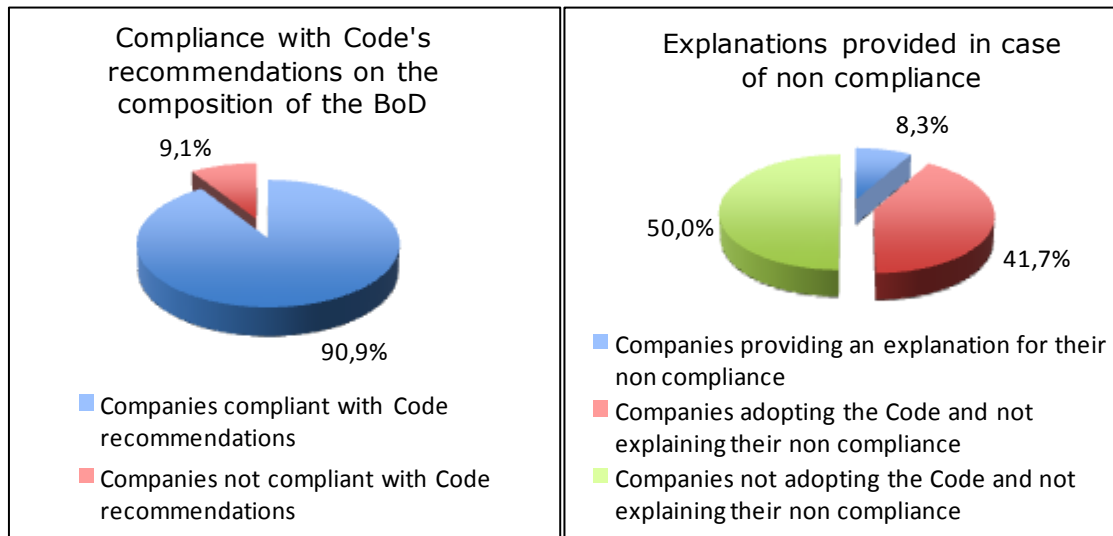


Figure 65

Explanations usually refer to cases where the number of independent directors is insufficient: a FTSE Mib company states that the BoD has considered appropriate to have 2 independent directors, as this number, besides being consistent with the provision of Art. 147-ter, par. 4 of the CLF, is deemed adequate in order to guarantee the effectiveness of their role and to ensure that their opinion has a significant impact on board decisions. In a second case (a Small Cap company) it is simply disclosed that the BoD considered adequate the present number of independent directors (i.e. 1).

#### d) Lead Independent Director and meetings of independent directors

The Code recommends to appoint a Lead Independent Director (LID) where the Chairman is also the CEO or where the chairman is the person controlling the company. Situations where the appointment of a LID is recommended are not immediately recognizable: in particular (as already mentioned in par. 3.3 f)), issuers do not always identify their CEO. Therefore, the analysis on the application of the comply-or-explain principle required an autonomous interpretation, which made possible to identify 93 companies where the appointment of a Lead Independent Director is recommended. A LID has been appointed by 101 issuers, 69 of which fall into situations where his/her appointment is recommended by Code. In the other 32 cases the LID was appointed on a voluntary basis.

24 companies do not appoint a LID, despite being in a situation where this figure would be recommended: among them, 7 have no independent directors (according to the Code definition), so that the appointment of a LID is impossible. Among the remaining

17 companies, an explanation of the decision not to appoint a LID is provided frequently: it is disclosed in 11 cases, i.e. 65% of the aggregate (see Tab. 49). The 6 cases for which no explanation is provided are small size companies: two of them have not adopted the Code, two have only one independent director<sup>159</sup>, while in the last two companies the omitted appointment of a LID no explanation is provided.

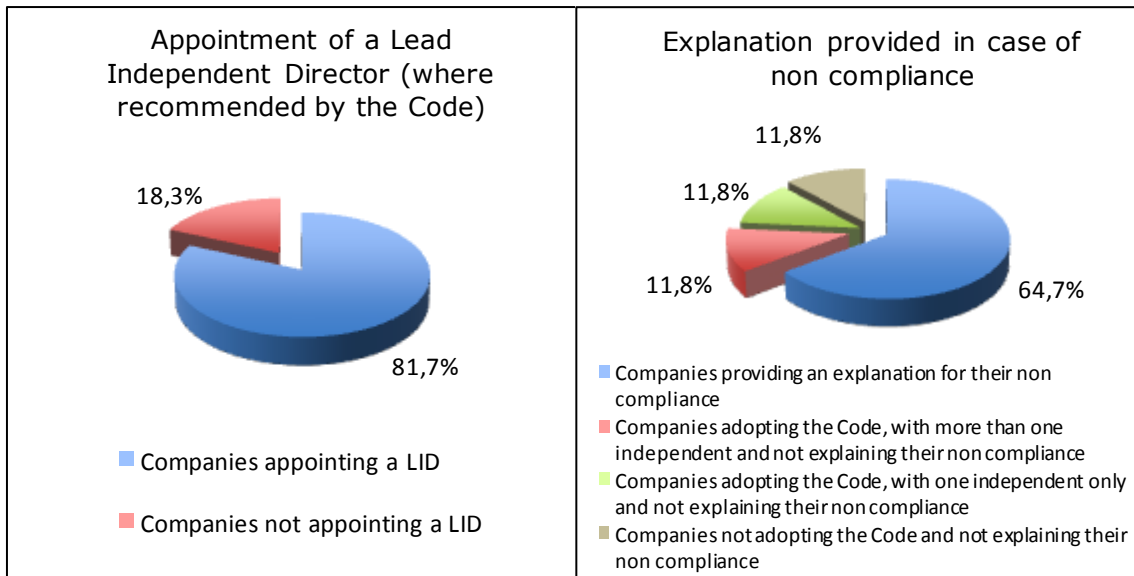


Figure 66

The reasons for the omitted LID appointment refer to some typical circumstances: most frequently, the appointment of a LID has been deemed not necessary, for reasons related to firm size, board size or composition. A company states that the BoD, which will expire with the approval of the 2013 financial statements, deemed appropriate to defer a LID appointment until powers and tasks of new directors will have been defined. In other cases the explanation is related to the functioning of the board, e.g. the allocation of powers to multiple executive directors, the prior and adequate information to the board about the topics on the agenda of each meeting, the frequent meetings of independent directors. Other companies make reference to the structure of delegated powers or to the fact that all governance decisions are taken collectively by

<sup>159</sup> Even in this case the appointment of a LID (which would coincide with the only independent director present on the board) is not redundant: even though it is not possible to have meetings of independent directors, according to criterion 3.C.6. of the Code, the LID can act as “a reference and coordination point for the requests and contributions of non-executive directors”, in line with criterion 2.C.4..

the BoD, and therefore also with the contribution of independent directors; moreover, a company explicitly states that conditions for the appointment of the LID are not met<sup>160</sup>.

An explanation for the omitted appointment of a LID is often provided also when – according to the previous analysis – such figure would not be explicitly recommended. The reasons reported are essentially the same mentioned above, and, possibly, the statement that conditions required for the LID appointment are not met.

The Code recommends that meetings of independent directors shall be convened at least once a year. Contrary to what happens in some foreign countries (e.g. in the UK), the CG Code does not specifically attribute to the LID the tasks of summoning these meetings and setting the agenda. This solution is, however, quite frequent and, anyway, meetings of independent directors take place more frequently where a LID has been appointed (73% of cases vs. 55% of companies where a LID has not been appointed).

As already mentioned, 126 companies state that independent directors have effectively met (out of a total of 207 issuers having at least two independent directors). Among the other 81 firms, 65 explicitly declare that independents have not met during the year of reference, while 16 do not provide any information (see Tab. 49). Where no meeting took place, an explanation was provided only by 32 issuers. Information is provided more frequently among larger companies (67% of cases in FTSE Mib, 42% in Small Cap)<sup>161</sup> and in the financial sector (80% of cases vs. 47% among non-financial companies).

---

<sup>160</sup> This does not, apparently, a classification mistake made in the previous analysis, since the chairman is explicitly identified “from a legal point of view” as “the main responsible for the management of the issuer”.

<sup>161</sup> Percentage data reported refer only to those companies explicitly providing information in their CG Reports.

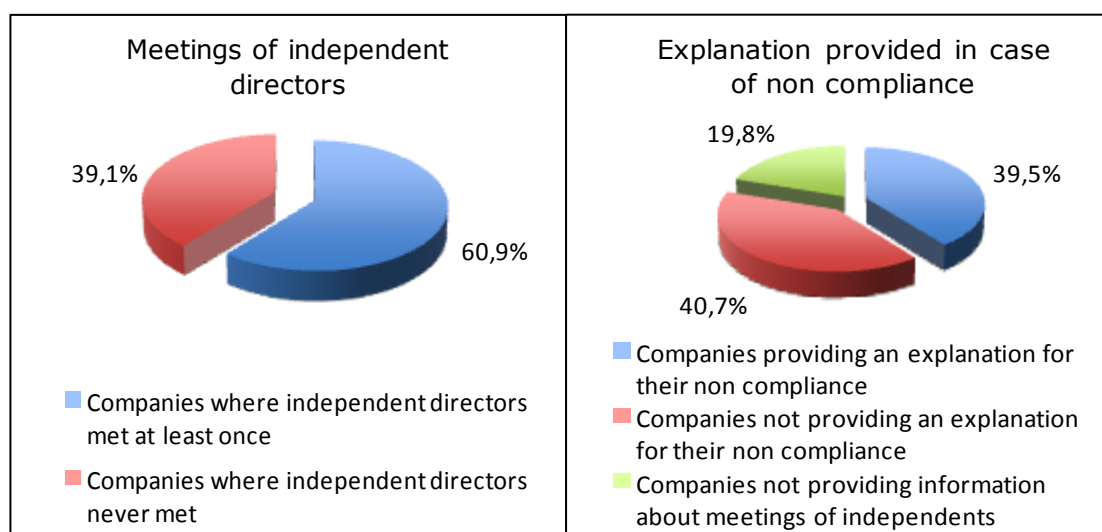


Figure 67

The explanation for the absence of meetings is frequently linked to the fact that independent directors have not considered it necessary. In half of the cases (16 out of 32) the motivation is related to the circumstance that independent directors are also members of the CRC (or of the remuneration committee), so that the attendance to such committees is sufficient to guarantee adequate communication in absence of other directors. Sometimes companies report other circumstances, e.g. the dialogue within the BoD and the allocation of powers and competences, the lack of significant operations, a complete flow of information received from executive directors, the significant role played by independent directors in board and committee decisions or the fact that the BoD is monthly involved in the management of the issuer and always took decisions unanimously. A newly listed company simply states that meetings of independent directors “are not provided”.

*e) The application of independence criteria*

Criteria for the evaluation of directors’ independence are “to be considered merely as an example and not limited to” the events specifically enumerated in the Code. As specified in the comment to Art. 3 of the Code, the BoD may adopt, for the purpose of its evaluations, additional or different, in whole or in part, criteria “giving adequate information to the market together with the relevant reasons” (on a comply-or-explain basis).

The non-application of criteria set forth by the Code for the evaluation of independence is rarely disclosed (as already mentioned, it happens only in 13 cases, i.e. 5.7% of the



aggregate) (see Tab. 49). In most of the cases (11), the disapplication concerned the so-called “9-year rule”. The disapplication of independence criteria is almost always accompanied by information on the reasons behind this choice (11 cases out of 13, i.e. 85% of the aggregate). Explanations usually refer to the opportunity not to lose prematurely competences acquired over time or not to apply the criterion mechanically.

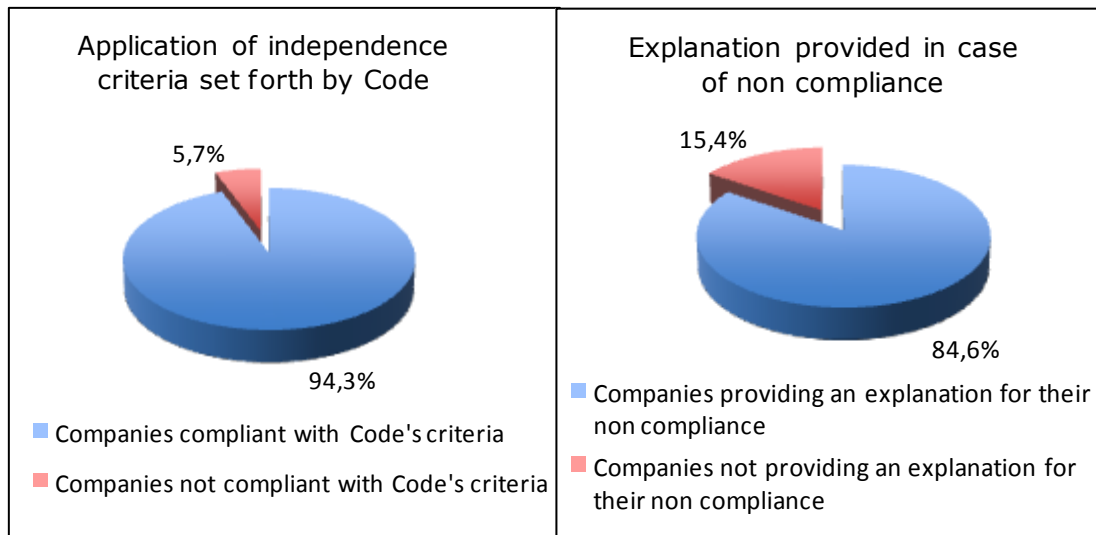


Figure 68

A different situation arises when issuers evaluated one or more directors to be independent pursuant to the general principle of having regard more to the substance than to the form (set forth by criterion 3.C.1.). This is not, technically, a non-compliance with the Code. Disclosure of information concerning the evaluation process and/or the reasons behind the decision to identify a director as independent, although he is in a situation “at risk” according to Code criteria, is however useful; furthermore, it could represent a corporate governance practice actually implemented by the company, beyond the obligations provided for by laws and regulations, in line with Art. 123-*bis* CLF.

As already mentioned, 33 companies explicitly state that the application of independence criteria has been put in place “having regard more to the substance than to the form”, possibly in relation to individual directors. In such cases, companies frequently disclose additional information, beside the reference to the above mentioned principle (this happens in 85% of cases; always in the financial sector)<sup>162</sup>. The

<sup>162</sup> However, it is possible to have overestimated data, as it is easy to identify situations when the “substantial” principle is applied if the company discloses this information, while it can be more difficult if no explicit information is provided.

explanation, often related to the “9-year rule”, generally refers to the opportunity to avoid a mechanic application of Code criteria, to ethical qualities of the single director, to their constant commitment and independent judgement, to the constant challenge and support to the dialogue within the board or to specific experiences which show that an individual director is capable of independent judgement. Sometimes CG reports make reference to the circumstance that compliance with other independence criteria, without exceptions, may be understood as a symptom of the independence of the director concerned.

Some companies report more specific explanations, concerning the lack of commercial, professional or personal relations and/or the small size of the remuneration for the director position in relation to the global income of the persons concerned. One issuer states that the number of directors not involved in situations “at risk” is quite high.

Interestingly, the explanation often refers, specifically, to each individual director (and/or statutory auditor) concerned and sometimes reports also specific circumstances for each of them. A company makes reference to the assessment of a specific situation, considered irrelevant “in view of the circumstances, that exclude the risk of conflict of interest”; however, no further details were provided.

*f) Establishment and composition of board committees*

The Code recommends (Principle 4.P.1.) to establish committees, respectively envisaged by Articles 5, 6 and 7 (nomination, remuneration and control and risk committee, respectively). Committees can be merged and/or their functions can be distributed in a different way, under certain conditions. Issuers are required to disclose information, regarding the establishment and composition of committees, as well as the functions they are entrusted with (criterion 4.C.1. par. g)).

As already observed, the nomination committee has been established by 113 companies and is frequently unified with the remuneration committee. Among the 117 companies that did not establish it, an explanation is disclosed by 102 companies, i.e. 87% of the aggregate (see Tab. 50); among the 15 companies where no explanation is provided, however, 4 have not adopted the Code and 1 adopted it only “partially”.

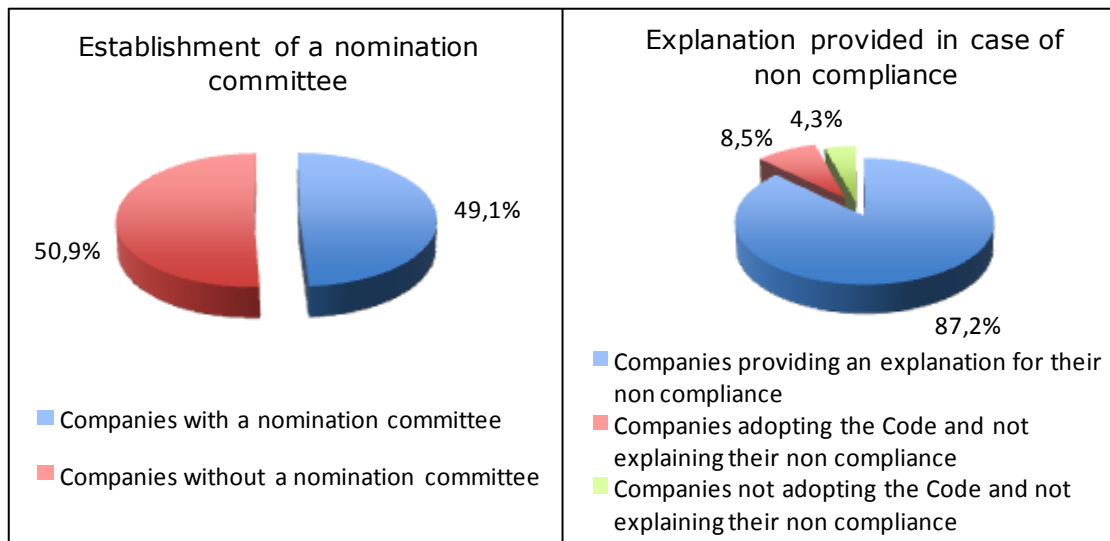


Figure 69

Explanations provided for the omitted establishment of a nomination committee frequently refer to legal and regulatory provisions, requiring the appointment of directors according to the “slate voting system”, where lists of candidates are usually submitted by shareholders. Sometimes, companies make specific reference to the active role performed by a controlling shareholder, to firm ownership structure or to the fact that in the past there were no problems concerning board renewals. Some companies refer also to the possibility not to establish the committee, under specific reasons and pursuant to criterion 4.C.2. of the Code, or state that the functions of the committee are attributed to the board as a whole.

In the 35 companies which established an autonomous nomination committee, it is always composed by a majority of independent directors, in line with Principle 5.P.1.. An explanation of this choice is, therefore, not required.

The number of committee members is usually equal or higher than 3, as recommended by criterion 4.C.1. par. a), in companies whose board is composed by at least 9 directors: only in two companies the committee is composed by 2 members (both independent); however, only one company is not compliant, because the BoD of the other issuer is composed by 6 directors. Three companies have not identified the chairman of the committee. Explanations for the omitted identification of the chairman or for the insufficient number of its members are never provided. In 2/3 of cases the committee never met in 2013.

As already mentioned, 202 companies established a remuneration committee. Among the 28 companies that did not establish it, an explanation for this choice is disclosed by 20 issuers, i.e. 71% of the aggregate (see Tab. 50); among the 8 companies that did not disclose any reason for the omitted establishment of the committee, 5 have not adopted the Code and one adopted it only “partially”.

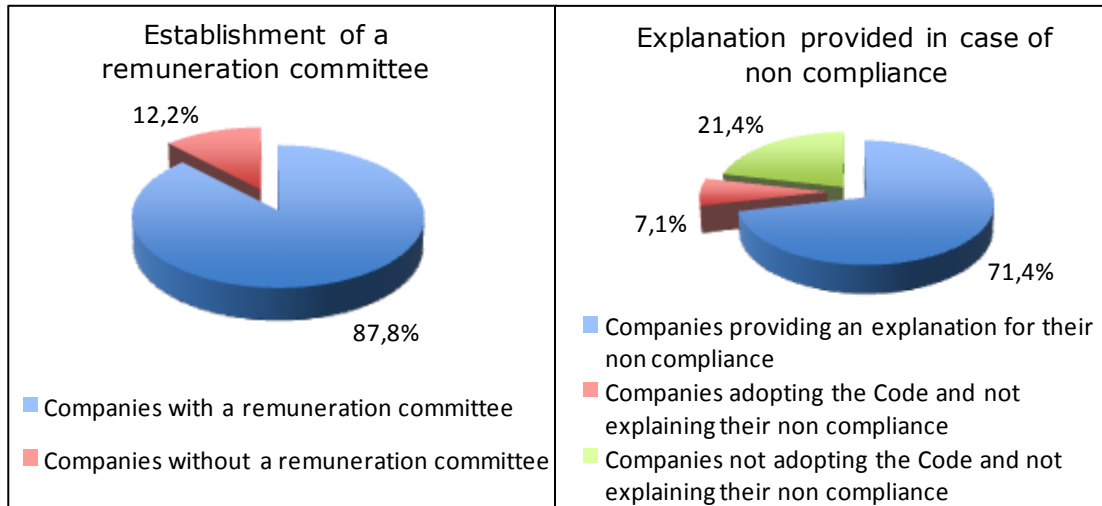


Figure 70

Explanations provided when the remuneration committee is not established usually make reference to small firm size or to the opportunity to simplify the governance structure of the company (for this purpose, two companies stated that they abolished a previously existent committee); other issuers state that the directors' remuneration is fixed by the AGM, or that powers of the committee are attributed to the remuneration committee of the controlling company. Some companies make reference to the role of the entire BoD<sup>163</sup> in the remuneration setting process or to the role, number and/or standing of independent directors. A one-tier company disclosed that the functions of the committee are attributed to the internal control committee, a two-tier company that these functions are attributed to the supervisory board. Finally, an issuer explained its choice by reference to the small amount of the remuneration paid.

<sup>163</sup> Art. 4.C.2. of the Code states that the establishment of one or more committees may be avoided and the relevant duties may be assigned to the Board of Directors, under the following conditions: a) independent directors are at least half of the Board of Directors members, rounding down to the lower unit if the number of the Board members is odd; b) adequate time is dedicated during the Board meetings to actions that the Code requires the Committees to carry out; c) as far as the CRC is concerned, the issuer is neither controlled by another listed company nor it is subject to direction and coordination. Out of the 18 companies that adopted the Code but not established a RC, only 10 have a sufficient number of independents to meet condition a).

The remuneration committee, in 202 companies that established it, is often made up of independent directors only, or of non executive directors only, the majority of which and the chairman are independent, as recommended by Principle 6.P.3.. As already noted, this happens in 163 cases, i.e. 81% of the aggregate. In the remaining 39 cases the composition of the RC is not compliant with Code recommendations: however, 3 cases should not be considered as “non compliance cases”, since the first renewal of the BoD, after the entry into force of the 2011 Code, has not yet occurred.

An explanation for non-compliance situations is quite rare: information is available only in 8 cases, i.e. 21% of the aggregate<sup>164</sup>, one of which is a company explaining to be still under the temporary regime mentioned above. In 7 cases, an explanation for non-compliance is provided: in 2 companies the presence of an executive director in the committee is justified with the opportunity to “provide the necessary information and clarifications concerning the proposals to the BoD”, given the importance of human capital for corporate value, or to “ensure the compatibility of the committee decisions with the organisational changes occurred within the company and with the development plans of management and human resources”. The company that did not appoint a chairman of the committee makes reference to the “adequate competences” of the other committee members. Moreover, various explanations are provided by 4 companies which appointed a non-independent committee chairman: one states the necessity to maintain operational and governance continuity, since other committee members are newly appointed; one makes reference to the professional experience of the chairman; one to the assessment carried out by the BoD about the adequate functioning of the committee; the last states that “the presence of a majority of independent directors is, *per se*, sufficient to ensure the required board autonomy, without attributing special powers to the chairman”.

The number of members in the remuneration committee is almost always equal or higher than 3: as already mentioned, only 11 issuers have a committee made up of 2 members; they are all companies with a board composed by at most 8 directors, and therefore an explanation for their choice is not required. However, in two cases, the members of the committee are not both independent, as recommended by criterion 4.C.1. par. a). In such cases, an explicit explanation is not provided: a company simply declares that the BoD positively evaluated the competences of the committee members; the other previously had a committee made up of 3 members, but the BoD set forth the reduction to 2 members, without providing any explanation.

---

<sup>164</sup> In few cases some missing explanations are not actually required, as companies are still under the temporary regime set forth by the 2011 Code (main principle VIII).

Finally, the Control and Risk Committee has been established by 210 companies. Among 20 companies that did not establish it, an explanation is provided by 16 companies, i.e. 80% of the total (see Tab. 50); among the 4 companies providing no information on the omitted establishment of the committee, 2 have not adopted the Code and one adopted it only “partially”.

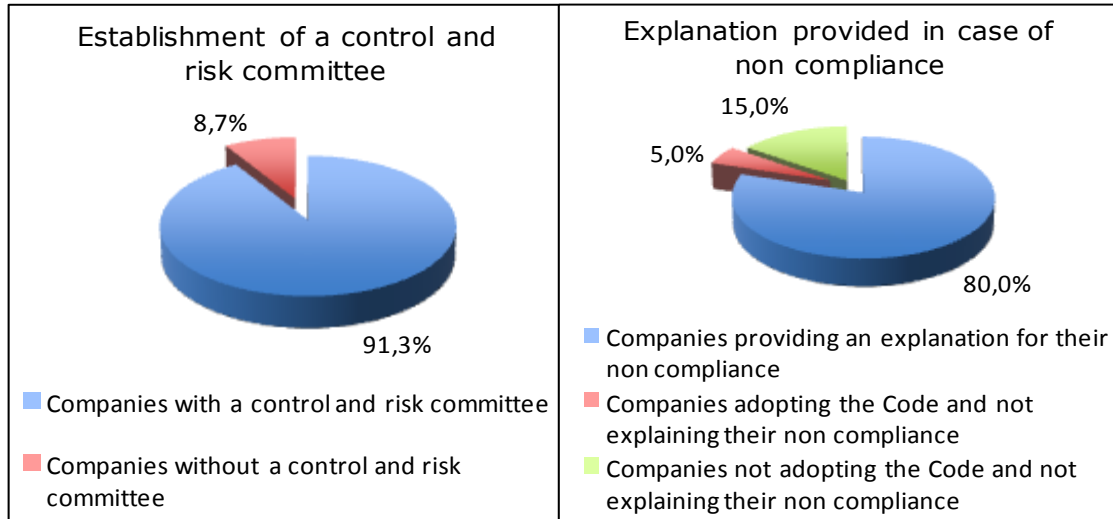


Figure 71

As already noted with regard to the remuneration committee, the decision not to establish the CRC is frequently explained with a reference to the company small size or to the opportunity to simplify the governance structure (an issuer actually states that, to this purpose, the committee previously established has been dismantled) and/or to the decision to entrust the board of statutory auditors with the functions of the committee; some companies make reference to a positive general situation of the company or to the existence of an efficient system of internal control. A company states that it is a holding company and the subsidiaries, belonging to different sectors, have already implemented internal control systems. Finally, a two-tier company states that the committee functions are attributed to the Supervisory Board.

In 210 companies that established the CRC, the committee is frequently made up of independent directors only, or non-executive directors only, the majority of which and the chairman are independent, as recommended by Principle 7.P.4.. As already mentioned, this happens in 182 cases, i.e. 81% of the aggregate. In the remaining 28 cases, the composition of the control and risk committee is not compliant with the Code<sup>165</sup>.

<sup>165</sup> Alternatively, exhaustive information on its composition (e.g. on the effective selection of a chairman) are not available, or the chairman of the committee is not independent. In some cases, explanations are

Reasons for non-compliance are rarely disclosed: an explanation is available only in one case, where the CRC is made up of non-executives and half of them (and also the chairman) are independent. The reason reported is the intention to guarantee continuity in the composition of the committee and, consequently, an efficient and effective control system.

The Control and Risk Committee is almost always made up of at least 3 members: as already observed, in 19 cases only the committee is composed of 2 members; this usually happens in companies whose board is made up of at most 8 directors, and therefore an explanation is not required. However, three companies have a larger board (respectively composed of 9, 11 and 13 directors). Moreover, in three cases, members of the committee are not both independent, as recommended by criterion 4.C.1. par. a): in two cases there is only one independent director, in the last one a member is an executive and the other is a non-executive director (independent according to the CLF definition, but not according to the Code). In none of these cases an explicit explanation is provided: a company previously had a committee made up of 3 members, but the BoD set forth the reduction to 2 members, without providing any explanation in the Report.

#### *g) Internal control system*

Concerning the internal control system the Code identifies some recommendations, for which we can easily check the compliance. Among them, the BoD is entrusted with the power to appoint and revoke the person in charge of the internal audit function (criterion 7.C.1., last sentence) and to approve the annual audit plan (criterion 7.C.1. par. c)).

As already mentioned, companies state almost always (216 cases, i.e. 94% of the aggregate) that they established an Internal Audit function and/or have appointed the person in charge of this function. In most cases the BoD is entrusted with his/her appointment, as recommended by the Code: this happens in 204 cases, i.e. 94% of the aggregate. Exceptions are, almost exclusively, Small and Micro Cap companies. In remaining 26 cases (see Tab. 51) a person in charge has not been selected or the company simply discloses who is the person entrusted with his/her appointment (alternatively, the chairman, the managing director, the director entrusted with the control system, possibly after hearing the CRC, the controlling company), generally without providing further information. Some companies state that the function is centralized in the controlling company or in another company of the group; many small

---

not actually required, since the company is still under the transitory regime set forth by the 2011 Code (main principle VIII).

and medium size companies report that they have outsourced the function to an external provider. Finally, an issuer discloses that, since it is a holding company, the internal control function is established at the subsidiaries' level.

Companies often disclose that the annual plan drafted by the Internal Audit function<sup>166</sup> has been officially approved by the BoD. This happens in 149 cases, i.e. 65% of the aggregate. In remaining 81 cases the plan has been approved by a different subject or, more frequently, the company does not disclose information in this regard. Issuers rarely explain the reasons for the adoption of different solutions; in 11 companies providing information, only the alternative person entrusted with the approval of the Internal Audit plan is disclosed: they are mostly companies complying with the previous version of the code, that recommended attributing this function to the ICC/CRC. Two companies state that the approval of the annual plan will be entrusted to the BoD starting from 2014.

#### *h) Remuneration policy*

Finally, we checked compliance with some Code recommendations concerning the remuneration policy. They deal with the definition of a variable component of the remuneration of executive directors (linked to the achievement of specific performance objectives) (principle 6.P.2.), deferral of a significant portion of the variable component (criterion 6.C.1. par. e)) and the provision of a cap to the variable component (criterion 6.C.1., par. b)) as well as the indemnities eventually set out by the issuer in case of early termination or non renewal of directors (criterion 6.C.1., par. f)).

As already mentioned, 175 companies (i.e. 75% of the total) declare the existence of a variable component, linked to firm performance. Actually, also in 55 companies that are providing no variable remuneration to their directors (see Tab. 52), some directors may receive a variable remuneration as employees of the company<sup>167</sup>. Among these companies, 10 have not adopted the Code. In other 12 cases (i.e. 22% of the total) an explanation is available.

---

<sup>166</sup> It should be noted that an Internal Audit function can be established also without the explicit appointment of a person in charge (and that the person in charge may have been selected, but disclosure may lack about his identity and/or about who is entrusted with the power to appoint and revoke him/her).

<sup>167</sup> There is also a football company where no director "receives fixed or variable remuneration, or non monetary benefits".



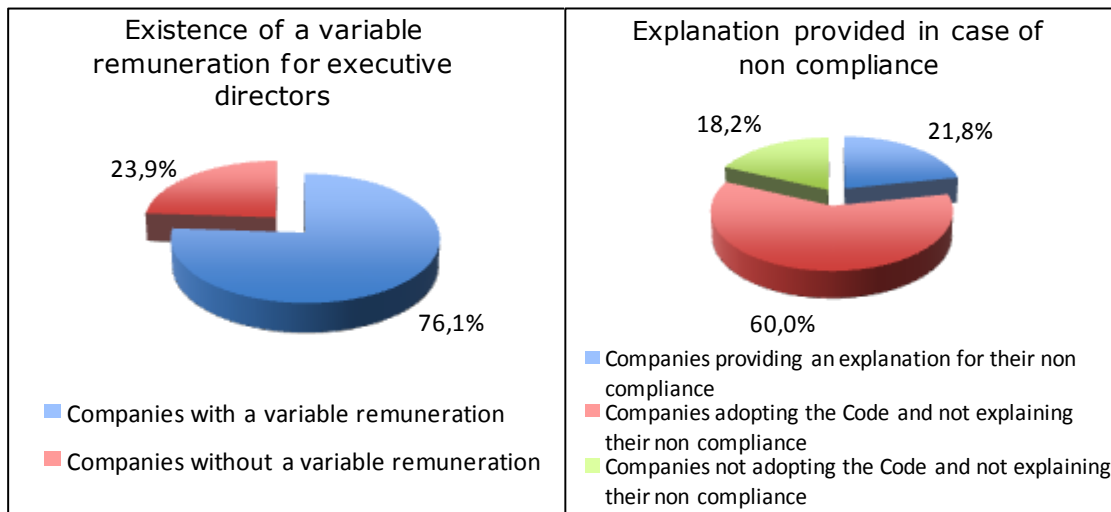


Figure 72

Explanations may be classified according to the following macro categories: a) the decision to maintain a discretionary power for the assignment of a variable component, linked to the assessment of “the quality of directors”, and not “related to the achievement of performance objectives”; b) reasons of principle referring to “the need of moderation in this field, of a conscious participation to founding principles, as well as the need to preserve the creation of economic and social value in the long term and to enhance all business activities, also those not having a direct and immediate economic profitability”, or to the opinion that “the absence of a variable component of the remuneration is more in line with sound and prudent management, which lies at the root of the top management conduct in the Issuer and is consistent with the aim of creating value in the long term”; c) the circumstance that executive directors are also major shareholders of the company and therefore do not need a specific incentive plan; d) other reasons, generally related to a difficult financial situation of the issuer.

The deferral of a part of the variable remuneration is typically related to the adoption of long-term incentive plans (LTIP), both cash or stock-based. Because of the wide variety of technical mechanisms that can be implemented, in practice, for this purpose, it is difficult to observe all the deferral strategies (and, therefore, also their omitted adoption, in order to identify cases where an explanation would be required by the Code). Therefore, we have decided to adopt a streamline approach in our analysis and

search for an explanation in all cases where, although the presence of a variable remuneration, a long-term component is missing<sup>168</sup>.

Where no deferral of the variable remuneration is provided, an explanation is rarely available (it happens only in 5 Small Cap companies, i.e. 11% of the issuers providing only a short-term variable component). Two companies state that they do not consider deferral a key factor for a proper management of corporate risks. One issuer reports that the main driver of firm performance is the cost of raw materials, whose purchase price is defined for very short periods of time (at most six months). For this reason the remuneration is designed to reward those activities that may increase profitability in the short run (one year at most). A company deemed sufficient the adoption of a performance target that does not envisage any extraordinary component and therefore discourages opportunistic behaviour aimed at maximizing results in the short-term. The last one explains its choice referring to the actual crisis, which makes it appropriate to pursue operational continuity and short-term results.

Companies disclose almost always the existence of a cap to variable remuneration. It is not possible to identify a cap only in 17 cases (i.e. 10% of the total), including companies whose policy grants with the “possibility” to identify it in the future<sup>169</sup>. In these cases, it is not possible to identify reasons for the choice, on the basis of the available information.

The existence of a cap, specified *ex ante*, to termination indemnities is disclosed quite rarely. As already observed, it can be found in 57 cases (i.e. 25% of the aggregate). In the remaining 173 cases, a cap is not explicitly identified (133 cases) or the Report does not provide enough information to identify it (40 cases) (see Tab. 52). Only in 61 cases (i.e. 46% of the aggregate)<sup>170</sup> companies explain why they do not identify a cap: explanations, basically, make reference to the fact that no agreement is in place with directors (and/or with key management personnel) providing for such indemnities;

---

<sup>168</sup> This conventional solution is based on two premises: a) given that the deferral is recommended only for the variable component, an explanation is not required if the company only provide a fixed remuneration. An explanation for the absence of the variable component will be in turn required; b) the medium and long-term variable component often envisages a deferral through the technical payment mechanisms (as for the case of multi-year incentive plans, that envisage an alignment with the results obtained in the entire period of reference, or stock-option plans, that envisage a vesting period for financial instruments granted to the beneficiary till the option maturity). The accurate analysis of reference clauses requires, however, an in-depth study of the incentive plans, which is not possible in this context.

<sup>169</sup> However, it should be noted that the absence of a cap to the variable remuneration can be due to the features of the specific incentive plan adopted. For instance, a company that envisages only a stock-based plan for executive directors, is unlikely to identify a cap to the variable component, given that the value of financial instruments granted to beneficiaries – potentially – do not have an upper limit.

<sup>170</sup> The reported percentage only refers to companies explicitly disclosing in their Reports that no cap has been identified.

sometimes, companies state, more precisely, that their policy does not envisage such agreements<sup>171</sup>. This explanation, however, seems not entirely consistent with the Code recommendation, since the identification of a cap or a commitment not to pay more than a certain amount reveals its usefulness, precisely when no agreement is in place (where an agreement has been stipulated, a cap is of limited use, because the mechanisms to define the amount of such indemnity would be already operating).

---

<sup>171</sup> The two situations are obviously different, since the mere absence of an agreement at the time the information is disclosed to the market has no implication for a possible future drafting of such contracts (or with regard to the fact that, since, at least in non financial sectors, the policy is not binding, indemnities could be paid “out-of-policy”, following provisions of Consob Regulation dealing with Related Parties Transaction).

## APPENDIX

COMPANY NAME	MARKET INDEX	SECTOR	COMPANY NAME	MARKET INDEX	SECTOR
A.S. ROMA	FTSE ITALIA MID CAP	NON FINANCIAL	BANCA POPOLARE DI MILANO	FTSE MIB	FINANCIAL
A2A	FTSE MIB	NON FINANCIAL	BANCA POPOLARE DI SONDRIO	FTSE ITALIA MID CAP	FINANCIAL
ACEA	FTSE ITALIA MID CAP	NON FINANCIAL	BANCA PROFILO	FTSE ITALIA SMALL CAP	FINANCIAL
ACOTEL GROUP	FTSE ITALIA SMALL CAP	NON FINANCIAL	BANCO DI DESIO E DELLA BRIANZA	FTSE ITALIA SMALL CAP	FINANCIAL
ACQUE POTABILI	FTSE ITALIA SMALL CAP	NON FINANCIAL	BANCO DI SARDEGNA	FTSE ITALIA SMALL CAP	FINANCIAL
ACSM-AGAM	FTSE ITALIA SMALL CAP	NON FINANCIAL	BANCO POPOLARE	FTSE MIB	FINANCIAL
AEDES	FTSE ITALIA SMALL CAP	NON FINANCIAL	BASIC NET	FTSE ITALIA SMALL CAP	NON FINANCIAL
AEFFE	FTSE ITALIA SMALL CAP	NON FINANCIAL	BASTOGI	FTSE ITALIA SMALL CAP	NON FINANCIAL
AEROPORTO DI FIRENZE	OTHERS	NON FINANCIAL	BE	FTSE ITALIA SMALL CAP	NON FINANCIAL
ALERION CLEANPOWER	FTSE ITALIA SMALL CAP	NON FINANCIAL	BEGHELLI	FTSE ITALIA SMALL CAP	NON FINANCIAL
AMBIENTHESIS	FTSE ITALIA SMALL CAP	NON FINANCIAL	BENI STABILI	FTSE ITALIA MID CAP	NON FINANCIAL
AMPLIFON	FTSE ITALIA MID CAP	NON FINANCIAL	BEST UNION COMPANY	FTSE ITALIA MICRO CAP	NON FINANCIAL
ANSALDO STS	FTSE MIB	NON FINANCIAL	BIALETTI INDUSTRIE	FTSE ITALIA SMALL CAP	NON FINANCIAL
ANTICHI PELLETTIERI	OTHERS	NON FINANCIAL	BIANCAMANO	FTSE ITALIA SMALL CAP	NON FINANCIAL
ARNOLDO MONDADORI EDITORE	FTSE ITALIA MID CAP	NON FINANCIAL	BIESSE	FTSE ITALIA SMALL CAP	NON FINANCIAL
ASCOPIAVE	FTSE ITALIA MID CAP	NON FINANCIAL	BIOERA	FTSE ITALIA SMALL CAP	NON FINANCIAL
ASSICURAZIONI GENERALI	FTSE MIB	FINANCIAL	BOERO BARTOLOMEO	OTHERS	NON FINANCIAL
ASTALDI	FTSE ITALIA MID CAP	NON FINANCIAL	BOLZONI	FTSE ITALIA SMALL CAP	NON FINANCIAL
ASTM	FTSE ITALIA MID CAP	NON FINANCIAL	BONIFICHE FERRARESI	FTSE ITALIA SMALL CAP	NON FINANCIAL
ATLANTIA	FTSE MIB	NON FINANCIAL	BORGOSERIA	FTSE ITALIA MICRO CAP	NON FINANCIAL
AUTOGRILL	FTSE MIB	NON FINANCIAL	BREMBO	FTSE ITALIA MID CAP	NON FINANCIAL
AUTOSTRADE MERIDIONALI	FTSE ITALIA SMALL CAP	NON FINANCIAL	BRIOSCHI	FTSE ITALIA SMALL CAP	NON FINANCIAL
AZIMUT HOLDING	FTSE MIB	NON FINANCIAL	BRUNELLO CUCINELLI	FTSE ITALIA MID CAP	NON FINANCIAL
B&C SPEAKERS	FTSE ITALIA SMALL CAP	NON FINANCIAL	BUZZI UNICEM	FTSE MIB	NON FINANCIAL
BANCA CARIGE	FTSE ITALIA MID CAP	FINANCIAL	C.I.R.	FTSE ITALIA MID CAP	NON FINANCIAL
BANCA FINNAT EURAMERICA	FTSE ITALIA SMALL CAP	FINANCIAL	CAD IT	FTSE ITALIA SMALL CAP	NON FINANCIAL
BANCA GENERALI	FTSE ITALIA MID CAP	NON FINANCIAL	CAIRO COMMUNICATION	FTSE ITALIA MID CAP	NON FINANCIAL
BANCA IFIS	FTSE ITALIA MID CAP	NON FINANCIAL	CALEFFI	FTSE ITALIA SMALL CAP	NON FINANCIAL
BANCA INTERMOBILIARE	FTSE ITALIA MID CAP	NON FINANCIAL	CALTAGIRONE	OTHERS	NON FINANCIAL
BANCA MONTE DEI PASCHI DI SIENA	FTSE MIB	FINANCIAL	CALTAGIRONE EDITORE	FTSE ITALIA MICRO CAP	NON FINANCIAL
BANCA POPOLARE DELL' EMILIA ROMAGNA	FTSE MIB	FINANCIAL	CAPE LISTED INVESTMENT VEHICLE IN EQUITY	FTSE ITALIA SMALL CAP	NON FINANCIAL
BANCA POPOLARE DELL' ETRURIA E DEL LAZIO	FTSE ITALIA SMALL CAP	FINANCIAL	CARRARO	FTSE ITALIA SMALL CAP	NON FINANCIAL

COMPANY NAME	MARKET INDEX	SECTOR	COMPANY NAME	MARKET INDEX	SECTOR
CASA DAMIANI	FTSE ITALIA SMALL CAP	NON FINANCIAL	ENEL	FTSE MIB	NON FINANCIAL
CATTOLICA ASSICURAZIONI	FTSE ITALIA MID CAP	FINANCIAL	ENEL GREEN POWER	FTSE MIB	NON FINANCIAL
CEMBRE	FTSE ITALIA SMALL CAP	NON FINANCIAL	ENERVIT	FTSE ITALIA MICRO CAP	NON FINANCIAL
CEMENTIR HOLDING	FTSE ITALIA MID CAP	NON FINANCIAL	ENGINEERING	FTSE ITALIA MID CAP	NON FINANCIAL
CENTRALE DEL LATTE DI TORINO & C.	FTSE ITALIA SMALL CAP	NON FINANCIAL	ENI	FTSE MIB	NON FINANCIAL
CHL	FTSE ITALIA SMALL CAP	NON FINANCIAL	ERG	FTSE ITALIA MID CAP	NON FINANCIAL
CICCOLELLA	OTHERS	NON FINANCIAL	ERGYCAPITAL	FTSE ITALIA SMALL CAP	NON FINANCIAL
CLASS EDITORI	FTSE ITALIA SMALL CAP	NON FINANCIAL	ESPRINET	FTSE ITALIA SMALL CAP	NON FINANCIAL
COBRA	FTSE ITALIA SMALL CAP	NON FINANCIAL	EUKEDOS	FTSE ITALIA SMALL CAP	NON FINANCIAL
COFIDE	FTSE ITALIA MID CAP	NON FINANCIAL	EUROTECH	FTSE ITALIA SMALL CAP	NON FINANCIAL
COMPAGNIA IMMOBILIARE AZIONARIA	FTSE ITALIA SMALL CAP	NON FINANCIAL	EXOR	FTSE MIB	NON FINANCIAL
CONAFI PRESTITO'	FTSE ITALIA SMALL CAP	NON FINANCIAL	EXPRIVIA	FTSE ITALIA SMALL CAP	NON FINANCIAL
CREDITO BERGAMASCO	OTHERS	FINANCIAL	FALCK RENEWABLES	FTSE ITALIA MID CAP	NON FINANCIAL
CREDITO EMILIANO	FTSE ITALIA MID CAP	FINANCIAL	FIAT	FTSE MIB	NON FINANCIAL
CREDITO VALTELLINESE	FTSE ITALIA MID CAP	FINANCIAL	FIDIA	FTSE ITALIA SMALL CAP	NON FINANCIAL
CSP INTERNATIONAL	FTSE ITALIA SMALL CAP	NON FINANCIAL	FIERA MILANO	FTSE ITALIA SMALL CAP	NON FINANCIAL
DADA	FTSE ITALIA SMALL CAP	NON FINANCIAL	FINMECCANICA	FTSE MIB	NON FINANCIAL
DANIELI & C.	FTSE ITALIA MID CAP	NON FINANCIAL	FNM	FTSE ITALIA SMALL CAP	NON FINANCIAL
DATALOGIC	FTSE ITALIA MID CAP	NON FINANCIAL	FULLSIX	FTSE ITALIA SMALL CAP	NON FINANCIAL
DAVIDE CAMPARI - MILANO	FTSE MIB	NON FINANCIAL	GABETTI PROPERTY SOLUTIONS	FTSE ITALIA SMALL CAP	NON FINANCIAL
DE' LONGHI	FTSE ITALIA MID CAP	NON FINANCIAL	GAS PLUS	OTHERS	NON FINANCIAL
DEA CAPITAL	FTSE ITALIA MID CAP	NON FINANCIAL	GEFRAN	FTSE ITALIA SMALL CAP	NON FINANCIAL
DELCLIMA	FTSE ITALIA SMALL CAP	NON FINANCIAL	GEOX	FTSE ITALIA MID CAP	NON FINANCIAL
DIASORIN	FTSE ITALIA MID CAP	NON FINANCIAL	GRUPPO CERAMICHE RICCHETTI	FTSE ITALIA SMALL CAP	NON FINANCIAL
DIGITAL BROS	FTSE ITALIA SMALL CAP	NON FINANCIAL	GRUPPO EDITORIALE L'ESPRESSO	FTSE ITALIA MID CAP	NON FINANCIAL
DMAIL GROUP	FTSE ITALIA SMALL CAP	NON FINANCIAL	GRUPPO MUTUIONLINE	FTSE ITALIA MICRO CAP	NON FINANCIAL
EDISON	FTSE ITALIA SMALL CAP	NON FINANCIAL	GTECH	FTSE MIB	NON FINANCIAL
EEMS	FTSE ITALIA SMALL CAP	NON FINANCIAL	HERA	FTSE ITALIA MID CAP	NON FINANCIAL
EI TOWERS	FTSE ITALIA MID CAP	NON FINANCIAL	I GRANDI VIAGGI	FTSE ITALIA SMALL CAP	NON FINANCIAL
EL. EN.	FTSE ITALIA SMALL CAP	NON FINANCIAL	IGD - IMMOBILIARE GRANDE DISTRIBUZIONE	FTSE ITALIA SMALL CAP	NON FINANCIAL
ELICA	FTSE ITALIA SMALL CAP	NON FINANCIAL	IL SOLE 24 ORE	FTSE ITALIA SMALL CAP	NON FINANCIAL
EMAK	FTSE ITALIA SMALL CAP	NON FINANCIAL	IMA	FTSE ITALIA MID CAP	NON FINANCIAL

COMPANY NAME	MARKET INDEX	SECTOR	COMPANY NAME	MARKET INDEX	SECTOR
IMMSI	FTSE ITALIA SMALL CAP	NON FINANCIAL	MONDO TV	FTSE ITALIA SMALL CAP	NON FINANCIAL
INDESIT COMPANY	FTSE ITALIA MID CAP	NON FINANCIAL	MONRIF	FTSE ITALIA MICRO CAP	NON FINANCIAL
INDUSTRIA E INNOVAZIONE	FTSE ITALIA MICRO CAP	NON FINANCIAL	NICE	FTSE ITALIA MICRO CAP	NON FINANCIAL
INTEK GROUP	FTSE ITALIA SMALL CAP	NON FINANCIAL	NOEMALIFE	FTSE ITALIA MICRO CAP	NON FINANCIAL
INTERPUMP GROUP	FTSE ITALIA MID CAP	NON FINANCIAL	NOVA RE	OTHERS	NON FINANCIAL
INTESA SANPAOLO	FTSE MIB	FINANCIAL	OLIDATA	FTSE ITALIA SMALL CAP	NON FINANCIAL
IRCE	FTSE ITALIA SMALL CAP	NON FINANCIAL	PANARIAGROUP INDUSTRIE CERAMICHE	FTSE ITALIA SMALL CAP	NON FINANCIAL
IREN	FTSE ITALIA MID CAP	NON FINANCIAL	PARMALAT	FTSE ITALIA MID CAP	NON FINANCIAL
ISAGRO	FTSE ITALIA SMALL CAP	NON FINANCIAL	PIAGGIO & C.	FTSE ITALIA MID CAP	NON FINANCIAL
IT WAY	FTSE ITALIA SMALL CAP	NON FINANCIAL	PIERREL	FTSE ITALIA SMALL CAP	NON FINANCIAL
ITALCEMENTI	FTSE ITALIA MID CAP	NON FINANCIAL	PININFARINA	FTSE ITALIA SMALL CAP	NON FINANCIAL
ITALMOBILIARE	FTSE ITALIA MID CAP	NON FINANCIAL	PIQUADRO	FTSE ITALIA SMALL CAP	NON FINANCIAL
JUVENTUS FOOTBALL CLUB	FTSE ITALIA SMALL CAP	NON FINANCIAL	PIRELLI & C.	FTSE MIB	NON FINANCIAL
K.R. ENERGY	FTSE ITALIA SMALL CAP	NON FINANCIAL	POLIGRAFICA S. FAUSTINO	FTSE ITALIA SMALL CAP	NON FINANCIAL
KINEXIA	FTSE ITALIA SMALL CAP	NON FINANCIAL	POLIGRAFICI EDITORIALE	FTSE ITALIA SMALL CAP	NON FINANCIAL
LA DORIA	FTSE ITALIA SMALL CAP	NON FINANCIAL	POLTRONA FRAU	FTSE ITALIA SMALL CAP	NON FINANCIAL
LANDI RENZO	FTSE ITALIA SMALL CAP	NON FINANCIAL	PRELIOS	FTSE ITALIA SMALL CAP	NON FINANCIAL
LUXOTTICA GROUP	FTSE MIB	NON FINANCIAL	PREMUDA	FTSE ITALIA SMALL CAP	NON FINANCIAL
LVENTURE GROUP	FTSE ITALIA SMALL CAP	NON FINANCIAL	PRIMA INDUSTRIE	FTSE ITALIA SMALL CAP	NON FINANCIAL
M & C	FTSE ITALIA SMALL CAP	NON FINANCIAL	PRYSMIAN	FTSE MIB	NON FINANCIAL
MAIRE TECNIMONT	FTSE ITALIA MID CAP	NON FINANCIAL	RATTI	FTSE ITALIA SMALL CAP	NON FINANCIAL
MARR	FTSE ITALIA MID CAP	NON FINANCIAL	RCS MEDIAGROUP	FTSE ITALIA MID CAP	NON FINANCIAL
MEDIACONTECH	FTSE ITALIA SMALL CAP	NON FINANCIAL	RECORDATI	FTSE ITALIA MID CAP	NON FINANCIAL
MEDIASET	FTSE MIB	NON FINANCIAL	RENO DE MEDICI	FTSE ITALIA SMALL CAP	NON FINANCIAL
MEDIOBANCA	FTSE MIB	FINANCIAL	REPLY	FTSE ITALIA MID CAP	NON FINANCIAL
MEDIOLANUM	FTSE MIB	FINANCIAL	RETELIT	FTSE ITALIA SMALL CAP	NON FINANCIAL
MERIDIE	FTSE ITALIA SMALL CAP	NON FINANCIAL	RISANAMENTO	OTHERS	NON FINANCIAL
MID INDUSTRY CAPITAL	FTSE ITALIA MICRO CAP	NON FINANCIAL	ROSSS	FTSE ITALIA SMALL CAP	NON FINANCIAL
MITTEL	FTSE ITALIA SMALL CAP	NON FINANCIAL	S.S. LAZIO	FTSE ITALIA SMALL CAP	NON FINANCIAL
MOLESKINE	FTSE ITALIA MID CAP	NON FINANCIAL	SABAF	FTSE ITALIA SMALL CAP	NON FINANCIAL
MOLMED	FTSE ITALIA SMALL CAP	NON FINANCIAL	SAES GETTERS	FTSE ITALIA SMALL CAP	NON FINANCIAL
MONCLER	OTHERS	NON FINANCIAL	SAFILO GROUP	FTSE ITALIA MID CAP	NON FINANCIAL

COMPANY NAME	MARKET INDEX	SECTOR	COMPANY NAME	MARKET INDEX	SECTOR
SAIPEM	FTSE MIB	NON FINANCIAL	VIANINI LAVORI	FTSE ITALIA MICRO CAP	NON FINANCIAL
SALINI IMPREGILO	OTHERS	NON FINANCIAL	VITTORIA ASSICURAZIONI	FTSE ITALIA MID CAP	FINANCIAL
SALVATORE FERRAGAMO	FTSE MIB	NON FINANCIAL	WORLD DUTY FREE	FTSE MIB	NON FINANCIAL
SARAS	FTSE ITALIA MID CAP	NON FINANCIAL	YOOX	FTSE MIB	NON FINANCIAL
SAVE	FTSE ITALIA MID CAP	NON FINANCIAL	ZIGNAGO VETRO	FTSE ITALIA MID CAP	NON FINANCIAL
SCREEN SERVICE BROADCASTING TECHNOLOGIES	FTSE ITALIA SMALL CAP	NON FINANCIAL	ZUCCHI	FTSE ITALIA SMALL CAP	NON FINANCIAL
SEAT PAGINE GIALLE	FTSE ITALIA SMALL CAP	NON FINANCIAL			
SERVIZI ITALIA	FTSE ITALIA SMALL CAP	NON FINANCIAL			
SNAI	FTSE ITALIA SMALL CAP	NON FINANCIAL			
SNAM	FTSE MIB	NON FINANCIAL			
SOCIETA' AEROPORTO TOSCANO GALILEO GALILEI	FTSE ITALIA MICRO CAP	NON FINANCIAL			
SOCIETA' INIZIATIVE AUTOSTRADALI E SERVIZI - SIAS	FTSE ITALIA MID CAP	NON FINANCIAL			
SOGEFI	FTSE ITALIA MID CAP	NON FINANCIAL			
SOL	FTSE ITALIA MID CAP	NON FINANCIAL			
SPACE	OTHERS	NON FINANCIAL			
STEFANEL	FTSE ITALIA SMALL CAP	NON FINANCIAL			
TAMBURI	FTSE ITALIA SMALL CAP	NON FINANCIAL			
TAS - TECNOLOGIA AVANZATA DEI SISTEMI	OTHERS	NON FINANCIAL			
TELECOM ITALIA	FTSE MIB	NON FINANCIAL			
TELECOM ITALIA MEDIA	FTSE ITALIA SMALL CAP	NON FINANCIAL			
TERNA	FTSE MIB	NON FINANCIAL			
TERNIENERGIA	FTSE ITALIA SMALL CAP	NON FINANCIAL			
TESMEC	FTSE ITALIA SMALL CAP	NON FINANCIAL			
TISCALI	FTSE ITALIA SMALL CAP	NON FINANCIAL			
TOD'S	FTSE MIB	NON FINANCIAL			
TREVI GROUP	FTSE ITALIA MID CAP	NON FINANCIAL			
TXT E-SOLUTIONS	FTSE ITALIA SMALL CAP	NON FINANCIAL			
UNICREDIT	FTSE MIB	FINANCIAL			
UNIONE DI BANCHE ITALIANE	FTSE MIB	FINANCIAL			
UNIPOL GRUPPO FINANCIAL	FTSE ITALIA MID CAP	FINANCIAL			
VALSOIA	OTHERS	NON FINANCIAL			
VIANINI INDUSTRIA	FTSE ITALIA MICRO CAP	NON FINANCIAL			



**COMPANIES LISTED ON AIM (NOT INCLUDED IN THE MONITORING)**

AMBROMOBILIARE  
ARC REAL ESTATE  
COMPAGNIA DELLA RUOTA  
DIGITAL MAGICS  
ENERTRONICA  
FINTEL ENERGIA GROUP  
FIRST CAPITAL  
FRENDY ENERGY  
GREENITALY1  
HI REAL  
IKF  
IMVEST  
INDUSTRIAL STARS OF ITALY  
INNOVATEC  
ITALIA INDEPENDENT  
KI GROUP  
LEONE FILM GROUP  
MC-LINK  
METHORIOS CAPITAL  
MONDO TV FRANCE  
NET INSURANCE  
NEUROSOFT  
PMS  
POLIGRAFICI PRINTING  
PRIMI SU MOTORI  
ROSETTI MARINO  
SACOM  
SAFE BAG  
SOFT STRATEGY  
SOFTEC  
TBS GROUP  
TE WIND  
VALORE ITALIA HP  
VITA SOCIETA' EDITORIALE  
VRWAY COMMUNICATION  
WM CAPITAL

**FOREIGN COMPANIES (NOT INCLUDED IN THE MONITORING)**

AEGON	GDF SUEZ
AGEAS	ING GROEP
AHOLD KON	IVS GROUP
ALCATEL-LUCENT	L'OREAL
ALLIANZ	LVMH
AXA	MUNICH RE
BANCO SANTANDER	NOKIA CORPORATION
BASF	PHILIPS
BAYER	PPR
BB BIOTECH	RENAULT
BMW	RWE
BNP PARIBAS	SANOFI
CARREFOUR	SAP
CELL THERAPEUTICS	SIEMENS
CREDIT AGRICOLE	SOCIETE GENERALE
D'AMICO INTERNATIONAL SHIPPING	STMICROELECTRONICS
DAIMLER	TELEFONICA
DANONE	TENARIS
DEUTSCHE BANK	TOTAL
DEUTSCHE TELEKOM	UNILEVER
E.ON	VIVENDI
FRANCE TELECOM	

TAB.1: GENERAL INFORMATION		Companies that adopt the TRADITIONAL board model			Companies that adopt the ONE-TIER model			Companies that adopt the TWO-TIER model			Companies that have (formally) adopted the Corporate Governance Code			Companies disclosing why they did not adopt the CG Code		
INDEX	year	#	No.	%	#	No.	%	#	No.	%	#	No.	%	#	No.	%
FTSE MIB	2014	36	32	88,9%	36	0	0,0%	36	4	11,1%	36	35	97,2%	1	1	100,0%
	2013	38	34	89,5%	38	0	0,0%	38	4	10,5%	38	37	97,4%	1	0	0,0%
	2012	38	34	89,5%	38	0	0,0%	38	4	10,5%	38	37	97,4%	1	0	0,0%
	2011	37	33	89,2%	37	0	0,0%	37	4	10,8%	37	37	100,0%	0	n.a.	n.a.
FTSE MID CAP	2014	58	57	98,3%	58	1	1,7%	58	0	0,0%	58	55	94,8%	3	3	100,0%
	2013	60	59	98,3%	60	1	1,7%	60	0	0,0%	60	58	96,7%	2	2	100,0%
	2012	60	59	98,3%	60	1	1,7%	60	0	0,0%	60	59	98,3%	1	1	100,0%
	2011	60	60	100,0%	60	0	0,0%	60	0	0,0%	60	58	96,7%	2	1	50,0%
FTSE SMALL CAP	2014	109	107	98,2%	109	1	0,9%	109	1	0,9%	109	104	95,4%	4	4	100,0%
	2013	108	106	98,1%	108	1	0,9%	108	1	0,9%	108	105	97,2%	5	5	100,0%
	2012	131	128	97,7%	131	2	1,5%	131	1	0,8%	131	125	95,4%	6	5	83,3%
	2011	134	129	96,3%	134	3	2,2%	134	2	1,5%	134	129	96,3%	5	2	40,0%
FTSE MICRO CAP	2014	13	13	100,0%	13	0	0,0%	13	0	0,0%	13	9	69,2%	1	1	100,0%
	2013	22	21	95,5%	22	0	0,0%	22	1	4,5%	22	16	72,7%	2	2	100,0%
	2012	17	16	94,1%	17	0	0,0%	17	1	5,9%	17	14	82,4%	3	1	33,3%
	2011	19	18	94,7%	19	0	0,0%	19	1	5,3%	19	16	84,2%	3	2	66,7%
OTHERS	2014	14	14	100,0%	14	0	0,0%	14	0	0,0%	14	10	71,4%	4	3	75,0%
	2013	11	11	100,0%	11	0	0,0%	11	0	0,0%	11	7	63,6%	4	3	75,0%
	2012	9	9	100,0%	9	0	0,0%	9	0	0,0%	9	6	66,7%	3	3	100,0%
	2011	12	12	100,0%	12	0	0,0%	12	0	0,0%	12	9	75,0%	3	2	66,7%
BANKS	2014	18	15	83,3%	18	0	0,0%	18	3	16,7%	18	15	83,3%	3	2	66,7%
	2013	17	14	82,4%	17	0	0,0%	17	3	17,6%	17	14	82,4%	3	1	33,3%
	2012	19	16	84,2%	19	0	0,0%	19	3	15,8%	19	16	84,2%	3	1	33,3%
	2011															
INSURANCES	2014	5	5	100,0%	5	0	0,0%	5	0	0,0%	5	5	100,0%	0	n.a.	n.a.
	2013	8	8	100,0%	8	0	0,0%	8	0	0,0%	8	8	100,0%	0	n.a.	n.a.
	2012	8	8	100,0%	8	0	0,0%	8	0	0,0%	8	8	100,0%	0	n.a.	n.a.
	2011															
FINANCIAL	2014	23	20	87,0%	23	0	0,0%	23	3	13,0%	23	20	87,0%	3	2	66,7%
	2013	25	22	88,0%	25	0	0,0%	25	3	12,0%	25	22	88,0%	3	1	33,3%
	2012	27	24	88,9%	27	0	0,0%	27	3	11,1%	27	24	88,9%	3	1	33,3%
	2011	28	25	89,3%	28	0	0,0%	28	3	10,7%	28	25	89,3%	3	1	33,3%
NON-FINANCIAL	2014	207	203	98,1%	207	2	1,0%	207	2	1,0%	207	193	93,2%	14	10	71,4%
	2013	214	209	97,7%	214	2	0,9%	214	3	1,4%	214	201	93,9%	13	11	84,6%
	2012	228	222	97,4%	228	3	1,3%	228	3	1,3%	228	217	95,2%	11	9	81,8%
	2011	234	227	97,0%	234	3	1,3%	234	4	1,7%	234	224	95,7%	10	6	60,0%
TOTAL	2014	230	223	97,0%	230	2	0,9%	230	5	2,2%	230	213	92,6%	17	12	70,6%
	2013	239	231	96,7%	239	2	0,8%	239	6	2,5%	239	223	93,3%	16	12	75,0%
	2012	255	246	96,5%	255	3	1,2%	255	6	2,4%	255	241	94,5%	14	10	71,4%
	2011	262	252	96,2%	262	3	1,1%	262	7	2,7%	262	249	95,0%	13	7	53,8%



TAB.3: TIME COMMITMENT REQUIRED TO DIRECTORS AND STATUTORY AUDITORS		Companies disclosing information on BoD meetings' length				Companies disclosing information on Executive Committee meetings' length				Companies disclosing information on Remuneration Committee meetings' length				Companies disclosing information on Control and Risk Committee meetings' length				Companies disclosing information on BoSA meetings' length				Two-tier companies disclosing information on Supervisory Board meetings' length							
		#	No.	%	μ	#	No.	%	μ	#	No.	%	μ	#	No.	%	μ	#	No.	%	μ	#	No.	%	μ				
INDEX	Year	#	No.	%	μ	#	No.	%	μ	#	No.	%	μ	#	No.	%	μ	#	No.	%	μ	#	No.	%	μ	#	No.	%	μ
FTSE MIB	2014	36	35	97,2%	38	8	7	87,5%	16	35	32	91,4%	11	36	32	88,9%	38	32	23	71,9%	70	4	3	75,0%	88				
	2013	38	36	94,7%	38	10	8	80,0%	20	37	31	83,8%	10	38	35	92,1%	34	34	22	64,7%	68	4	3	75,0%	75				
	2012	38	29	76,3%	33	9	7	77,8%	19	37	20	54,1%	7	38	25	65,8%	25	34	17	50,0%	56	4	3	75,0%	48				
FTSE MID CAP	2014	58	52	89,7%	25	14	7	50,0%	46	57	38	66,7%	5	55	39	70,9%	13	57	38	66,7%	30	0	n.a.	n.a.	n.a.				
	2013	60	55	91,7%	30	18	10	55,6%	41	59	36	61,0%	4	58	42	72,4%	14	59	40	67,8%	30	0	n.a.	n.a.	n.a.				
	2012	60	54	90,0%	23	20	13	65,0%	36	59	27	45,8%	5	58	35	60,3%	11	59	34	57,6%	30	0	n.a.	n.a.	n.a.				
FTSE SMALL CAP	2014	109	93	85,3%	20	13	6	46,2%	16	93	66	71,0%	3	100	79	79,0%	10	107	81	75,7%	24	1	0	0,0%	0				
	2013	108	96	88,9%	21	11	4	36,4%	8	94	61	64,9%	4	99	74	74,7%	8	106	77	72,6%	24	1	0	0,0%	0				
	2012	133	104	78,2%	21	8	3	37,5%	11	110	52	47,3%	3	119	76	63,9%	8	130	73	56,2%	22	1	0	0,0%	n.a.				
FTSE MICRO CAP	2014	13	11	84,6%	11	3	2	66,7%	6	8	4	50,0%	2	8	4	50,0%	5	13	6	46,2%	11	0	0	n.a.	0				
	2013	22	17	77,3%	15	3	2	66,7%	13	16	8	50,0%	2	15	7	46,7%	9	21	10	47,6%	19	1	1	100,0%	15				
	2012	17	15	88,2%	23	2	1	50,0%	24	13	3	23,1%	2	11	6	54,5%	10	16	8	50,0%	39	1	1	100,0%	27				
OTHERS	2014	14	12	85,7%	25	2	2	100,0%	32	9	5	55,6%	6	11	7	63,6%	9	14	7	50,0%	18	0	n.a.	n.a.	n.a.				
	2013	11	11	100,0%	26	1	1	100,0%	15	8	4	50,0%	3	8	6	75,0%	7	11	6	54,5%	21	0	n.a.	n.a.	n.a.				
	2012	10	7	70,0%	17	1	1	100,0%	16	6	1	16,7%	1	6	1	16,7%	4	10	6	60,0%	31	0	n.a.	n.a.	n.a.				
BANKS	2014	18	17	94,4%	65	12	10	83,3%	39	18	17	94,4%	12	17	14	82,4%	55	15	12	80,0%	112	3	2	66,7%	112				
	2013	17	16	94,1%	70	12	9	75,0%	46	17	14	82,4%	11	15	15	100,0%	46	14	11	78,6%	113	3	2	66,7%	91				
	2012	19	16	84,2%	61	12	9	75,0%	44	19	9	47,4%	8	17	10	58,8%	24	16	10	62,5%	109	3	2	66,7%	53				
INSURANCES	2014	5	5	100,0%	25	1	1	100,0%	35	5	5	100,0%	4	5	4	80,0%	16	5	3	60,0%	20	0	n.a.	n.a.	n.a.				
	2013	8	8	100,0%	53	4	2	50,0%	35	8	4	50,0%	4	8	5	62,5%	17	8	6	75,0%	43	0	n.a.	n.a.	n.a.				
	2012	8	6	75,0%	29	4	3	75,0%	28	8	4	50,0%	4	8	5	62,5%	21	8	4	50,0%	52	0	n.a.	n.a.	n.a.				
FINANCIAL	2014	23	22	95,7%	56	13	11	84,6%	39	23	22	95,7%	10	22	18	81,8%	47	20	15	75,0%	94	3	2	66,7%	112				
	2013	25	24	96,0%	65	16	11	68,8%	44	25	18	72,0%	10	23	20	87,0%	39	22	17	77,3%	88	3	2	66,7%	91				
	2012	27	22	81,5%	53	16	12	75,0%	40	27	13	48,1%	7	25	15	60,0%	23	24	14	58,3%	93	3	2	66,7%	53				
NON-FINANCIAL	2014	207	181	87,4%	20	27	13	48,1%	13	179	123	68,7%	4	188	143	76,1%	12	203	140	69,0%	25	2	1	50,0%	40				
	2013	214	191	89,3%	21	27	14	51,9%	11	189	122	64,6%	5	195	144	73,8%	12	209	138	66,0%	25	3	2	66,7%	29				
	2012	231	187	81,0%	20	24	13	54,2%	15	198	90	45,5%	4	207	128	61,8%	11	225	124	55,1%	23	3	2	66,7%	33				
TOTAL	2014	230	203	88,3%	24	40	24	60,0%	25	202	145	71,8%	5	210	161	76,7%	16	223	155	69,5%	32	5	3	60,0%	88				
	2013	239	215	90,0%	26	43	25	58,1%	26	214	140	65,4%	5	218	164	75,2%	15	231	155	67,1%	31	6	4	66,7%	60				
	2012	258	209	81,0%	23	40	25	62,5%	27	225	103	45,8%	4	233	143	61,4%	12	249	138	55,4%	30	6	4	66,7%	43				

TAB.4: ATTENDANCE TO BOARD MEETINGS (INDIVIDUAL DIRECTORS AND STATUTORY AUDITORS, 2014 DATA)	Board of Directors			Executive Committee			Board of Statutory Auditors		
	Average	90,6%		Average	93,3%		Average	96,0%	
	Median	100%		Median	100%		Median	100%	
Attendance distribution	No.	%	% cumulated	No.	%	% cumulated	No.	%	% cumulated
100	1334	60%	60%	79	68%	68%	491	75%	75%
90<x<100	204	9%	70%	16	14%	81%	52	8%	83%
75<x<90	427	19%	89%	16	14%	95%	85	13%	96%
50<x<75	160	7%	96%	3	3%	97%	20	3%	100%
x<50	80	4%	100%	3	3%	100%	3	0%	100%
Total available data	2205	94%		117	64%		651	93%	
n.a.	141	6%		66	36%		48	7%	
Total	2346			183			699		

ATTENDANCE TO BOARD MEETINGS (2013 DATA)	Board of Directors			Executive Committee			Board of Statutory Auditors		
	Average	91,0%		Average	87,3%		Average	95,6%	
	Median	100%		Median	100%		Median	100%	
Attendance distribution	No.	%	% cumulated	No.	%	% cumulated	No.	%	% cumulated
100	1441	61%	61%	98	67%	67%	510	75%	75%
90<x<100	204	9%	70%	17	12%	78%	73	11%	85%
75<x<90	464	20%	89%	15	10%	88%	69	10%	96%
50<x<75	185	8%	97%	4	3%	91%	23	3%	99%
x<50	68	3%	100%	13	9%	100%	7	1%	100%
Total available data	2362	95%		147	68%		682	94%	
n.a.	113	5%		68	32%		41	6%	
Total	2475			215			723		

ATTENDANCE TO BOARD MEETINGS (2012 DATA)	Board of Directors			Executive Committee			Board of Statutory Auditors		
	Average	89,5%		Average	92,7%		Average	94,6%	
	Median	100%		Median	100%		Median	100%	
Attendance distribution	No.	%	% cumulated	No.	%	% cumulated	No.	%	% cumulated
100	1428	57%	57%	105	68%	68%	510	74%	74%
90<x<100	261	10%	67%	16	10%	78%	73	11%	84%
75<x<90	512	20%	88%	22	14%	92%	69	10%	94%
50<x<75	215	9%	96%	8	5%	97%	26	4%	98%
x<50	96	4%	100%	4	3%	100%	14	2%	100%
Total available data	2512	95%		155	70%		692	90%	
n.a.	132	5%		65	30%		74	10%	
Total	2644			220			766		

ATTENDANCE TO BOARD MEETINGS (2011 DATA)	Board of Directors			Executive Committee			Board of Statutory Auditors		
	Average	89,4%		Average	93,3%		Average	95,2%	
	Median	100%		Median	100%		Median	100%	
Attendance distribution	No.	%	% cumulated	No.	%	% cumulated	No.	%	% cumulated
100	1421	55%	55%	116	68%	68%	529	72%	72%
90<x<100	260	10%	65%	22	13%	81%	72	10%	82%
75<x<90	538	21%	86%	18	11%	92%	96	13%	95%
50<x<75	274	11%	96%	12	7%	99%	32	4%	99%
x<50	93	4%	100%	2	1%	100%	4	1%	100%
Total available data	2586	95%		170	73%		733	93%	
n.a.	142	5%		62	27%		53	7%	
Total	2728			232			786		



TAB.6: BOARD EVALUATION CONTENT		The Board issues guidelines regarding the maximum number of offices as director or statutory auditor			The Board identifies general criteria on the professional profiles deemed appropriate for the composition of the BoD		
		INDEX	Year	#	No.	%	#
FTSE MIB	2014	36	24	66,7%	31	18	58,1%
	2013	38	25	65,8%	36	8	22,2%
FTSE MID CAP	2014	58	33	56,9%	38	16	42,1%
	2013	60	34	56,7%	58	11	19,0%
FTSE SMALL CAP	2014	109	42	38,5%	42	20	47,6%
	2013	108	32	29,6%	27	23	85,2%
FTSE MICRO CAP	2014	13	3	23,1%	2	2	100,0%
	2013	22	6	27,3%	3	3	100,0%
OTHERS	2014	14	4	28,6%	5	3	60,0%
	2013	11	3	27,3%	3	3	100,0%
BANKS	2014	18	15	83,3%	15	8	53,3%
	2013	17	13	76,5%	15	4	26,7%
INSURANCES	2014	5	4	80,0%	4	3	75,0%
	2013	8	6	75,0%	7	3	42,9%
FINANCIAL	2014	23	19	82,6%	19	11	57,9%
	2013	25	19	76,0%	22	7	31,8%
NON-FINANCIAL	2014	207	87	42,0%	99	48	48,5%
	2013	214	81	37,9%	90	41	45,6%
TOTAL	2014	230	106	46,1%	118	59	50,0%
	2013	239	100	41,8%	112	48	42,9%

<b>TAB.7: PRESENCE AND FEATURES OF "SUCCESSION PLANS"</b>		<b>Companies disclosing explicit information about the existence of a succession plan</b>			<b>Companies where a succession plan exists</b>		
<b>INDEX</b>	<b>Year</b>	<b>#</b>	<b>No.</b>	<b>%</b>	<b>#</b>	<b>No.</b>	<b>%</b>
FTSE MIB	<b>2014</b>	36	36	100,0%	36	9	25,0%
	2013	38	36	94,7%	38	8	21,1%
	2012	38	36	94,7%	38	4	10,5%
	2011	37	26	70,3%	37	3	8,1%
FTSE MID CAP	<b>2014</b>	58	46	79,3%	58	8	13,8%
	2013	60	46	76,7%	60	8	13,3%
	2012	60	20	33,3%	60	0	0,0%
	2011	60	2	3,3%	60	0	0,0%
FTSE SMALL CAP	<b>2014</b>	109	94	86,2%	109	3	2,8%
	2013	108	79	73,1%	108	0	0,0%
	2012	131	63	48,1%	131	0	0,0%
	2011	134	9	6,7%	134	0	0,0%
FTSE MICRO CAP	<b>2014</b>	13	7	53,8%	13	0	0,0%
	2013	22	12	54,5%	22	0	0,0%
	2012	17	8	47,1%	17	0	0,0%
	2011	19	0	0,0%	19	0	0,0%
OTHERS	<b>2014</b>	14	11	78,6%	14	0	0,0%
	2013	11	8	72,7%	11	0	0,0%
	2012	9	2	22,2%	9	0	0,0%
	2011	12	1	8,3%	12	0	0,0%
BANKS	<b>2014</b>	18	16	88,9%	18	3	16,7%
	2013	17	12	70,6%	17	2	11,8%
	2012	19	13	68,4%	19	1	5,3%
INSURANCES	<b>2014</b>	5	4	80,0%	5	1	20,0%
	2013	8	7	87,5%	8	1	12,5%
	2012	8	3	37,5%	8	1	12,5%
FINANCIAL	<b>2014</b>	23	20	87,0%	23	4	17,4%
	2013	25	19	76,0%	25	3	12,0%
	2012	27	16	59,3%	27	2	7,4%
	2011	28	7	25,0%	28	1	3,6%
NON-FINANCIAL	<b>2014</b>	207	174	84,1%	207	16	7,7%
	2013	214	162	75,7%	214	13	6,1%
	2012	228	113	49,6%	228	2	0,9%
	2011	234	31	13,2%	234	2	0,9%
<b>TOTAL</b>	<b>2014</b>	230	194	84,3%	230	20	8,7%
	2013	239	181	75,7%	239	16	6,7%
	2012	255	129	50,6%	255	4	1,6%
	2011	262	38	14,5%	262	3	1,1%



<b>TAB.8: OTHER POSITIONS HELD (INDIVIDUAL DIRECTORS AND STATUTORY AUDITORS, 2014 DATA)</b>	<b>Directors</b>			<b>Statutory Auditors</b>		
Average	2,54			9,12		
Median	1			7		
<b>Distribution</b>	<b>No.</b>	<b>%</b>	<b>% Cumulated</b>	<b>No.</b>	<b>%</b>	<b>% Cumulated</b>
0	724	36%	36%	90	16%	16%
1	333	17%	53%	46	8%	24%
2	252	13%	66%	36	6%	30%
3	185	9%	75%	28	5%	35%
4	134	7%	82%	30	5%	41%
5	97	5%	87%	23	4%	45%
6	55	3%	90%	25	4%	49%
7	37	2%	92%	21	4%	53%
8	30	2%	93%	25	4%	57%
9	29	1%	95%	23	4%	62%
10	18	1%	95%	21	4%	65%
>10	90	5%	100%	196	35%	100%
Total available data	1984	85%		564	81%	
n.a.	362	15%		135	19%	
<b>Total</b>	<b>2346</b>	<b>100%</b>		<b>699</b>	<b>100%</b>	

<b>OTHER POSITIONS HELD (2013 DATA)</b>	<b>Directors</b>			<b>Statutory Auditors</b>		
Average	2,78			8,81		
Median	1			7		
<b>Distribution</b>	<b>No.</b>	<b>%</b>	<b>% Cumulated</b>	<b>No.</b>	<b>%</b>	<b>% Cumulated</b>
0	805	36%	36%	112	18%	18%
1	360	16%	51%	51	8%	27%
2	245	11%	62%	38	6%	33%
3	211	9%	72%	28	5%	37%
4	155	7%	78%	33	5%	43%
5	114	5%	84%	17	3%	45%
6	95	4%	88%	21	3%	49%
7	61	3%	90%	25	4%	53%
8	48	2%	93%	32	5%	58%
9	35	2%	94%	19	3%	61%
10	29	1%	95%	20	3%	64%
>10	105	5%	100%	219	36%	100%
Total available data	2263	91%		615	85%	
n.a.	212	9%		108	15%	
<b>Total</b>	<b>2475</b>	<b>100%</b>		<b>723</b>	<b>100%</b>	

<b>OTHER POSITIONS HELD (2012 DATA)</b>	<b>Directors</b>			<b>Statutory Auditors</b>		
Average	3,17			9,47		
Median	2			7		
<b>Distribution</b>	<b>No.</b>	<b>%</b>	<b>% Cumulated</b>	<b>No.</b>	<b>%</b>	<b>% Cumulated</b>
0	818	33%	33%	100	15%	15%
1	385	16%	49%	51	8%	22%
2	252	10%	59%	41	6%	29%
3	231	9%	69%	26	4%	32%
4	164	7%	75%	44	7%	39%
5	123	5%	80%	30	4%	43%
6	95	4%	84%	18	3%	46%
7	84	3%	87%	33	5%	51%
8	76	3%	91%	29	4%	55%
9	45	2%	92%	25	4%	59%
10	38	2%	94%	23	3%	62%
>10	149	6%	100%	253	38%	100%
Total available data	2460	93%		673	88%	
n.a.	184	7%		93	12%	
<b>Total</b>	<b>2644</b>	<b>100%</b>		<b>766</b>	<b>100%</b>	

<b>OTHER POSITIONS HELD (2011 DATA)</b>	<b>Directors</b>			<b>Statutory Auditors</b>		
Average	3,26			9,93		
Median	2			7		
<b>Distribution</b>	<b>No.</b>	<b>%</b>	<b>% Cumulated</b>	<b>No.</b>	<b>%</b>	<b>% Cumulated</b>
0	822	32%	32%	95	13%	13%
1	412	16%	47%	67	9%	23%
2	295	11%	59%	35	5%	27%
3	226	9%	67%	28	4%	31%
4	163	6%	74%	46	6%	38%
5	140	5%	79%	36	5%	43%
6	136	5%	84%	35	5%	48%
7	92	4%	88%	23	3%	51%
8	67	3%	90%	28	4%	55%
9	51	2%	92%	26	4%	58%
10	43	2%	94%	18	3%	61%
>10	160	6%	100%	282	39%	100%
Total available data	2607	96%		719	91%	
n.a.	121	4%		67	9%	
<b>Total</b>	<b>2728</b>	<b>100%</b>		<b>786</b>	<b>100%</b>	

TAB.9: PERSONS HOLDING MULTIPLE POSITIONS IN LISTED COMPANIES	2014 DATA						2013 DATA						2012 DATA						2011 DATA					
	Directors	Statutory Auditors	Both	Total	% total	% cumulated	Directors	Statutory Auditors	Both	Total	% total	% cumulated	Directors	Statutory Auditors	Both	Total	% total	% cumulated	Directors	Statutory Auditors	Both	Total	% total	% cumulated
No. Persons holding	1969	552	49	2570			2049	562	51	2662			2143	580	60	2783			2196	589	67	2852		
No. Positions	2286	641	118	3045			2414	652	132	3198			2568	679	163	3410			2644	693	177	3514		
No. Persons with no. Positions	1969	552	49	2570			2049	562	51	2662			2143	580	60	2783			2196	589	67	2852		
1	1745	481	0	2226	86,6%	86,6%	1799	491	0	2290	86,0%	86,0%	1847	501	0	2348	84,4%	84,4%	1886	508	0	2394	83,9%	83,9%
Tot. multiple positions of which:	224	71	49	344	13,4%		250	71	51	372	14,0%		296	79	60	435	15,6%		310	81	67	458	16,1%	
2	163	54	35	252	9,8%	96,4%	173	54	32	259	9,7%	95,8%	211	62	31	304	10,9%	95,3%	217	60	35	312	10,9%	94,9%
3	40	16	10	66	2,6%	99,0%	48	15	10	73	2,7%	98,5%	53	14	19	86	3,1%	98,4%	62	19	22	103	3,6%	98,5%
4	12	1	2	15	0,6%	99,6%	22	2	7	31	1,2%	99,7%	21	3	7	31	1,1%	99,5%	19	2	9	30	1,1%	99,5%
5	7	0	2	9	0,4%	99,9%	5	0	2	7	0,3%	99,9%	10	0	2	12	0,4%	99,9%	10	0	1	11	0,4%	99,9%
6	2	0	0	2	0,1%	100,0%	2	0	0	2	0,1%	100,0%	1	0	1	2	0,1%	100,0%	2	0	0	2	0,1%	100,0%
7	0	0	0	0	0,0%	100,0%	0	0	0	0	0,0%	100,0%	0	0	0	0	0,0%	100,0%	0	0	0	0	0,0%	100,0%

TAB.10: ROLE OF THE SUPERVISORY BOARD (TWO-TIER BOARD MODEL)		Company by-laws give the Supervisory Board the power to approve strategic, business and financial plans of the company			Companies providing information about the number of Supervisory Board meetings			Effective attendance to Supervisory Board meetings (No./Year)	Length of Supervisory Board meetings (minutes)
		#	No.	%	#	No.	%		
INDEX	Year	#	No.	%	#	No.	%	μ	μ
FTSE MIB	2014	4	3	75,0%	4	4	100,0%	21	229
	2013	4	3	75,0%	4	4	100,0%	20	210
	2012	4	3	75,0%	4	4	100,0%	13	208
	2011	4	4	100,0%	4	4	100,0%	18	
FTSE MID CAP	2014	0	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
	2013	0	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
	2012	0	n.a.	n.a.	0	n.a.	n.a.	n.a.	n.a.
	2011	0	n.a.	n.a.	0	n.a.	n.a.	n.a.	n.a.
FTSE SMALL CAP	2014	1	1	100,0%	1	1	100,0%	4	0
	2013	1	1	100,0%	1	1	100,0%	4	0
	2012	1	1	100,0%	1	1	100,0%	8	n.a.
	2011	2	1	50,0%	2	2	100,0%	7	
FTSE MICRO CAP	2014	0	0	n.a.	0	0	n.a.	0	0
	2013	1	1	100,0%	1	1	100,0%	10	90
	2012	1	1	100,0%	1	1	100,0%	18	90
	2011	1	1	100,0%	1	1	100,0%	18	
OTHERS	2014	0	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
	2013	0	0	n.a.	0	n.a.	n.a.	0	n.a.
	2012	0	n.a.	n.a.	0	n.a.	n.a.	n.a.	n.a.
	2011	0	n.a.	n.a.	0	n.a.	n.a.	n.a.	n.a.

BANKS	2014	3	2	66,7%	3	3	100,0%	23	258
	2013	3	2	66,7%	3	3	100,0%	21	235
	2012	3	2	66,7%	3	3	100,0%	13	230
	2011								
INSURANCES	2014	0	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
	2013	0	0	n.a.	0	n.a.	n.a.	n.a.	0
	2012	0	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
	2011								

FINANCIAL	2014	3	2	66,7%	3	3	100,0%	23	258
	2013	3	2	66,7%	3	3	100,0%	21	235
	2012	3	2	66,7%	3	3	100,0%	13	230
	2011	3	3	100,0%	3	3	100,0%	20	
NON-FINANCIAL	2014	2	2	100,0%	2	2	100,0%	9	170
	2013	3	3	100,0%	3	3	100,0%	10	125
	2012	3	3	100,0%	3	3	100,0%	13	128
	2011	4	3	75,0%	4	4	100,0%	11	

TOTAL	2014	5	4	80,0%	5	5	100,0%	18	229
	2013	6	5	83,3%	6	6	100,0%	15	180
	2012	6	5	83,3%	6	6	100,0%	13	179
	2011	7	6	85,7%	7	7	100,0%	15	

TAB.11: COMPOSITION OF THE BOARD OF DIRECTORS		Number of Directors	Average age	EXECUTIVE directors (% on the BoD)		NON-EXECUTIVE directors (% on the BoD)		INDEPENDENT directors (% on the BoD)		Companies with "minority" directors			"Minority" directors (% on the BoD)		The company discloses criteria adopted by the BoD to evaluate the			The company does not comply, explicitly, with one or more Code recommendations		
INDEX	Year			μ	μ	μ	μ%	μ	μ%	μ	μ%	#	No.	%	μ	%	#	No.	%	#
FTSE MIB	2014	11,9	60,0	2,9	25,6%	9,0	74,4%	5,4	45,0%	36	19	52,8%	2,3	20,7%	36	8	22,2%	36	1	2,8%
	2013	12,2	60,2	3,0	26,4%	9,2	73,6%	5,5	44,9%	38	23	60,5%	2,5	21,8%	38	4	10,5%			
	2012	12,6		3,1	25,8%	9,5	74,2%	5,1	40,5%	38	20	52,6%	2,6	22,0%	38	4	10,5%			
	2011	12,7		3,4	27,9%	9,3	72,1%	5,2	40,9%	37	18	48,6%	2,9	24,0%	37	4	10,8%			
FTSE MID CAP	2014	11,4	59,1	2,6	23,6%	8,9	76,4%	5,1	44,0%	58	21	36,2%	1,8	15,6%	58	2	3,4%	58	4	6,9%
	2013	11,9	59,8	2,6	23,2%	9,3	76,8%	5,4	45,4%	60	24	40,0%	2,0	15,7%	60	4	6,7%			
	2012	12,3		2,7	23,8%	9,6	76,2%	5,2	42,3%	60	23	38,3%	1,9	14,4%	60	2	3,3%			
	2011	12,2		2,9	24,6%	9,3	75,4%	4,6	38,3%	60	21	35,0%	2,0	14,9%	60	0	0,0%			
FTSE SMALL CAP	2014	8,5	57,2	2,7	33,8%	5,8	66,2%	3,2	36,2%	109	39	35,8%	1,3	16,0%	109	8	7,3%	109	8	7,3%
	2013	8,3	56,7	2,7	34,3%	5,6	65,7%	3,1	36,5%	108	32	29,6%	1,3	17,7%	108	7	6,5%			
	2012	8,6		2,7	33,3%	5,8	66,3%	3,1	36,1%	131	43	32,8%	1,3	17,1%	131	2	1,5%			
	2011	8,7		2,6	32,6%	6,0	67,4%	3,0	34,4%	134	44	32,8%	1,3	16,5%	134	4	3,0%			
FTSE MICRO CAP	2014	7,8	58,3	3,1	40,0%	4,8	60,0%	2,4	36,8%	13	5	38,5%	1,8	23,7%	13	0	0,0%	13	0	0,0%
	2013	8,6	59,0	3,0	38,1%	5,6	61,9%	2,4	28,1%	22	8	36,4%	1,6	19,5%	22	0	0,0%			
	2012	9,4		2,5	31,3%	6,9	68,7%	3,2	34,3%	17	7	41,2%	2,0	19,6%	17	0	0,0%			
	2011	9,0		2,4	29,3%	6,6	70,7%	2,7	28,4%	19	8	42%	1,9	18,9%	19	0	0,0%			
OTHERS	2014	9,6	58,2	1,9	21,6%	7,7	78,4%	4,1	41,1%	14	5	35,7%	2,0	18,1%	14	1	7,1%	14	0	0,0%
	2013	9,7	60,7	2,0	22,2%	7,7	77,8%	3,6	36,5%	11	5	45,5%	2,0	18,6%	11	1	9,1%			
	2012	8,0		1,4	19,6%	6,6	80,4%	3,1	35,3%	9	3	33,3%	1,3	16,9%	9	0	0,0%			
	2011	8,5		2,5	32,5%	6,0	67,5%	2,9	32,1%	12	2	16,7%	1,0	8,4%	12	0	0,0%			
BANKS	2014	14,1	60,8	4,0	31,8%	10,1	68,2%	4,9	31,1%	18	7	38,9%	2,6	17,1%	18	2	11,1%	18	2	11,1%
	2013	13,5	62,8	4,3	34,6%	10,0	65,4%	5,1	30,6%	17	8	47,1%	2,6	17,0%	17	1	5,9%			
	2012	14,7		4,2	31,3%	10,4	68,2%	5,2	31,6%	19	8	42,1%	2,6	16,6%	19	0	0,0%			
INSURANCES	2014	16,8	61,5	2,2	14,0%	14,6	86,0%	7,8	49,2%	5	2	40,0%	1,0	7,7%	5	1	20,0%	5	2	40,0%
	2013	15,8	60,3	2,4	16,4%	13,4	83,6%	7,4	48,8%	8	3	37,5%	1,7	11,1%	8	1	12,5%			
	2012	17,0		1,8	11,1%	15,3	88,9%	7,1	41,4%	8	3	37,5%	1,7	10,0%	8	1	12,5%			
FINANCIAL	2014	14,7	60,9	3,6	27,7%	11,1	72,3%	5,5	35,0%	23	9	39,1%	2,2	15,0%	23	3	13,0%	23	4	17,4%
	2013	14,2	62,0	3,7	28,5%	11,1	71,5%	5,8	36,7%	25	11	44,0%	2,4	15,4%	25	2	8,0%			
	2012	15,4		3,4	25,1%	11,9	74,5%	5,8	34,7%	27	11	40,7%	2,4	14,8%	27	1	3,7%			
	2011	15,6		4,0	27,9%	11,6	72,1%	5,1	31,3%	28	11	39,3%	2,8	17,5%	28	2	7,1%			
NON-FINANCIAL	2014	9,3	57,9	2,6	29,7%	6,7	70,3%	3,8	40,4%	207	80	38,6%	1,6	17,8%	207	15	7,2%	207	9	4,3%
	2013	9,4	58,0	2,6	30,2%	6,8	69,8%	3,8	39,6%	214	81	37,9%	1,8	18,8%	214	14	6,5%			
	2012	9,5		2,6	29,8%	6,8	70,0%	3,7	38,4%	228	85	37,3%	1,7	18,0%	228	7	3,1%			
	2011	9,4		2,6	30,1%	6,8	69,9%	3,5	36,2%	234	82	35,0%	1,7	17,7%	234	6	2,6%			
TOTAL	2014	9,8	58,4	2,7	29,5%	7,1	70,5%	4,0	39,9%	230	89	38,7%	1,7	17,5%	230	18	7,8%	230	13	5,7%
	2013	9,9	58,7	2,7	30,1%	7,2	69,9%	4,0	39,3%	239	92	38,5%	1,9	18,4%	239	16	6,7%			
	2012	10,1		2,7	29,3%	7,4	70,5%	3,9	38,1%	255	96	37,6%	1,8	17,6%	255	8	3,1%			
	2011	10,1		2,8	29,8%	7,3	70,2%	3,7	35,7%	262	93	35,5%	1,8	17,6%	262	8	3,1%			

TAB.12: COMPOSITION OF THE SUPERVISORY BOARD (TWO-TIER BOARD MODEL)		Number of Directors			EXECUTIVE directors (% on the Supervisory Board)			NON-EXECUTIVE directors (% on the Supervisory Board)			INDEPENDENT directors (% on the Supervisory Board)			Companies with minority directors			Number of minority directors (% values)			Companies appointing a Lead Independent Director (LID)		
INDEX	Year	μ	μ	%	μ	%	μ	%	#	No.	%	μ	%	#	μ	%						
FTSE MIB	2014	19,0	0,0	0,0%	19,0	100,0%	15,8	83,2%	4	4	100,0%	5,3	27,5%	4	0,0	0,0%						
	2013	18,8	0,0	0,0%	18,8	100,0%	16,8	89,5%	4	4	100,0%	4,8	25,9%	4	0,0	0,0%						
	2012	19,0	0,0	0,0%	19,0	100,0%	17,0	89,5%	4	4	100,0%	5,3	28,5%	4	0,0	0,0%						
	2011	19,3	0,0	0,0%	19,3	100,0%	18,0	93,7%	4	4	100,0%	3,5	19,2%	4	0,0	0,0%						
FTSE MID CAP	2014	0,0	0,0	0,0%	0,0	0,0%	0,0	0,0%	0	0	n.a.	0,0	0,0%	0	0,0	n.a.						
	2013	0,0	0,0	0,0%	0,0	0,0%	0,0	0,0%	0	0	n.a.	n.a.	n.a.	0	0,0	n.a.						
	2012	0,0	0,0	0,0%	0,0	0,0%	0,0	0,0%	0	0	n.a.	n.a.	n.a.	0	0,0	n.a.						
	2011	0,0	0,0	0,0%	0,0	0,0%	0,0	0,0%	0	0	n.a.	n.a.	n.a.	0	0,0	n.a.						
FTSE SMALL CAP	2014	5,0	0,0	0,0%	5,0	100,0%	5,0	100,0%	1	0	0,0%	0	0,0%	1	0,0	0,0%						
	2013	5,0	0,0	0,0%	5,0	100,0%	5,0	100,0%	1	0	0,0%	0	0,0%	1	0,0	0,0%						
	2012	5,0	0,0	0,0%	5,0	100,0%	0,0	0,0%	1	0	0,0%	0,0	0,0%	1	0,0	0,0%						
	2011	5,0	0,0	0,0%	5,0	100,0%	1,5	30,0%	2	1	50,0%	1,0	20,0%	2	0,0	0,0%						
FTSE MICRO CAP	2014	0,0	0,0	0,0%	0,0	0,0%	0,0	0,0%	0	0	n.a.	0,0	0,0%	0	0,0	n.a.						
	2013	5,0	0,0	0,0%	5,0	100,0%	5,0	100,0%	1	1	100,0%	1,0	20,0%	1	0,0	0,0%						
	2012	5,0	0,0	0,0%	5,0	100,0%	5,0	100,0%	1	1	100,0%	1	20,0%	1	0,0	0,0%						
	2011	4,0	0,0	0,0%	4,0	100,0%	4,0	100,0%	1	0	0,0%	0,0	0,0%	1	0,0	0,0%						
OTHERS	2014	0,0	0,0	0,0%	0,0	0,0%	0,0	0,0%	0	0	n.a.	0,0	0,0%	0	0,0	n.a.						
	2013	0,0	0,0	0,0%	0,0	0,0%	0,0	0,0%	0	0	n.a.	n.a.	n.a.	0	0,0	n.a.						
	2012	0,0	0,0	0,0%	0,0	0,0%	0,0	0,0%	0	0	n.a.	n.a.	n.a.	0	0,0	n.a.						
	2011	0,0	0,0	0,0%	0,0	0,0%	0,0	0,0%	0	0	n.a.	n.a.	n.a.	0	0,0	n.a.						
BANKS	2014	20,3	0,0	0,0%	20,3	100,0%	16,3	79,9%	3	3	100,0%	6,0	30,1%	3	0,0	0,0%						
	2013	20,0	0,0	0,0%	20,0	100,0%	17,3	86,0%	3	3	100,0%	5,3	27,8%	3	0,0	0,0%						
	2012	20,3	0,0	0,0%	20,3	100,0%	17,7	86,0%	3	3	100,0%	6,0	31,3%	3	0,0	0,0%						
INSURANCES	2014	0,0	0,0	0,0%	0,0	0,0%	0,0	0,0%	0	0	n.a.	0,0	0,0%	0	0,0	n.a.						
	2013	0,0	0,0	0,0%	0,0	0,0%	0,0	0,0%	0	0	n.a.	0,0	0,0%	0	0,0	n.a.						
	2012	0,0	0,0	0,0%	0,0	0,0%	0,0	0,0%	0	0	n.a.	0,0	0,0%	0	0,0	n.a.						
FINANCIAL	2014	20,3	0,0	0,0%	20,3	100,0%	16,3	79,9%	3	3	100,0%	6,0	30,1%	3	0,0	0,0%						
	2013	20,0	0,0	0,0%	20,0	100,0%	17,3	86,0%	3	3	100,0%	5,3	27,8%	3	0,0	0,0%						
	2012	20,3	0,0	0,0%	20,3	100,0%	17,7	86,0%	3	3	100,0%	6,0	31,3%	3	0,0	0,0%						
	2011	20,7	0,0	0,0%	20,7	100,0%	19,0	91,6%	3	3	100,0%	3,7	18,9%	3	0,0	0,0%						
NON-FINANCIAL	2014	10,0	0,0	0,0%	10,0	100,0%	9,5	96,7%	2	1	50,0%	1,5	10,0%	2	0,0	0,0%						
	2013	8,3	0,0	0,0%	8,3	100,0%	8,3	100,0%	3	2	66,7%	1,3	13,3%	3	0,0	0,0%						
	2012	8,3	0,0	0,0%	8,3	100,0%	6,7	66,7%	3	2	66,7%	1,3	13,3%	3	0,0	0,0%						
	2011	7,3	0,0	0,0%	7,3	100,0%	5,5	65,0%	4	2	50,0%	2,0	20,0%	4	0,0	0,0%						
TOTAL	2014	16,2	0,0	0,0%	16,2	100,0%	13,6	86,6%	5	4	80,0%	4,2	22,0%	5	0,0	0,0%						
	2013	14,2	0,0	0,0%	14,2	100,0%	12,8	93,0%	6	5	83,3%	3,3	20,6%	6	0,0	0,0%						
	2012	14,3	0,0	0,0%	14,3	100,0%	12,2	76,3%	6	5	83,3%	3,7	22,3%	6	0,0	0,0%						
	2011	13,0	0,0	0,0%	13,0	100,0%	11,3	76,4%	7	5	71,4%	3,0	19,3%	7	0,0	0,0%						

TAB.13: DIRECTORS' AND STATUTORY AUDITORS' AGE AND TIME IN OFFICE		All directors		EXECUTIVE directors		NON-EXECUTIVE directors		INDEPENDENT directors		"Minority" directors		Statutory auditors		"Minority" statutory auditors	
INDEX	Year	Age μ	Time in office μ	Age μ	Time in office μ	Age μ	Time in office μ	Age μ	Time in office μ	Age μ	Time in office μ	Age μ	Time in office μ	Age μ	Time in office μ
FTSE MIB	2014	60,0	4,3	58,7	8,0	60,4	3,7	60,4	3,2	58,2	2,9	60,5	4,0	58,4	3,8
	2013	60,2	4,8	58,7	7,4	60,5	4,1	61,2	3,1	58,0	2,1	59,6	4,0	56,2	3,4
FTSE MID CAP	2014	59,1	7,3	59,2	10,6	59,0	6,5	59,0	4,7	57,9	3,0	57,4	3,8	58,3	0,7
	2013	59,8	6,9	59,7	10,4	59,9	5,9	60,2	4,3	59,5	3,4	58,0	5,7	59,7	1,0
FTSE SMALL CAP	2014	57,2	5,6	56,6	8,9	57,4	4,5	59,0	4,2	56,4	3,3	56,4	1,8	58,7	2,3
	2013	56,7	5,9	55,3	8,9	57,4	4,5	58,3	3,3	55,9	3,5	55,7	4,3	57,6	3,8
FTSE MICRO CAP	2014	58,3	4,3	59,3	6,9	57,7	3,8	57,4	4,0	63,6	1,5	55,3	3,4	58,8	5,7
	2013	59,0	3,7	57,1	7,3	60,0	2,7	59,6	3,7	64,2	2,6	57,1	3,7	55,2	3,0
OTHERS	2014	58,2	3,7	60,5	4,4	57,6	3,6	58,3	4,2	56,0	1,2	57,0	1,0	54,8	0,0
	2013	60,7	8,8	62,6	10,3	60,2	8,3	60,6	6,6	60,0	4,5	56,4	n.a.	52,3	n.a.
BANKS	2014	60,8	4,3	63,2	7,6	60,1	3,8	58,4	3,1	58,0	2,8	60,2	2,3	62,0	3,6
	2013	62,8	4,8	63,7	6,6	62,5	4,3	61,6	3,4	59,9	3,6	60,4	5,9	60,9	2,0
INSURANCES	2014	61,5	9,7	64,9	19,2	60,9	7,8	60,6	8,2	52,0	0,7	55,0	6,9	68,0	0,0
	2013	60,3	7,1	59,6	15,7	60,4	5,7	59,1	4,8	57,0	1,5	61,0	7,2	73,0	n.a.
FINANCIAL	2014	60,9	5,3	63,4	9,9	60,3	4,6	58,9	3,9	57,7	2,7	59,0	3,5	63,1	3,6
	2013	62,0	5,4	62,8	8,0	61,8	4,6	60,8	3,7	59,5	3,3	60,6	6,1	63,9	2,0
NON-FINANCIAL	2014	57,9	5,6	57,2	8,8	58,2	4,7	59,3	4,0	57,8	2,9	57,0	2,9	57,7	3,3
	2013	58,0	6,0	56,5	9,1	58,6	4,9	59,6	3,6	58,3	2,7	56,7	4,1	56,4	3,6
TOTAL	2014	58,4	5,6	58,0	9,0	58,6	4,7	59,2	4,0	57,8	2,8	57,2	3,0	58,3	3,4
	2013	58,7	5,9	57,4	8,9	59,2	4,8	59,8	3,6	58,5	2,8	57,1	4,5	57,3	3,3



<b>TAB.15: INDEPENDENT DIRECTORS IN "PARTICULAR CIRCUMSTANCES"</b>	<b>2014 Data</b>	Financial	Non- financial	<b>2013 Data</b>	Financial	Non- financial	<b>2012 Data</b>	Financial	Non- financial	<b>2011 Data</b>	Financial	Non- financial
<b>N.total</b>	<b>2346</b>	391	1955	<b>2475</b>	431	2044	<b>2644</b>	470	2174	<b>2728</b>	497	2231
<b>of which</b>												
<b>with classification available</b>	<b>2336</b>	381	1955	<b>2458</b>	414	2044	<b>2622</b>	452	2170	<b>2726</b>	496	2230
<b>(% Data)</b>	<b>99,5%</b>	97,4%	100,0%	<b>99,3%</b>	96,1%	100,0%	<b>99,2%</b>	96,4%	99,8%	<b>99,9%</b>	99,8%	100,0%
<b>Executive</b>	<b>615</b>	72	543	<b>651</b>	88	563	<b>683</b>	89	594	<b>725</b>	108	617
<b>Non-executive</b>	<b>1721</b>	309	1412	<b>1807</b>	326	1481	<b>1939</b>	363	1576	<b>2001</b>	388	1613
<b>of which: independent</b>	<b>988</b>	174	814	<b>1026</b>	184	842	<b>1049</b>	198	851	<b>1044</b>	200	844
<b>"Particular situations" identified</b>												
<b>Remuneration:</b>												
<b>- stock options</b>	<b>2</b>	0	2	<b>0</b>	0	0	<b>0</b>	0	0	<b>1</b>	0	1
<b>- "high" compensation</b>	<b>39</b>	6	33	<b>43</b>	5	38	<b>40</b>	11	29	<b>63</b>	22	41
<b>Members of the Executive Committee:</b>												
<b>- and no CEO</b>	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>	0	0
<b>- and "frequent" meetings</b>	<b>6</b>	4	2	<b>5</b>	5	0	<b>4</b>	4	0	<b>2</b>	1	1
<b>Chairmen of the company</b>	<b>12</b>	3	9	<b>18</b>	3	15	<b>26</b>	5	21	<b>21</b>	3	18
<b>Board members 9 year ago</b>	<b>137</b>	22	115	<b>146</b>	38	108	<b>136</b>	47	89	<b>139</b>	48	91
<b>Independent directors involved in none of the above situations</b>												
<b>Total</b>	<b>810</b>	149	661	<b>840</b>	143	697	<b>817</b>	122	695	<b>839</b>	135	704
<b>(% Data)</b>	<b>82,1%</b>	84,2%	81,6%	<b>81,9%</b>	77,7%	82,8%	<b>77,9%</b>	61,6%	81,7%	<b>80,4%</b>	67,5%	83,4%



TAB.16: COMPOSITION OF THE BOARD OF STATUTORY AUDITORS		Companies with "minority" statutory auditors			Number of "minority" statutory auditors and their weight with reference to the total number of S.A.				The BoSA evaluated the "independence according to the CG Code" of its members		
					In companies with minority statutory auditors		Considering also companies disclosing that they have NO S.A.				
INDEX	Year	#	No.	%	μ	%	μ	%	#	No.	%
FTSE MIB	2014	32	23	71,9%	1,2	33,6%	0,9	24,2%	32	29	90,6%
	2013	34	22	64,7%	1,2	33,6%	0,8	21,8%	34	29	85,3%
	2012	34	20	58,8%	1,3	33,7%	0,8	20,4%	34	27	79,4%
	2011	33	18	54,5%	1,3	35,6%	0,7	19,4%	33	30	90,9%
FTSE MID CAP	2014	57	19	33,3%	1,0	32,6%	0,3	10,9%	57	49	86,0%
	2013	59	23	39,0%	1,0	32,8%	0,4	12,8%	59	54	91,5%
	2012	59	22	37,3%	1,0	33,3%	0,4	12,4%	59	51	86,4%
	2011	60	22	36,7%	1,0	32,2%	0,4	12,3%	60	50	83,3%
FTSE SMALL CAP	2014	107	38	35,5%	1,1	34,9%	0,4	12,5%	107	97	90,7%
	2013	106	32	30,2%	1,1	36,0%	0,3	11,0%	106	92	86,8%
	2012	130	41	31,5%	1,0	33,6%	0,3	11,0%	130	107	82,3%
	2011	129	46	35,7%	1,0	33,2%	0,4	11,8%	129	94	72,9%
FTSE MICRO CAP	2014	13	5	38,5%	1,0	30,7%	0,4	11,8%	13	8	61,5%
	2013	21	8	38,1%	1,3	36,7%	0,5	14,0%	21	19	90,5%
	2012	16	7	43,8%	1,0	29,5%	0,4	12,9%	16	12	75,0%
	2011	18	8	44,4%	1,0	30,0%	0,4	13,3%	18	9	50,0%
OTHERS	2014	14	6	42,9%	1,5	45,6%	0,6	19,5%	14	12	85,7%
	2013	11	3	27,3%	1,0	33,3%	0,3	9,1%	11	9	81,8%
	2012	10	3	30,0%	1,0	33,3%	0,3	11,1%	10	6	60,0%
	2011	12	3	25,0%	1,0	33,3%	0,3	8,3%	12	6	50,0%
BANKS	2014	15	8	53,3%	1,1	29,2%	0,6	16,7%	15	12	80,0%
	2013	14	8	57,1%	1,1	29,2%	0,6	16,7%	14	9	64,3%
	2012	16	11	68,8%	1,1	30,3%	0,8	20,8%	16	11	68,8%
INSURANCES	2014	5	2	40,0%	1,0	33,3%	0,4	13,3%	5	4	80,0%
	2013	8	3	37,5%	1,0	33,3%	0,4	12,5%	8	8	100,0%
	2012	8	2	25,0%	1,0	33,3%	0,3	9,5%	8	7	87,5%
FINANCIAL	2014	20	10	50,0%	1,1	30,0%	0,6	15,8%	20	16	80,0%
	2013	22	11	50,0%	1,1	30,3%	0,5	15,2%	22	17	77,3%
	2012	24	13	54,2%	1,1	30,8%	0,6	17,4%	24	18	75,0%
	2011	25	15	60,0%	1,1	32,4%	0,7	19,5%	25	19	76,0%
NON-FINANCIAL	2014	203	81	39,9%	1,1	35,1%	0,4	14,0%	203	179	88,2%
	2013	209	77	36,8%	1,1	35,2%	0,4	13,0%	209	186	89,0%
	2012	225	80	35,6%	1,1	33,6%	0,4	12,3%	225	185	82,2%
	2011	227	82	36,1%	1,1	33,3%	0,4	12,2%	227	170	74,9%
TOTAL	2014	223	91	40,8%	1,1	34,6%	0,5	14,2%	223	195	87,4%
	2013	231	88	38,1%	1,1	34,5%	0,4	13,2%	231	203	87,9%
	2012	249	93	37,3%	1,1	33,2%	0,4	12,8%	249	203	81,5%
	2011	252	97	38,5%	1,1	33,1%	0,4	12,9%	252	189	75,0%

<b>TAB.17: STATUTORY AUDITORS IN "PARTICULAR CIRCUMSTANCES"</b>	<b>2014 Data</b>	Financial	Non-financial	<b>2013 Data</b>	Financial	Non-financial	<b>2012 Data</b>	Financial	Non-financial	<b>2011 Data</b>	Financial	Non-financial
<b>Number of Statutory Auditors</b>	<b>699</b>	74	625	<b>723</b>	80	643	<b>766</b>	86	680	<b>786</b>	89	697
<b>"Particular situations" identified</b>												
<b>Remuneration:</b>												
- "high" compensation	<b>60</b>	5	55	<b>68</b>	8	60	<b>70</b>	10	60	<b>74</b>	11	63
<b>In charge from more than 9 years</b>	<b>118</b>	17	101	<b>136</b>	22	114	<b>152</b>	27	125	<b>136</b>	22	114
<b>Statutory Auditors involved in none of the above situations</b>												
<b>Total</b>	<b>543</b>	53	490	<b>550</b>	52	498	<b>572</b>	53	519	<b>604</b>	60	544
<b>(% Data)</b>	<b>77,7%</b>	71,6%	78,4%	<b>76,1%</b>	65,0%	77,4%	<b>75,0%</b>	61,6%	76,6%	<b>76,8%</b>	67,4%	78,0%

TAB.18: NOMINATION COMMITTEE		Number of companies that have established a Nomination Committee			The committee is unified with the Remuneration Committee			Number of directors in the committee	EXECUTIVE directors (% on the Committee)			NON-EXECUTIVE directors (% on the committee)		INDEPENDENT directors (% on non-executive directors)		MINORITY directors (% on the committee)		Number of companies providing information on meetings' frequency			Number of meetings	Average length of meetings (minutes)
		INDEX	Year	#	No.	%	#	No.	%	μ	μ	%	μ	%	μ	%	μ	%	#	No.	%	μ
FTSE MIB	2014	36	28	77,8%	28	12	42,9%	4,9	0,7	12,5%	4,2	87,5%	2,9	74,1%	0,8	16,7%	16	16	100,0%	5,5	66	
	2013	38	30	78,9%	30	14	46,7%	4,8	0,6	9,8%	4,2	90,2%	3,3	80,4%	0,5	11,5%	16	16	100,0%	5,4	80	
	2012	38	22	57,9%	22	8	36,4%	4,3	0,4	6,1%	3,9	93,9%	2,9	75,7%	0,5	11,0%	22	15	68,2%	2,8	70	
	2011	37	13	35,1%	13	6	46,2%	4,4	0,3	6,2%	4,1	93,8%	2,9	73,8%	0,2	5,6%	13	7	53,8%	4,3		
FTSE MID CAP	2014	58	36	62,1%	36	27	75,0%	3,2	0,2	4,4%	3,0	95,6%	2,4	81,5%	0,2	4,4%	9	9	100,0%	2,8	53	
	2013	60	30	50,0%	30	21	70,0%	3,4	0,2	4,4%	3,2	95,6%	2,4	77,8%	0,2	4,4%	9	9	100,0%	3,3	75	
	2012	60	12	20,0%	12	3	25,0%	3,3	0,3	6,1%	3,1	93,9%	2,4	80,6%	0,3	5,0%	12	10	83,3%	2,0	45	
	2011	60	15	25,0%	15	6	40,0%	3,3	0,1	2,2%	3,2	97,8%	2,1	67,2%	0,3	5,6%	15	8	53,3%	1,3		
FTSE SMALL CAP	2014	109	41	37,6%	41	33	80,5%	2,8	0,1	4,2%	2,6	95,8%	2,3	87,5%	0,0	0,0%	8	6	75,0%	0,8	45	
	2013	108	37	34,3%	37	33	89,2%	3,0	0,3	11,1%	2,7	88,9%	2,3	88,9%	0,0	0,0%	4	3	75,0%	0,7	40	
	2012	131	15	11,5%	15	9	60,0%	2,9	0,1	3,3%	2,8	96,7%	1,9	63,3%	0,5	16,7%	15	11	73,3%	1,1	83	
	2011	134	13	9,7%	13	8	61,5%	2,9	0,2	7,7%	2,7	92,3%	2,0	69,2%	0,3	10,3%	13	6	46,2%	0,8		
FTSE MICRO CAP	2014	13	3	23,1%	3	2	66,7%	3,0	0,0	0,0%	3,0	100,0%	3,0	100,0%	0,0	0,0%	1	1	100,0%	1,0	0	
	2013	22	5	22,7%	5	5	100,0%	0,0	0,0	0,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%	0	n.a.	n.a.	n.a.	n.a.	
	2012	17	1	5,9%	1	1	100,0%	3,0	0,0	0,0%	3,0	100,0%	2,0	66,7%	0,0	0,0%	1	0	0,0%	0,0	0	
	2011	19	1	5,3%	1	0	0,0%	3,0	0,0	0,0%	3,0	100,0%	2,0	66,7%	0,0	0,0%	1	1	100,0%	1,0		
OTHERS	2014	14	5	35,7%	5	4	80,0%	3,0	0,0	0,0%	3,0	100,0%	3,0	100,0%	0,0	0,0%	1	1	100,0%	5,0	60	
	2013	11	4	36,4%	4	4	100,0%	0,0	0,0	0,0%	0,0	0,0%	0,0	0,0%	0,0	0,0%	0	n.a.	n.a.	n.a.	n.a.	
	2012	9	1	11,1%	1	1	100,0%	3,0	0,0	0,0%	3,0	100,0%	3,0	100,0%	0,0	0,0%	1	0	0,0%	0,0	0	
	2011	12	1	8,3%	1	1	100,0%	3,0	0,0	0,0%	3,0	100,0%	3,0	100,0%	0,0	0,0%	1	0	0,0%	0,0		
BANKS	2014	18	15	83,3%	15	4	26,7%	5,3	1,0	16,9%	4,3	83,1%	3,2	81,1%	0,6	11,9%	11	10	90,9%	7,3	51	
	2013	17	14	82,4%	14	5	35,7%	5,7	1,0	16,3%	4,7	83,7%	3,9	87,3%	0,5	8,9%	9	9	100,0%	6,8	64	
	2012	19	12	63,2%	12	3	25,0%	4,8	0,8	12,5%	4,1	87,5%	2,8	69,2%	0,7	12,6%	12	10	83,3%	3,4	78	
INSURANCES	2014	5	4	80,0%	4	2	50,0%	3,5	0,0	0,0%	3,5	100,0%	2,5	70,8%	0,0	0,0%	2	2	100,0%	5,0	45	
	2013	8	5	62,5%	5	2	40,0%	3,7	0,0	0,0%	3,7	100,0%	2,0	55,6%	0,0	0,0%	3	3	100,0%	6,3	30	
	2012	8	3	37,5%	3	1	33,3%	4,0	0,0	0,0%	4,0	100,0%	2,3	58,9%	0,0	0,0%	3	3	100,0%	4,3	60	
FINANCIAL	2014	23	19	82,6%	19	6	31,6%	5,0	0,8	14,3%	4,2	85,7%	3,1	79,6%	0,5	10,1%	13	12	92,3%	6,9	50	
	2013	25	19	76,0%	19	7	36,8%	5,2	0,8	12,2%	4,4	87,8%	3,4	79,4%	0,4	6,5%	12	12	100,0%	6,7	60	
	2012	27	15	55,6%	15	4	26,7%	4,7	0,6	10,0%	4,1	90,0%	2,7	67,1%	0,5	10,1%	15	13	86,7%	3,6	73	
	2011	28	13	46,4%	13	5	38,5%	4,6	0,4	6,2%	4,2	93,8%	2,6	60,3%	0,5	9,5%	13	8	61,5%	4,4		
NON-FINANCIAL	2014	207	94	45,4%	94	72	76,6%	3,2	0,1	3,9%	3,0	96,1%	2,4	81,1%	0,3	8,0%	22	21	95,5%	2,0	74	
	2013	214	87	40,7%	87	70	80,5%	3,4	0,2	5,2%	3,2	94,8%	2,6	81,3%	0,3	8,9%	17	16	94,1%	2,4	89	
	2012	228	36	15,8%	36	18	50,0%	3,1	0,1	3,0%	3,1	97,0%	2,4	76,2%	0,4	11,1%	36	23	63,9%	1,2	68	
	2011	234	30	12,8%	30	16	53,3%	3,0	0,1	4,4%	2,9	95,6%	2,2	75,0%	0,2	5,6%	30	14	46,7%	0,8		
TOTAL	2014	230	113	49,1%	113	78	69,0%	3,9	0,4	7,8%	3,5	92,2%	2,7	80,5%	0,4	8,8%	35	33	94,3%	3,8	62	
	2013	239	106	44,4%	106	77	72,6%	4,1	0,4	8,2%	3,7	91,8%	2,9	80,4%	0,3	7,9%	29	28	96,6%	4,3	77	
	2012	255	51	20,0%	51	22	43,1%	3,6	0,2	5,1%	3,4	94,9%	2,5	73,5%	0,4	10,8%	51	36	70,6%	2,1	70	
	2011	262	43	16,4%	43	21	48,8%	3,5	0,2	5,0%	3,3	95,0%	2,3	70,6%	0,3	6,7%	43	22	51,2%	2,1		

TAB.19: CHAIRMANSHIP OF COMMITTEES		Number of companies with a Nomination Committee			Number of companies that have appointed the Chairman of the NC (% on the n. of companies with a NC not unified with the RC)		The Chairman of the NC is Independent		Number of companies with a NC, a Chairman and minority members		The Chairman of the NC is a minority director			Number of companies with a Remuneration Committee			Number of companies that have appointed the Chairman of the RC			The Chairman of the RC is Independent			Number of companies with a RC, a Chairman and minority members			The Chairman of the RC is a minority director			Number of companies with a Control and Risk Committee			Number of companies that have appointed the Chairman of the CRC			The Chairman of the CRC is Independent			Number of companies with a CRC, a Chairman and minority members			The Chairman of the CRC is a minority director						
		#	No.	%	No.	%	No.	%	#	No.	%	No.	%	No.	%	#	No.	%	No.	%	No.	%	#	No.	%	No.	%	No.	%	No.	%	No.	%	#	No.	%	No.	%	No.	%							
INDEX	Year																																														
FTSE MIB	2014	36	28	78%	16	100%	5	31%	7	0	0%	36	35	97%	33	94%	29	88%	20	4	20%	36	36	100%	35	97%	34	97%	20	5	14%																
	2013	38	30	79%	25	83%	17	68%	19	1	5%	38	37	97%	34	92%	31	91%	25	1	4%	38	38	100%	35	92%	33	94%	25	5	20%																
FTSE MID CAP	2014	58	36	62%	9	100%	8	89%	4	0	0%	58	57	98%	50	88%	44	88%	19	1	5%	58	55	95%	50	91%	49	98%	18	1	2%																
	2013	60	30	50%	28	93%	24	86%	8	1	13%	60	59	98%	50	85%	44	88%	21	4	19%	60	58	97%	53	91%	51	96%	20	2	10%																
FTSE SMALL CAP	2014	109	41	38%	5	63%	4	80%	7	0	0%	109	93	85%	80	86%	71	89%	28	1	4%	109	100	92%	80	80%	74	93%	31	4	5%																
	2013	108	37	34%	26	70%	23	88%	10	1	10%	108	94	87%	76	81%	65	86%	24	3	13%	108	99	92%	81	82%	76	94%	26	5	19%																
FTSE MICRO CAP	2014	13	3	23%	1	100%	1	100%	1	0	0%	13	8	62%	7	88%	6	86%	4	0	0%	13	8	62%	8	100%	6	75%	4	1	13%																
	2013	22	5	23%	4	80%	4	100%	0	0	n.a.	22	16	73%	13	81%	8	62%	5	0	0%	22	15	68%	12	80%	8	67%	5	1	20%																
OTHERS	2014	14	5	36%	1	100%	1	100%	1	0	0%	14	9	64%	7	78%	7	100%	3	0	0%	14	11	79%	6	55%	6	100%	2	0	0%																
	2013	11	4	36%	4	100%	4	100%	1	0	0%	11	8	73%	6	75%	6	100%	2	0	0%	11	8	73%	6	75%	6	100%	3	0	0%																
BANKS	2014	18	15	83%	11	100%	4	36%	5	0	0%	18	18	100%	17	94%	11	65%	8	5	63%	18	17	94%	16	94%	14	88%	8	1	6%																
	2013	17	14	82%	11	79%	5	45%	8	0	0%	17	17	100%	14	82%	11	79%	10	0	0%	17	15	88%	15	100%	13	87%	11	2	18%																
INSURANCES	2014	5	4	80%	2	100%	1	50%	2	0	0%	5	5	100%	5	100%	5	100%	2	1	50%	5	5	100%	5	100%	5	100%	2	0	0%																
	2013	8	5	63%	5	100%	4	80%	1	0	0%	8	8	100%	8	100%	7	88%	3	1	33%	8	8	100%	8	100%	8	100%	3	0	0%																
FINANCIAL	2014	23	19	83%	13	100%	5	38%	7	0	0%	23	23	100%	22	96%	16	73%	10	1	10%	23	22	96%	21	95%	19	90%	10	1	5%																
	2013	25	19	76%	16	84%	9	56%	9	0	0%	25	25	100%	22	88%	18	82%	13	1	8%	25	23	92%	23	100%	21	91%	14	2	14%																
NON-FINANCIAL	2014	207	94	45%	19	86%	14	74%	13	0	0%	207	179	86%	155	87%	141	91%	64	5	8%	207	188	91%	158	84%	150	95%	65	10	6%																
	2013	214	87	41%	71	82%	63	89%	29	3	10%	214	189	88%	157	83%	136	87%	64	7	11%	214	195	91%	164	84%	153	93%	65	12	18%																
TOTAL	2014	230	113	49%	32	91%	19	59%	20	0	0%	230	202	88%	177	88%	157	89%	74	6	8%	230	210	91%	179	85%	169	94%	75	11	6%																
	2013	239	106	44%	87	82%	72	83%	38	3	8%	239	214	90%	179	84%	154	86%	77	8	10%	239	218	91%	187	86%	174	93%	79	14	18%																

TAB.20: REMUNERATION COMMITTEE		Number of companies with a Remuneration Committee			Number of directors in the committee	Chairman of the RC		Other members of the RC		EXECUTIVE directors (% of the RC)		NON-EXECUTIVE directors (% of the RC)		INDEPENDENT directors (% of non-executive directors)		MINORITY directors (% of the RC)		Number of companies providing information on RC meetings' frequency			Number of meetings	Average length of RC meetings (minutes)
						Age	Time in office	Age	Time in office													
INDEX	Year	#	No.	%	μ	μ	μ	μ	μ	%	μ	%	μ	%	μ	%	#	No.	%	μ	μ	
FTSE MIB	2014	36	35	97,2%	3,5	64,3	4,7	59,8	3,2	0,0	1,0%	3,5	99,0%	2,8	81,8%	0,6	17,2%	35	35	100,0%	6,60	87
	2013	38	37	97,4%	3,5	62,8	5,6	60,1	3,2	0,0	0,9%	3,4	99,1%	2,8	82,1%	0,5	15,2%	37	37	100,0%	6,14	89
	2012	38	37	97,4%	3,6					0,0	0,9%	3,6	99,1%	2,8	78,5%	0,7	20,3%	37	37	100,0%	5,41	76
	2011	37	36	97,3%	3,8					0,1	2,8%	3,7	97,2%	2,9	79,6%	0,6	18,1%	36	36	100,0%	5,08	
FTSE MID CAP	2014	58	57	98,3%	3,2	61,4	6,6	59,6	6,4	0,0	1,2%	3,2	98,8%	2,5	78,3%	0,2	5,1%	57	56	98,2%	3,88	69
	2013	60	59	98,3%	3,2	63,4	8,5	61,2	5,9	0,0	1,0%	3,1	99,0%	2,6	82,4%	0,3	8,6%	59	58	98,3%	3,57	73
	2012	60	59	98,3%	3,2					0,0	0,3%	3,2	98,5%	2,6	82,6%	0,2	6,6%	59	59	100,0%	4,02	68
	2011	60	57	95,0%	3,2					0,0	0,4%	3,2	99,6%	2,4	74,8%	0,2	7,0%	57	55	96,5%	3,11	
FTSE SMALL CAP	2014	109	93	85,3%	3,0	59,2	5,1	59,2	5,0	0,0	0,6%	2,9	99,4%	2,2	76,4%	0,2	6,6%	93	89	95,7%	2,69	63
	2013	108	94	87,0%	3,0	57,5	3,6	59,0	5,3	0,0	1,3%	2,9	98,7%	2,2	75,3%	0,2	5,5%	94	91	96,8%	2,65	58
	2012	131	110	84,0%	3,0					0,0	0,8%	3,0	99,2%	2,2	74,8%	0,2	8,0%	110	106	96,4%	2,34	55
	2011	134	107	79,9%	3,0					0,0	1,1%	2,9	98,9%	2,2	74,9%	0,1	4,7%	107	103	96,3%	1,93	
FTSE MICRO CAP	2014	13	8	61,5%	2,9	59,9	5,7	62,2	4,0	0,0	0,0%	2,9	100,0%	2,3	79,2%	0,4	12,5%	8	8	100,0%	2,63	60
	2013	22	16	72,7%	2,9	63,9	14,0	59,8	4,1	0,1	2,1%	2,9	97,9%	2,1	72,9%	0,3	7,8%	16	16	100,0%	2,00	64
	2012	17	13	76,5%	3,2					0,2	10,3%	3,2	97,2%	2,3	71,7%	0,2	7,1%	13	12	92,3%	3,00	63
	2011	19	15	78,9%	3,0					0,1	2,2%	2,9	97,8%	1,9	61,1%	0,3	10,6%	15	14	93,3%	2,29	
OTHERS	2014	14	9	64,3%	3,1	58,4	3,6	56,9	3,1	0,0	0,0%	3,1	100,0%	2,6	86,7%	0,1	4,2%	9	7	77,8%	3,86	60
	2013	11	8	72,7%	2,9	61,5	2,0	61,6	4,0	0,0	0,0%	2,9	100,0%	2,4	85,7%	0,1	4,8%	8	6	75,0%	2,33	58
	2012	9	6	66,7%	3,0					0,0	0,0%	3,0	100,0%	2,2	72,2%	0,0	0,0%	6	5	83,3%	0,80	30
	2011	12	8	66,7%	3,0					0,0	0,0%	3,0	100,0%	2,3	75,0%	0,1	4,2%	8	8	100,0%	1,88	
BANKS	2014	18	18	100,0%	3,8	65,4	3,4	60,7	3,8	0,0	0,0%	3,8	100,0%	2,5	65,6%	0,6	13,9%	18	17	94,4%	8,00	82
	2013	17	17	100,0%	3,8	68,1	6,3	61,0	4,3	0,1	2,0%	3,7	98,0%	2,5	68,4%	0,4	10,5%	17	16	94,1%	7,50	80
	2012	19	19	100,0%	3,7					0,0	0,0%	3,7	100,0%	2,8	75,3%	0,4	12,6%	19	18	94,7%	7,33	77
INSURANCES	2014	5	5	100,0%	3,0	69,4	17,6	64,8	7,9	0,0	0,0%	3,0	100,0%	2,4	80,0%	0,0	0,0%	5	5	100,0%	5,00	53
	2013	8	8	100,0%	3,1	64,0	13,3	61,1	6,1	0,0	0,0%	3,1	100,0%	2,6	86,7%	0,1	4,2%	8	8	100,0%	4,00	51
	2012	8	8	100,0%	3,4					0,0	0,0%	3,4	100,0%	2,5	75,2%	0,0	0,0%	8	8	100,0%	3,50	47
FINANCIAL	2014	23	23	100,0%	3,6	66,3	6,2	60,7	3,8	0,0	0,0%	3,6	100,0%	2,5	68,8%	0,4	10,9%	23	22	95,7%	7,32	75
	2013	25	25	100,0%	3,6	66,6	8,3	61,0	4,6	0,0	1,3%	3,5	98,7%	2,6	74,3%	0,3	8,5%	25	24	96,0%	6,33	74
	2012	27	27	100,0%	3,6					0,0	0,0%	3,6	100,0%	2,7	75,3%	0,3	8,9%	27	26	96,3%	6,15	67
	2011	28	25	89,3%	3,7					0,1	2,7%	3,6	97,3%	2,5	71,5%	0,4	12,3%	25	25	100,0%	5,56	
NON-FINANCIAL	2014	207	179	86,5%	3,1	60,0	5,1	64,8	7,9	0,0	0,9%	3,0	99,1%	2,4	79,7%	0,2	7,8%	179	173	96,6%	3,32	69
	2013	214	189	88,3%	3,0	59,9	5,3	59,8	4,9	0,0	1,2%	3,0	98,8%	2,4	79,1%	0,3	8,2%	189	184	97,4%	3,09	69
	2012	228	198	86,8%	3,1					0,0	1,4%	3,1	98,8%	2,4	77,4%	0,3	9,5%	198	193	97,5%	2,93	61
	2011	234	198	84,6%	3,1					0,0	1,0%	3,1	99,0%	2,3	75,1%	0,2	7,2%	198	191	96,5%	2,41	
TOTAL	2014	230	202	87,8%	3,1	60,8	5,3	59,5	4,7	0,0	0,8%	3,1	99,2%	2,4	78,4%	0,3	8,2%	202	195	96,5%	3,77	70
	2013	239	214	89,5%	3,1	60,7	5,8	60,0	4,8	0,0	1,2%	3,1	98,8%	2,4	78,6%	0,3	8,2%	214	208	97,2%	3,47	69
	2012	255	225	88,2%	3,2					0,0	1,2%	3,1	98,9%	2,4	77,2%	0,3	9,4%	225	219	97,3%	3,31	62
	2011	262	223	85,1%	3,2					0,0	1,2%	3,1	98,8%	2,3	74,7%	0,3	7,8%	223	216	96,9%	2,78	

TAB.21: COMPOSITION OF BOARD COMMITTEES		Number of companies with a Remuneration Committee			RC composed ONLY by NON-EXECUTIVE directors			RC composed by a majority of INDEPENDENT directors			RC composed ONLY by INDEPENDENT directors			Number of companies with an Internal Control/Control and Risk Committee			ICC/CRC composed ONLY by NON-EXECUTIVE directors			ICC/CRC composed by a majority of INDEPENDENT directors			ICC/CRC composed ONLY by INDEPENDENT directors		
		#	No.	%	#	No.	%	#	No.	%	#	No.	%	#	No.	%	#	No.	%	#	No.	%	#	No.	%
INDEX	Year	#	No.	%	#	No.	%	#	No.	%	#	No.	%	#	No.	%	#	No.	%	#	No.	%	#	No.	%
FTSE MIB	2014	36	35	97,2%	35	34	97,1%	35	34	97,1%	35	17	48,6%	36	36	100,0%	36	36	100,0%	36	34	94,4%	36	16	44,4%
	2013	38	37	97,4%	37	36	97,3%	37	35	94,6%	37	19	51,4%	38	38	100,0%	38	38	100,0%	38	37	97,4%	38	21	55,3%
	2012	38	37	97,4%	37	36	97,3%	37	34	91,9%	37	14	37,8%	38	38	100,0%	38	38	100,0%	38	35	92,1%	38	20	52,6%
	2011	37	36	97,3%	36	34	94,4%	36	33	91,7%	36	12	33,3%	37	37	100,0%	37	36	97,3%	37	37	100,0%	37	21	56,8%
FTSE MID CAP	2014	58	57	98,3%	57	54	94,7%	57	53	93,0%	57	25	43,9%	58	55	94,8%	55	55	100,0%	55	54	98,2%	55	29	52,7%
	2013	60	59	98,3%	59	56	94,9%	59	57	96,6%	59	27	45,8%	60	58	96,7%	58	57	98,3%	58	57	98,3%	58	35	60,3%
	2012	60	59	98,3%	59	57	96,6%	59	58	98,3%	59	23	39,0%	60	58	96,7%	58	58	100,0%	58	56	96,6%	58	31	53,4%
	2011	60	57	95,0%	57	56	98,2%	57	54	94,7%	57	18	31,6%	60	59	98,3%	59	59	100,0%	59	54	91,5%	59	29	49,2%
FTSE SMALL CAP	2014	109	93	85,3%	93	91	97,8%	93	89	95,7%	93	33	35,5%	109	100	91,7%	100	99	99,0%	100	97	97,0%	100	49	51,0%
	2013	108	94	87,0%	94	91	96,8%	94	85	90,4%	94	34	36,2%	108	99	91,7%	99	95	96,0%	99	93	93,9%	99	47	47,5%
	2012	131	110	84,0%	110	107	97,3%	110	99	90,0%	110	35	31,8%	131	119	90,8%	119	116	97,5%	119	110	92,4%	119	51	42,9%
	2011	134	107	79,9%	107	103	96,3%	107	95	88,8%	107	35	32,7%	134	117	87,3%	117	113	96,6%	117	107	91,5%	117	51	43,6%
FTSE MICRO CAP	2014	13	8	61,5%	8	8	100,0%	8	7	87,5%	8	5	62,5%	13	8	61,5%	8	7	87,5%	8	7	87,5%	8	2	25,0%
	2013	22	16	72,7%	16	15	93,8%	16	14	87,5%	16	7	43,8%	22	15	68,2%	15	13	86,7%	15	12	80,0%	15	6	40,0%
	2012	17	13	76,5%	13	11	84,6%	13	11	84,6%	13	4	30,8%	17	11	64,7%	11	10	90,9%	11	8	72,7%	11	2	18,2%
	2011	19	15	78,9%	15	14	93,3%	15	10	66,7%	15	5	33,3%	19	13	68,4%	13	12	92,3%	13	11	84,6%	13	5	38,5%
OTHERS	2014	14	9	64,3%	9	8	88,9%	9	8	88,9%	9	5	55,6%	14	11	78,6%	11	11	100,0%	11	11	100,0%	11	8	72,7%
	2013	11	8	72,7%	8	7	87,5%	8	7	87,5%	8	4	50,0%	11	8	72,7%	8	8	100,0%	8	8	100,0%	8	6	75,0%
	2012	9	6	66,7%	6	6	100,0%	6	5	83,3%	6	2	33,3%	9	6	66,7%	6	6	100,0%	6	5	83,3%	6	2	33,3%
	2011	12	8	66,7%	8	8	100,0%	8	8	100,0%	8	2	25,0%	12	9	75,0%	9	9	100,0%	9	9	100,0%	9	4	44,4%
BANKS	2014	18	18	100,0%	18	18	100,0%	18	15	83,3%	18	5	27,8%	18	17	94,4%	17	17	100,0%	17	14	82,4%	17	8	47,1%
	2013	17	17	100,0%	17	16	94,1%	17	14	82,4%	17	6	35,3%	17	15	88,2%	15	14	93,3%	15	14	93,3%	15	7	46,7%
	2012	19	19	100,0%	19	19	100,0%	19	16	84,2%	19	7	36,8%	19	17	89,5%	17	17	100,0%	17	15	88,2%	17	7	41,2%
	2011																								
INSURANCES	2014	5	5	100,0%	5	5	100,0%	5	5	100,0%	5	2	40,0%	5	5	100,0%	5	5	100,0%	5	5	100,0%	5	1	20,0%
	2013	8	8	100,0%	8	8	100,0%	8	8	100,0%	8	5	62,5%	8	8	100,0%	8	8	100,0%	8	8	100,0%	8	5	62,5%
	2012	8	8	100,0%	8	8	100,0%	8	8	100,0%	8	2	25,0%	8	8	100,0%	8	8	100,0%	8	8	100,0%	8	3	37,5%
	2011																								
FINANCIAL	2014	23	23	100,0%	23	23	100,0%	23	20	87,0%	23	7	30,4%	23	22	95,7%	22	22	100,0%	22	19	86,4%	22	9	40,9%
	2013	25	25	100,0%	25	24	96,0%	25	22	88,0%	25	11	44,0%	25	23	92,0%	23	22	95,7%	23	22	95,7%	23	12	52,2%
	2012	27	27	100,0%	27	27	100,0%	27	24	88,9%	27	9	33,3%	27	25	92,6%	25	25	100,0%	25	23	92,0%	25	10	40,0%
	2011	28	25	89,3%	25	24	96,0%	25	21	84,0%	25	6	24,0%	28	26	92,9%	26	25	96,2%	26	25	96,2%	26	13	50,0%
NON-FINANCIAL	2014	207	179	86,5%	179	172	96,1%	179	171	95,5%	179	78	43,6%	207	188	90,8%	188	186	98,9%	188	184	97,9%	188	95	51,6%
	2013	214	189	88,3%	189	181	95,8%	189	176	93,1%	189	80	42,3%	214	195	91,1%	195	189	96,9%	195	185	94,9%	195	103	52,8%
	2012	228	198	86,8%	198	190	96,0%	198	183	92,4%	198	69	34,8%	228	207	90,8%	207	203	98,1%	207	191	92,3%	207	96	46,4%
	2011	234	198	84,6%	198	191	96,5%	198	179	90,4%	198	66	33,3%	234	209	89,3%	209	204	97,6%	209	193	92,3%	209	97	46,4%
TOTAL	2014	230	202	87,8%	202	195	96,5%	202	191	94,6%	202	85	42,1%	230	210	91,3%	210	208	99,0%	210	203	96,7%	210	104	50,5%
	2013	239	214	89,5%	214	205	95,8%	214	198	92,5%	214	91	42,5%	239	218	91,2%	218	211	96,8%	218	207	95,0%	218	115	52,8%
	2012	255	225	88,2%	225	217	96,4%	225	207	92,0%	225	78	34,7%	255	232	91,0%	232	228	98,3%	232	214	92,2%	232	106	45,7%
	2011	262	223	85,1%	223	215	96,4%	223	200	89,7%	223	72	32,3%	262	235	89,7%	235	229	97,4%	235	218	92,8%	235	110	46,8%

TAB.22: ATTENDANCE TO BOARD COMMITTEES (INDIVIDUAL DIRECTORS 2014 DATA)	REMUNERATION COMMITTEE			INTERNAL CONTROL/CONTROL AND RISK COMMITTEE			NOMINATION COMMITTEE		
	Average	94,1%		Average	93,5%		Average	90,2%	
	Median	100%		Median	100%		Median	100%	
Attendance distribution	No.	%	% cumulated	No.	%	% cumulated	No.	%	% cumulated
100	487	87%	87%	480	78%	78%	84	79%	79%
90<x<100	2	0%	88%	24	4%	82%	4	4%	83%
75<x<90	18	3%	91%	62	10%	92%	7	7%	90%
50<x<75	31	6%	97%	31	5%	97%	3	3%	92%
x<50	19	3%	100%	17	3%	100%	8	8%	100%
Total (available data)	557	89%		614	92%		106	80%	
n.a.	67	11%		52	8%		26	20%	
Total	624	100%		666	100%		132	100%	

ATTENDANCE TO BOARD COMMITTEES (INDIVIDUAL DIRECTORS 2013 DATA)	REMUNERATION COMMITTEE			INTERNAL CONTROL/CONTROL AND RISK COMMITTEE			NOMINATION COMMITTEE		
	Average	93,7%		Average	93,0%		Average	91,5%	
	Median	100%		Median	100%		Median	100%	
Attendance distribution	No.	%	% cumulated	No.	%	% cumulated	No.	%	% cumulated
100	517	88%	88%	486	77%	77%	62	71%	71%
90<x<100	4	1%	88%	31	5%	81%	4	5%	76%
75<x<90	24	4%	92%	64	10%	91%	11	13%	89%
50<x<75	31	5%	98%	34	5%	97%	6	7%	95%
x<50	14	2%	100%	20	3%	100%	4	5%	100%
Total (available data)	590	91%		635	92%		87	74%	
n.a.	61	9%		56	8%		30	26%	
Total	651	100%		691	100%		117	100%	

ATTENDANCE TO BOARD COMMITTEES (INDIVIDUAL DIRECTORS 2012 DATA)	REMUNERATION COMMITTEE			INTERNAL CONTROL/CONTROL AND RISK COMMITTEE			NOMINATION COMMITTEE		
	Average	94,3%		Average	92,5%		Average	95,0%	
	Median	100%		Median	100%		Median	100%	
Attendance distribution	No.	%	% cumulated	No.	%	% cumulated	No.	%	% cumulated
100	516	87%	87%	499	75%	75%	72	91%	91%
90<x<100	1	0%	87%	20	3%	78%	1	1%	92%
75<x<90	33	6%	92%	89	13%	91%	1	1%	94%
50<x<75	28	5%	97%	40	6%	97%	2	3%	96%
x<50	18	3%	100%	20	3%	100%	3	4%	100%
Total (available data)	596	84%		668	90%		79	40%	
n.a.	110	16%		75	10%		117	60%	
Total	706	100%		743	100%		196	100%	

ATTENDANCE TO BOARD COMMITTEES (INDIVIDUAL DIRECTORS 2011 DATA)	REMUNERATION COMMITTEE			INTERNAL CONTROL/CONTROL AND RISK COMMITTEE			NOMINATION COMMITTEE		
	Average	96,0%		Average	93,7%		Average	95,9%	
	Median	100%		Median	100%		Median	100%	
Attendance distribution	No.	%	% cumulated	No.	%	% cumulated	No.	%	% cumulated
100	521	87%	87%	511	76%	76%	56	85%	85%
90<x<100	4	1%	88%	31	5%	80%	2	3%	88%
75<x<90	25	4%	92%	75	11%	91%	4	6%	94%
50<x<75	31	5%	97%	37	5%	97%	3	5%	98%
x<50	19	3%	100%	21	3%	100%	1	2%	100%
Total (available data)	600	86%		675	92%		66	48%	
n.a.	100	14%		60	8%		71	52%	
Total	700	100%		735	100%		137	100%	

TAB.23: INTERNAL CONTROL/CONTROL AND RISK COMMITTEE		Number of companies with an Internal Control/Control and Risk Committee				Chairman of the CRC		Other members of the CRC		EXECUTIVE directors (% of the ICC/CRC)		NON-EXECUTIVE directors (% of the ICC/CRC)		INDEPENDENT directors (% of non-executive directors)		MINORITY directors (% of the ICC/CRC)		Companies disclosing information on ICC/CRC meetings' frequency			Number of meetings		Average length of CRC meetings (minutes)
						Age	Time in office	Age	Time in office														
INDEX	Year	#	No.	%	μ	μ	μ	μ	μ	%	μ	%	μ	%	μ	%	#	No.	%	μ	μ		
FTSE MIB	2014	36	36	100,0%	3,75	64,1	5,5	59,9	4,5	0,00	0,0%	3,75	100,0%	2,94	80,5%	0,69	18,0%	36	36	100,0%	13,14	147	
	2013	38	38	100,0%	3,76	65,8	5,0	60,5	4,0	0,00	0,0%	3,76	100,0%	3,18	85,6%	0,76	19,0%	38	38	100,0%	11,89	144	
	2012	38	38	100,0%	3,74					0,00	0,0%	3,74	100,0%	3,11	83,7%	0,68	17,5%	38	38	100,0%	10,13	136	
	2011	37	37	100,0%	3,65					0,03	0,9%	3,62	99,1%	3,22	87,8%	0,76	19,3%	37	37	100,0%	11,84		
FTSE MID CAP	2014	58	55	94,8%	3,31	59,5	6,4	58,7	5,4	0,00	0,0%	3,31	100,0%	2,78	84,6%	0,27	7,2%	55	55	100,0%	7,04	111	
	2013	60	58	96,7%	3,24	61,0	5,7	58,7	5,0	0,02	0,6%	3,22	99,4%	2,79	87,2%	0,28	7,8%	58	58	100,0%	7,12	115	
	2012	60	58	96,7%	3,26					0,00	0,0%	3,26	100,0%	2,74	84,3%	0,26	7,4%	58	58	100,0%	6,66	101	
	2011	60	59	98,3%	3,29					0,00	0,0%	3,29	100,0%	2,63	80,9%	0,29	7,9%	59	59	100,0%	6,39		
FTSE SMALL CAP	2014	109	100	91,7%	2,92	59,6	3,9	58,6	4,7	0,01	0,5%	2,91	99,5%	2,35	81,1%	0,21	7,3%	100	98	98,0%	5,51	91	
	2013	108	99	91,7%	2,94	58,7	3,8	57,9	4,3	0,04	1,5%	2,90	98,5%	2,36	82,2%	0,21	7,2%	99	98	99,0%	4,94	93	
	2012	131	119	90,8%	2,98					0,04	1,2%	2,94	98,8%	2,35	80,0%	0,22	7,6%	119	118	99,2%	4,88	92	
	2011	134	117	87,3%	3,01					0,05	1,5%	2,96	98,5%	2,32	78,7%	0,19	6,3%	117	114	97,4%	4,78		
FTSE MICRO CAP	2014	13	8	61,5%	3,25	57,9	5,4	59,9	3,3	0,38	7,5%	2,88	92,5%	2,00	67,7%	0,50	15,6%	8	8	100,0%	3,63	73	
	2013	22	15	68,2%	3,13	66,1	4,0	58,3	2,1	0,27	5,7%	2,87	94,3%	2,20	76,7%	0,33	11,1%	15	15	100,0%	4,27	90	
	2012	17	11	64,7%	3,27					0,09	3,0%	3,18	97,0%	2,18	69,7%	0,55	17,4%	11	11	100,0%	6,55	107	
	2011	19	13	68,4%	2,92					0,08	2,6%	2,85	97,4%	2,15	75,6%	0,38	14,1%	13	13	100,0%	4,38		
OTHERS	2014	14	11	78,6%	3,00	66,5	2,2	53,2	0,9	0,00	0,0%	3,00	100,0%	2,64	90,3%	0,18	6,1%	11	11	100,0%	4,09	94	
	2013	11	8	72,7%	2,75	64,3	1,0	58,1	4,2	0,00	0,0%	2,75	100,0%	2,50	91,7%	0,25	8,3%	8	8	100,0%	4,00	102	
	2012	9	6	66,7%	3,00					0,00	0,0%	3,00	100,0%	2,17	72,2%	0,00	0,0%	6	6	100,0%	3,17	45	
	2011	12	9	75,0%	2,89					0,00	0,0%	2,89	100,0%	2,33	81,5%	0,00	0,0%	9	9	100,0%	6,00		
BANKS	2014	18	17	94,4%	4,24	57,9	3,4	59,9	4,4	0,00	0,0%	4,24	100,0%	3,00	72,6%	0,65	13,0%	17	16	94,1%	18,31	164	
	2013	17	15	88,2%	4,33	61,6	4,5	61,6	4,0	0,07	2,2%	4,27	97,8%	3,33	81,0%	0,71	14,6%	15	15	100,0%	15,07	163	
	2012	19	17	89,5%	4,18					0,00	0,0%	4,18	100,0%	3,24	78,2%	0,53	10,9%	17	17	100,0%	13,41	140	
	2011																						
INSURANCES	2014	5	5	100,0%	3,40	60,2	14,0	56,4	8,4	0,00	0,0%	3,40	100,0%	2,40	71,7%	0,20	5,0%	5	5	100,0%	7,60	145	
	2013	8	8	100,0%	3,38	63,5	11,5	55,8	5,1	0,00	0,0%	3,38	100,0%	3,00	88,5%	0,38	7,5%	8	8	100,0%	7,75	122	
	2012	8	8	100,0%	3,50					0,00	0,0%	3,50	100,0%	2,88	81,3%	0,38	7,5%	8	8	100,0%	8,88	121	
	2011																						
FINANCIAL	2014	23	22	95,7%	4,05	58,4	5,9	59,3	5,0	0,00	0,0%	4,05	100,0%	2,86	72,4%	0,55	11,2%	22	21	95,5%	15,76	159	
	2013	25	23	92,0%	4,00	62,3	6,4	60,0	4,2	0,04	1,4%	3,96	98,6%	3,22	83,6%	0,59	12,1%	23	23	100,0%	12,52	153	
	2012	27	25	92,6%	3,96					0,00	0,0%	3,96	100,0%	3,12	79,2%	0,48	9,8%	25	25	100,0%	11,96	133	
	2011	28	26	92,9%	3,81					0,04	1,3%	3,77	98,7%	3,15	83,2%	0,46	9,8%	26	26	100,0%	14,00		
NON-FINANCIAL	2014	207	188	90,8%	3,08	60,9	4,8	58,5	4,5	0,02	0,6%	3,06	99,4%	2,53	83,0%	0,29	9,1%	188	187	99,5%	6,11	100	
	2013	214	195	91,1%	3,07	61,2	4,2	58,5	4,3	0,04	1,2%	3,03	98,8%	2,54	84,1%	0,30	9,4%	195	194	99,5%	5,96	104	
	2012	228	207	90,8%	3,10					0,03	0,9%	3,07	99,1%	2,49	81,2%	0,29	9,4%	207	206	99,5%	5,53	99	
	2011	234	209	89,3%	3,09					0,03	1,0%	3,06	99,0%	2,45	80,3%	0,29	8,9%	209	206	98,6%	5,37		
TOTAL	2014	230	210	91,3%	3,18	60,6	5,0	58,6	4,6	0,02	0,5%	3,16	99,5%	2,57	81,9%	0,32	9,4%	210	208	99,0%	7,09	106	
	2013	239	218	91,2%	3,17	61,3	4,6	58,7	4,3	0,04	1,2%	3,13	98,8%	2,61	84,1%	0,33	9,7%	218	217	99,5%	6,66	110	
	2012	255	232	91,0%	3,19					0,03	0,8%	3,16	99,2%	2,56	81,0%	0,31	9,5%	232	231	99,6%	6,23	102	
	2011	262	235	89,7%	3,17					0,03	1,0%	3,14	99,0%	2,53	80,6%	0,31	9,0%	235	232	98,7%	6,34		



TAB.24: REMUNERATION POLICY: GENERAL PRINCIPLES		Criteria for peer selection are disclosed			Peers' names are disclosed			2013 compensations are consistent with the policy approved the previous year (art. 123-ter par. 4, lett. a)			The 2014 policy has been changed (in comparison with the policy previously approved by the general meeting)		
		INDEX	Year	#	No.	%	#	No.	%	#	No.	%	#
FTSE MIB	2014	36	18	50,0%	36	6	16,7%	36	13	36,1%	36	7	19,4%
	2013	38	18	47,4%	38	4	10,5%	38	9	23,7%	38	13	34,2%
FTSE MID CAP	2014	58	16	27,6%	58	3	5,2%	58	20	34,5%	58	11	19,0%
	2013	60	17	28,3%	60	0	0,0%	60	18	30,0%	60	15	25,0%
FTSE SMALL CAP	2014	109	24	22,0%	109	3	2,8%	109	33	30,3%	109	18	16,5%
	2013	108	26	24,1%	108	0	0,0%	108	17	15,7%	108	21	19,4%
FTSE MICRO CAP	2014	13	4	30,8%	13	0	0,0%	13	5	38,5%	13	1	7,7%
	2013	22	4	18,2%	22	0	0,0%	22	2	9,1%	22	2	9,1%
OTHERS	2014	14	6	42,9%	14	1	7,1%	14	3	21,4%	14	1	7,1%
	2013	11	4	36,4%	11	2	18,2%	11	3	27,3%	11	2	18,2%
BANKS	2014	18	8	44,4%	18	1	5,6%	18	5	27,8%	18	3	16,7%
	2013	17	7	41,2%	17	1	5,9%	17	4	23,5%	17	8	47,1%
INSURANCES	2014	5	0	0,0%	5	0	0,0%	5	2	40,0%	5	1	20,0%
	2013	8	3	37,5%	8	0	0,0%	8	1	12,5%	8	3	37,5%
FINANCIAL	2014	23	8	34,8%	23	1	4,3%	23	7	30,4%	23	4	17,4%
	2013	25	10	40,0%	25	1	4,0%	25	5	20,0%	25	11	44,0%
NON-FINANCIAL	2014	207	60	29,0%	207	12	5,8%	207	67	32,4%	207	34	16,4%
	2013	214	59	27,6%	214	5	2,3%	214	44	20,6%	214	42	19,6%
TOTAL	2014	230	68	29,6%	230	13	5,7%	230	74	32,2%	230	38	16,5%
	2013	239	69	28,9%	239	6	2,5%	239	49	20,5%	239	53	22,2%

TAB.25: REMUNERATION POLICY: VARIABLE AND FIXED REMUNERATION		Variable remuneration is provided (for directors)			Definition of % weight of variable/fixed remuneration			A cap to variable remuneration is provided			Variable remuneration includes a short- term component			Variable remuneration includes a medium/long-term component		
INDEX	Year	#	No.	%	#	No.	%	#	No.	%	#	No.	%	#	No.	%
FTSE MIB	2014	36	34	94,4%	34	31	91,2%	34	30	88,2%	34	31	91,2%	34	32	94,1%
	2013	38	35	92,1%	35	31	88,6%	35	33	94,3%	35	31	88,6%	35	31	88,6%
	2012	38	36	94,7%	36	33	91,7%	36	33	91,7%						
FTSE MID CAP	2014	58	51	87,9%	51	38	74,5%	51	48	94,1%	51	46	90,2%	51	41	80,4%
	2013	60	49	81,7%	49	37	75,5%	49	42	85,7%	49	43	87,8%	49	35	71,4%
	2012	60	50	83,3%	50	35	83,3%	50	41	83,3%						
FTSE SMALL CAP	2014	109	77	70,6%	77	49	63,6%	77	67	87,0%	77	66	85,7%	77	50	64,9%
	2013	108	73	67,6%	73	44	60,3%	73	56	76,7%	73	59	80,8%	73	42	57,5%
	2012	131	85	64,9%	85	57	64,9%	85	70	64,9%						
FTSE MICRO CAP	2014	13	4	30,8%	4	2	50,0%	4	3	75,0%	4	4	100,0%	4	1	25,0%
	2013	22	13	59,1%	13	7	53,8%	13	9	69,2%	13	9	69,2%	13	9	69,2%
	2012	17	9	52,9%	9	6	52,9%	9	7	52,9%						
OTHERS	2014	14	9	64,3%	9	6	66,7%	9	8	88,9%	9	9	100,0%	9	7	77,8%
	2013	11	8	72,7%	8	4	50,0%	8	7	87,5%	8	4	50,0%	8	3	37,5%
	2012	9	5	55,6%	5	4	55,6%	5	5	55,6%						
BANKS	2014	18	15	83,3%	15	12	80,0%	15	14	93,3%	15	14	93,3%	15	12	80,0%
	2013	17	15	88,2%	15	15	100,0%	15	15	100,0%	15	11	73,3%	15	11	73,3%
	2012	19	13	68,4%	13	12	92,3%	13	13	100,0%						
INSURANCES	2014	5	5	100,0%	5	5	100,0%	5	4	80,0%	5	4	80,0%	5	4	80,0%
	2013	8	6	75,0%	6	4	66,7%	6	5	83,3%	6	5	83,3%	6	5	83,3%
	2012	8	5	62,5%	5	3	62,5%	5	3	62,5%						
FINANCIAL	2014	23	20	87,0%	20	17	85,0%	20	18	90,0%	20	18	90,0%	20	16	80,0%
	2013	25	21	84,0%	21	19	90,5%	21	20	95,2%	21	16	76,2%	21	16	76,2%
	2012	27	18	66,7%	18	15	83,3%	18	16	88,9%						
NON-FINANCIAL	2014	207	155	74,9%	155	109	70,3%	155	138	89,0%	155	138	89,0%	155	115	74,2%
	2013	214	157	73,4%	157	104	66,2%	157	127	80,9%	157	130	82,8%	157	104	66,2%
	2012	228	167	73,2%	167	120	73,2%	167	140	73,2%						
TOTAL	2014	230	175	76,1%	175	126	72,0%	175	156	89,1%	175	156	89,1%	175	131	74,9%
	2013	239	178	74,5%	178	123	69,1%	178	147	82,6%	178	146	82,0%	178	120	67,4%
	2012	255	185	72,2%	184	135	73,4%	184	156	84,8%						

<b>TAB.26: REMUNERATION POLICY: DIRECTORS' VARIABLE REMUNERATION</b>		<b>Performance targets are disclosed</b>			<b>Economic results (profit, Ebit, Ebitda, EVA...)</b>			<b>Business targets</b>			<b>Share value</b>		
<b>INDEX</b>	<b>Year</b>	<b>#</b>	<b>No.</b>	<b>%</b>	<b>#</b>	<b>No.</b>	<b>%</b>	<b>#</b>	<b>No.</b>	<b>%</b>	<b>#</b>	<b>No.</b>	<b>%</b>
FTSE MIB	2014	34	34	100,0%	34	32	94,1%	34	19	55,9%	34	22	64,7%
	2013	35	34	97,1%	34	33	97,1%	34	22	64,7%	34	23	67,6%
	2012	35	35	100,0%	35	30	85,7%	35	7	20,0%	35	28	80,0%
FTSE MID CAP	2014	51	50	98,0%	50	45	90,0%	50	23	46,0%	50	14	28,0%
	2013	49	46	93,9%	46	44	95,7%	46	20	43,5%	46	23	50,0%
	2012	50	48	83,3%	48	39	81,3%	48	17	35,4%	48	27	56,3%
FTSE SMALL CAP	2014	77	71	92,2%	71	66	93,0%	71	21	29,6%	71	22	31,0%
	2013	73	66	90,4%	66	61	92,4%	66	16	24,2%	66	24	36,4%
	2012	85	79	64,9%	79	72	91,1%	79	18	22,8%	79	30	38,0%
FTSE MICRO CAP	2014	4	4	100,0%	4	4	100,0%	4	2	50,0%	4	2	50,0%
	2013	13	11	84,6%	11	11	100,0%	11	6	54,5%	11	4	36,4%
	2012	9	7	52,9%	7	7	100,0%	7	3	42,9%	7	1	14,3%
OTHERS	2014	9	8	88,9%	8	8	100,0%	8	5	62,5%	8	3	37,5%
	2013	8	7	87,5%	7	7	100,0%	7	4	57,1%	7	1	14,3%
	2012	5	5	55,6%	5	5	100,0%	5	1	20,0%	5	1	20,0%

BANKS	2014	15	15	100,0%	15	15	100,0%	15	11	73,3%	15	9	60,0%
	2013	15	15	100,0%	15	15	100,0%	15	7	46,7%	15	9	60,0%
	2012	12	12	100,0%	12	12	100,0%	12	4	33,3%	12	7	58,3%
INSURANCES	2014	5	5	100,0%	5	5	100,0%	5	1	20,0%	5	1	20,0%
	2013	6	5	83,3%	5	5	100,0%	5	3	60,0%	5	3	60,0%
	2012	5	5	62,5%	5	3	60,0%	5	1	20,0%	5	3	60,0%

FINANCIAL	2014	20	20	100,0%	20	20	100,0%	20	12	60,0%	20	10	50,0%
	2013	21	20	95,2%	20	20	100,0%	20	10	50,0%	20	12	60,0%
	2012	17	17	100,0%	17	15	88,2%	17	5	29,4%	17	10	58,8%
NON-FINANCIAL	2014	155	147	94,8%	147	135	91,8%	147	58	39,5%	147	53	36,1%
	2013	157	144	91,7%	144	136	94,4%	144	58	40,3%	144	63	43,8%
	2012	167	157	73,2%	157	137	87,3%	157	41	26,1%	157	77	49,0%

<b>TOTAL</b>	2014	175	167	95,4%	167	155	92,8%	167	70	41,9%	167	63	37,7%
	2013	178	164	92,1%	164	156	95,1%	164	68	41,5%	164	75	45,7%
	2012	184	174	94,6%	174	154	88,5%	174	46	26,4%	174	87	50,0%

TAB.27: DIRECTORS' REMUNERATION (average data in € .000)			Fixed remuneration (%)		Non monetary benefits (%)		Bonus and other incentives (%)		Other compensation (%)		Compensation for committees (%)		Profit sharing (%)		Compensation from subsidiaries (%)		Severance payments (from the company or its subsidiaries) (%)		Total compensation		Fair value of equity compensation (average in € .000)		
INDEX	Year	#																		#	%		
FTSE MIB	2014	503	220	54,5%	4	1,0%	71	17,5%	5	1,2%	20	4,9%	0	0,1%	78	19,5%	5	1,2%	403	28	5,6%	927	
	2013	540	216	48,5%	7	1,7%	68	15,2%	8	1,9%	18	4,0%	0	0,0%	124	27,8%	4	0,9%	445	33	6,1%	1035	
	2012	550	208	47,5%	4	1,0%	100	22,8%	30	6,9%	19	4,3%	0	0,1%	71	16,1%	6	1,3%	439	42	7,6%	971	
	2011	548	203	46,6%	4	0,8%	62	14,2%	167	38,3%									435				
FTSE MID CAP	2014	650	150	56,2%	3	1,2%	36	13,7%	9	3,2%	9	3,4%	5	2,0%	35	13,0%	20	7,4%	266	27	4,2%	314	
	2013	714	136	57,6%	2	1,0%	37	15,8%	6	2,6%	10	4,0%	1	0,4%	38	15,9%	7	2,8%	237	26	3,6%	324	
	2012	735	149	61,8%	2	0,9%	34	14,0%	10	4,1%	11	4,4%	0	0,2%	34	14,0%	2	0,7%	240	22	3,0%	283	
	2011	732	138	55,9%	3	1,2%	28	11,3%	78	31,5%									247				
FTSE SMALL CAP	2014	939	85	60,0%	1	0,8%	19	13,1%	12	8,2%	6	4,0%	2	1,2%	13	9,3%	5	3,5%	142	14	1,5%	133	
	2013	919	78	66,0%	2	1,4%	7	5,7%	6	4,8%	4	3,2%	4	3,3%	17	14,5%	1	1,0%	118	16	1,7%	89	
	2012	1126	79	52,6%	1	0,9%	11	7,0%	9	5,8%	4	2,6%	3	1,8%	42	27,9%	2	1,3%	151	18	1,6%	119	
	2011	1170	81	58,5%	2	1,6%	9	6,8%	46	33,2%									138				
FTSE MICRO CAP	2014	120	59	52,7%	1	0,9%	3	2,3%	5	4,2%	1	1,3%	0	0,0%	43	38,2%	0	0,3%	113	2	1,7%	126	
	2013	195	84	60,9%	1	0,6%	11	8,2%	2	1,5%	5	3,4%	0	0,0%	35	25,5%	0	0,0%	138	0	0,0%	0	
	2012	161	75	66,6%	1	1,0%	2	1,6%	5	4,6%	3	2,8%	0	0,0%	26	23,4%	0	0,0%	113	4	2,5%	25	
	2011	175	60	60,9%	1	0,9%	18	18,0%	20	20,1%									99				
OTHERS	2014	134	55	46,9%	1	0,9%	2	1,4%	15	13,1%	8	7,1%	0	0,0%	36	30,6%	0	0,0%	117	0	0,0%	0	
	2013	107	65	54,6%	1	0,8%	3	2,5%	5	4,4%	4	3,4%	0	0,0%	40	33,1%	1	1,2%	120	1	0,9%	125	
	2012	72	44	33,8%	1	0,5%	0	0,0%	12	8,9%	2	1,7%	0	0,0%	71	55,1%	0	0,0%	129	0	0,0%	0	
	2011	101	94	56,4%	1	0,6%	1	0,6%	71	42,4%									167				
BANKS	2014	313	173	77,5%	4	1,6%	5	2,3%	5	2,3%	17	7,5%	5	2,3%	14	6,4%	0	0,0%	224	10	3,2%	197	
	2013	305	196	60,5%	8	2,4%	2	0,6%	2	0,5%	11	3,5%	4	1,1%	101	31,1%	0	0,2%	324	5	1,6%	428	
	2012	338	158	63,8%	2	0,9%	4	1,5%	38	15,3%	16	6,6%	4	1,6%	25	10,2%	0	0,0%	248	7	2,1%	424	
INSURANCES	2014	84	170	60,6%	2	0,8%	44	15,7%	10	3,4%	17	6,2%	2	0,5%	35	12,6%	0	0,0%	280	2	2,4%	291	
	2013	126	114	60,3%	1	0,5%	7	3,5%	10	5,5%	18	9,7%	0	0,0%	39	20,5%	0	0,0%	188	1	0,8%	185	
	2012	132	181	58,6%	1	0,2%	24	7,7%	19	6,2%	21	6,8%	1	0,3%	62	20,2%	0	0,0%	308	1	0,8%	139	
FINANCIAL	2014	397	173	73,3%	3	1,4%	13	5,7%	6	2,6%	17	7,2%	4	1,9%	19	8,0%	0	0,0%	236	12	3,0%	213	
	2013	431	172	60,5%	6	2,0%	3	1,2%	4	1,5%	13	4,7%	3	0,9%	83	29,1%	0	0,1%	285	6	1,4%	388	
	2012	470	163	62,5%	2	0,7%	8	3,1%	34	13,0%	17	6,7%	3	1,2%	33	12,8%	0	0,0%	261	8	1,7%	388	
	2011	497	167	57,0%	3	1,2%	12	4,1%	110	37,7%									292				
NON-FINANCIAL	2014	1949	120	52,5%	2	0,9%	37	16,2%	10	4,3%	8	3,5%	2	0,8%	39	17,3%	10	4,5%	228	59	3,0%	576	
	2013	2044	115	54,0%	2	1,1%	34	16,2%	6	3,0%	7	3,5%	2	0,7%	41	19,5%	4	1,8%	212	70	3,4%	597	
	2012	2174	116	51,2%	2	1,0%	40	17,7%	9	4,1%	7	3,1%	1	0,4%	48	21,2%	3	1,3%	227	78	3,6%	592	
	2011	2229	109	52,0%	2	1,1%	28	13,3%	71	33,6%									211				
TOTAL	2014	2346	129	56,1%	2	1,0%	33	14,4%	9	4,0%	10	4,2%	2	1,0%	36	15,7%	9	3,7%	229	71	3,0%	515	
	2013	2475	125	55,4%	3	1,3%	29	12,9%	6	2,7%	9	3,8%	2	0,8%	49	21,6%	3	1,5%	225	76	3,1%	581	
	2012	2644	124	53,3%	2	0,9%	35	15,0%	13	5,8%	9	3,8%	1	0,6%	46	19,6%	3	1,1%	233	86	0	573	
	2011	2726	120	53,1%	3	1,1%	25	11,2%	78	34,6%									226				

TAB. 28: DIRECTORS' REMUNERATION STRUCTURE, BY ROLE (average data in €.000); Remuneration report 2014																			Fair value of equity compensation		
Role	#	Fixed remuneration (%)	Non monetary benefits (%)	Bonus and other incentives (%)	Other compensation (%)	Compensation for committees (%)	Profit sharing (%)	Compensation from subsidiaries (%)	Severance payments (from the company or its subsidiaries) (%)	Total compensation	# of beneficiaries	(%) of beneficiaries	(average in €.000)								
<b>MD</b>	280	466	55,1%	12	1,4%	205	24,2%	30	3,6%	2	0,3%	9	1,0%	95	11,2%	29	3,5%	846	38	13,6%	686
<b>Chairman</b>	166	357	72,7%	5	1,0%	22	4,4%	3	0,6%	5	1,0%	1	0,2%	54	11,0%	45	9,2%	491	7	4,2%	570
<i>executives</i>	90	439	68,1%	8	1,2%	34	5,3%	5	0,8%	2	0,2%	0	0,0%	74	11,5%	84	13,0%	645	7	7,8%	570
<i>non-executives</i>	73	252	83,6%	1	0,4%	8	2,7%	0	0,1%	8	2,7%	2	0,8%	29	9,6%	0	0,0%	302	0	0,0%	0
<i>n. a.</i>	3	430	86,3%	1	0,2%	0	0,0%	0	0,0%	11	2,1%	0	0,0%	56	11,3%	0	0,0%	498	0	0,0%	0
<b>Deputy chairman</b>	150	151	58,8%	1	0,6%	15	6,0%	25	9,7%	10	3,9%	1	0,5%	51	19,9%	2	0,7%	257	6	4,0%	124
<b>Other executives</b>	162	195	39,1%	5	0,9%	81	16,3%	26	5,2%	6	1,2%	11	2,2%	154	30,8%	22	4,4%	499	17	10,5%	232
<b>Non-executives in EC</b>	46	47	57,2%	2	1,9%	0	0,0%	5	6,1%	25	30,8%	0	0,0%	3	4,0%	0	0,0%	83	0	0,0%	0
<b>Other Non-executives Non-independents</b>	607	38	50,4%	0	0,4%	1	1,8%	7	8,7%	4	5,9%	1	1,1%	23	30,6%	1	1,0%	76	3	0,5%	596
<b>Other independents</b>	935	35	64,9%	0	0,3%	0	0,6%	1	1,0%	16	29,1%	0	0,2%	2	3,9%	0	0,0%	54	0	0,0%	0
<b>TOTAL</b>	2346	129	56,1%	2	1,0%	33	14,4%	9	4,0%	10	4,2%	2	1,0%	36	15,7%	9	3,7%	229	71	3,0%	515
<b>MD who are not members of the BoD</b>	54	346	40,8%	22	2,6%	124	14,7%	20	2,3%	0	0,0%	3	0,4%	89	10,5%	67	7,9%	670	12	22,2%	182

DIRECTORS' REMUNERATION STRUCTURE, BY ROLE (average data in €.000); Remuneration report 2013																			Fair value of equity compensation		
Role	#	Fixed remuneration (%)	Non monetary benefits (%)	Bonus and other incentives (%)	Other compensation (%)	Compensation for committees (%)	Profit sharing (%)	Compensation from subsidiaries (%)	Severance payments (from the company or its subsidiaries) (%)	Total compensation	#	(%)	(average in €.000)								
<b>MD</b>	292	438	57,0%	13	1,8%	188	24,4%	21	2,8%	1	0,1%	7	0,9%	93	12,0%	7	0,9%	768	42	14,4%	772
<b>Chairman</b>	182	350	72,7%	9	1,8%	52	10,7%	2	0,4%	3	0,6%	1	0,3%	64	13,2%	1	0,2%	482	13	7,1%	718
<i>executives</i>	100	424	67,7%	11	1,8%	88	14,1%	3	0,5%	2	0,4%	1	0,2%	95	15,1%	2	0,3%	627	12	11,9%	768
<i>non-executives</i>	80	259	85,6%	5	1,8%	6	2,0%	1	0,3%	4	1,3%	2	0,7%	25	8,4%	0	0,0%	302	1	1,3%	114
<i>n. a.</i>	2	197	99,5%	1	0,5%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	198	0	0,0%	0
<b>Deputy chairman</b>	143	148	37,8%	1	0,3%	12	3,1%	9	2,4%	6	1,4%	1	0,3%	213	54,3%	2	0,4%	392	4	2,8%	164
<b>Other executives</b>	180	182	40,6%	7	1,5%	32	7,2%	15	3,3%	4	1,0%	9	2,1%	175	39,2%	23	5,0%	448	12	6,7%	125
<b>Non-executives in EC</b>	58	83	61,8%	1	0,6%	0	0,0%	2	1,7%	27	19,8%	0	0,0%	22	16,1%	0	0,0%	134	0	0,0%	0
<b>Other Non-executives Non-independents</b>	640	35	47,6%	1	0,7%	0	0,2%	6	8,1%	4	6,0%	0	0,0%	25	33,9%	3	3,4%	73	5	0,8%	47
<b>Other independents</b>	980	37	67,2%	0	0,2%	0	0,0%	0	0,9%	15	26,8%	0	0,0%	3	4,9%	0	0,0%	55	0	0,0%	0
<b>TOTAL</b>	2475	125	55,4%	3	1,3%	29	12,9%	6	2,7%	9	3,8%	2	0,8%	49	21,6%	3	1,5%	225	76	3,1%	581
<b>MD who are not members of the BoD</b>	67	365	58,7%	16	2,6%	147	23,6%	24	3,9%	0	0,0%	3	0,5%	67	10,8%	0	0,0%	622	13	19,4%	263

DIRECTORS' REMUNERATION STRUCTURE, BY ROLE (average data in €.000); Remuneration report 2012																			Fair value of equity compensation		
Role	#	Fixed remuneration (%)	Non monetary benefits (%)	Bonus and other incentives (%)	Other compensation (%)	Compensation for committees (%)	Profit sharing (%)	Compensation from subsidiaries (%)	Severance payments (from the company or its subsidiaries) (%)	Total compensation	#	(%)	(average in €.000)								
<b>MD</b>	305	440	53,4%	10	1,2%	224	27,2%	46	5,6%	2	0,2%	7	0,8%	87	10,5%	9	1,1%	824	46	15,1%	792
<b>Chairman</b>	202	353	59,4%	5	0,9%	48	8,1%	16	2,7%	5	0,8%	1	0,2%	158	26,5%	9	1,4%	596	10	5,0%	266
<i>executives</i>	103	434	51,7%	9	1,1%	93	11,1%	7	0,8%	2	0,3%	1	0,1%	281	33,5%	13	1,5%	840	10	9,7%	266
<i>non-executives</i>	97	256	79,1%	1	0,4%	0	0,0%	27	8,3%	8	2,4%	2	0,5%	26	7,9%	4	1,3%	323	0	0,0%	0
<i>n. a.</i>	2	787	99,7%	2	0,3%	0	0,0%	0	0,0%	1	0,1%	0	0,0%	0	0,0%	0	0,0%	790	0	0,0%	0
<b>Deputy chairman</b>	170	157	65,9%	1	0,5%	18	7,5%	7	2,9%	10	4,4%	1	0,5%	44	18,3%	0	0,0%	238	7	4,1%	584
<b>Other executives</b>	191	154	35,5%	4	1,0%	48	11,1%	63	14,4%	4	0,8%	4	0,8%	152	35,0%	6	1,4%	434	18	9,4%	302
<b>Non-executives in EC</b>	62	68	64,4%	1	0,7%	0	0,0%	0	0,0%	28	26,5%	0	0,1%	9	8,3%	0	0,0%	106	1	1,6%	66
<b>Other Non-executives Non-independents</b>	717	34	43,1%	1	1,0%	1	1,9%	6	8,1%	4	5,2%	0	0,3%	31	38,9%	1	1,6%	79	4	0,6%	145
<b>Other independents</b>	997	37	66,6%	0	0,3%	0	0,0%	0	0,8%	15	27,1%	0	0,1%	3	5,1%	0	0,0%	55	0	0,0%	0
<b>TOTAL</b>	2644	124	53,3%	2	0,9%	35	15,0%	13	5,8%	9	3,8%	1	0,6%	46	19,6%	3	1,1%	233	86	3,3%	573

TAB.29: AGE AND TIME IN OFFICE: DIRECTORS AND STATUTORY AUDITORS (BY ROLE)		All directors		MD		Executive chairman		Non-executive chairman		Deputy chairman		Other executives		Non-executives in EC		Other non-executives non-independents		Other independents		Chairman of the Board of Statutory Auditors		Statutory auditors	
INDEX	Year	Age	Time in office	Age	Time in office	Age	Time in office	Age	Time in office	Age	Time in office	Age	Time in office	Age	Time in office	Age	Time in office	Age	Time in office	Age	Time in office	Age	Time in office
		μ	μ	μ	μ	μ	μ	μ	μ	μ	μ	μ	μ	μ	μ	μ	μ	μ	μ	μ	μ	μ	μ
FTSE MIB	2014	60,0	4,3	57,1	6,9	69,0	1,0	66,3	2,2	63,7	7,1	58,1	6,7	60,3	6,4	59,6	4,6	60,0	3,3	59,7	4,4	60,8	3,9
	2013	60,2	4,8	56,5	6,4	64,1	11,5	62,9	3,0	63,6	10,8	58,9	5,4	57,2	2,4	58,9	6,6	60,9	3,1	60,3	3,4	59,4	4,2
FTSE MID CAP	2014	59,1	7,3	58,5	8,3	65,0	0,0	65,2	14,0	58,7	12,4	58,3	8,7	61,5	4,5	57,8	7,8	58,8	4,7	61,5	7,7	55,4	2,7
	2013	59,8	6,9	57,5	9,3	65,1	12,6	68,2	11,5	58,9	10,8	61,2	8,4	66,0	6,1	57,7	7,7	60,0	4,3	62,0	10,5	56,1	4,0
FTSE SMALL CAP	2014	57,2	5,6	55,4	9,7	77,7	21,5	71,4	21,5	61,3	8,2	52,4	6,0	60,2	2,1	54,3	4,9	58,6	4,0	59,0	2,9	55,1	1,5
	2013	56,7	5,9	54,9	9,7	60,6	12,0	66,2	7,1	59,3	7,0	50,9	5,3	58,8	4,5	55,3	5,8	58,0	3,2	57,7	4,4	54,7	4,2
FTSE MICRO CAP	2014	58,3	4,3	56,4	6,4	n.a.	n.a.	71,0	7,6	66,9	0,0	59,9	0,0	63,3	0,0	57,0	3,2	57,0	4,0	58,1	4,2	53,9	3,1
	2013	59,0	3,7	54,3	8,7	64,6	0,0	65,8	2,0	69,2	6,0	54,2	7,0	60,5		59,8	1,9	59,1	3,7	59,4	4,5	56,1	3,3
OTHERS	2014	58,2	3,7	58,2	4,2	73,0	23,7	73,0	23,7	68,0	8,7	56,8	8,6	60,8	21,3	56,0	2,9	56,6	1,5	61,2	1,0	55,2	1,0
	2013	60,7	8,8	60,3	6,5	64,8	16,0	68,0	21,0	66,6	9,3	58,7	12,0	60,0	20,0	59,3	8,8	59,1	3,4	58,2	n.a.	55,6	n.a.
BANKS	2014	60,8	4,3	59,3	3,1	78,5	11,9	73,5	8,0	63,4	7,6	64,9	7,2	59,5	4,6	61,4	4,7	57,7	2,6	63,3	3,6	59,1	2,0
	2013	62,8	4,8	59,7	1,6	74,3	12,8	69,5	8,9	63,9	9,9	64,4	5,9	58,9	5,5	62,5	5,8	61,5	2,7	64,8	9,7	58,8	4,4
INSURANCES	2014	61,5	9,7	64,6	14,4	70,0	1,4	65,3	7,7	61,0	15,9	78,0	17,9	63,5	4,5	60,8	7,2	60,3	8,8	59,2	13,7	53,3	5,2
	2013	60,3	7,1	57,8	9,8	60,0		66,6	8,7	62,3	13,3	60,5	16,0	63,3	5,3	61,0	7,2	58,7	5,1	64,6	13,0	59,4	6,0
FINANCIAL	2014	60,9	5,3	60,4	5,9	75,7	8,4	70,0	7,9	62,9	9,7	65,3	7,9	60,4	4,6	61,3	5,3	58,3	3,7	62,3	7,0	57,8	2,8
	2013	62,0	5,4	59,0	3,9	71,4	12,8	68,7	8,8	63,3	11,0	64,0	6,2	60,9	5,4	62,1	6,2	60,6	3,3	64,7	10,1	59,0	4,8
NON-FINANCIAL	2014	57,9	5,6	56,2	8,8	69,2	11,5	67,1	10,2	61,4	8,1	53,5	6,5	61,5	6,0	55,7	5,3	59,0	3,9	59,6	3,8	55,8	2,5
	2013	58,0	6,0	55,6	9,2	62,5	12,0	65,2	8,0	60,3	8,3	53,0	6,3	61,6	2,9	56,2	6,5	59,2	3,6	58,8	4,4	55,6	3,9
TOTAL	2014	58,4	5,6	56,6	8,4	70,8	9,7	68,1	8,7	61,8	8,7	55,7	6,9	61,0	5,0	56,6	5,3	58,9	3,9	59,8	4,1	56,0	2,6
	2013	58,7	5,9	55,8	8,8	62,9	12,0	66,0	8,2	61,0	9,1	55,9	6,3	61,3	4,3	57,3	6,5	59,5	3,5	59,4	5,6	56,0	4,1

TAB. 30: REMUNERATION STRUCTURE BY ROLE AND SECTOR (average data in €.000); Remuneration report 2014

Role	#		Fixed remuneration		Non monetary benefits		Bonus and other incentives		Other compensation		Compensation for committees		Profit sharing		Compensation from subsidiaries		Severance payments (from the company or its subsidiaries)		Total compensation		Beneficiaries of equity compensation (#)		Fair value of equity compensation (average in €.000)	
	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial
MD	23	257	917	426	32	10	183	206	40	29	8	2	34	6	24	101	-	32	1.238	811	6	32	368	746
Chairman	24	142	504	332	1	5	-	26	0	3	18	2	7	-	46	55	-	53	577	477	-	7	-	570
Deputy chairman	40	110	160	148	1	1	2	20	22	26	27	4	5	-	42	54	-	2	259	256	3	3	103	146
Other executives	30	132	354	159	10	3	33	92	2	31	11	5	-	14	10	187	-	27	419	517	2	15	7	262
Non-executives in EC	20	26	70	30	3	1	-	-	-	9	36	18	-	-	4	3	-	-	112	60	-	-	-	-
Other Non-executives Non-independents	99	508	65	33	1	0	0	2	6	7	8	4	5	-	27	22	-	1	112	69	1	2	23	883
Other independents	161	774	65	29	0	0	-	0	0	1	20	15	1	-	7	1	-	0	93	46	-	-	-	-
<b>TOTAL</b>	<b>397</b>	<b>1.949</b>	<b>173</b>	<b>120</b>	<b>3</b>	<b>2</b>	<b>13</b>	<b>37</b>	<b>6</b>	<b>10</b>	<b>17</b>	<b>8</b>	<b>4</b>	<b>2</b>	<b>19</b>	<b>39</b>	<b>-</b>	<b>10</b>	<b>236</b>	<b>228</b>	<b>12</b>	<b>59</b>	<b>213</b>	<b>576</b>

MD who are not members of the BoD	9	45	767	261	77	11	92	131	2	23	0	0	0	4	16	103	400	0	1353	534	3	9	125	201
-----------------------------------	---	----	-----	-----	----	----	----	-----	---	----	---	---	---	---	----	-----	-----	---	------	-----	---	---	-----	-----

REMUNERATION STRUCTURE BY ROLE AND SECTOR (average data in €.000); Remuneration report 2013

Role	#		Fixed remuneration		Non monetary benefits		Bonus and other incentives		Other compensation		Compensation for committees		Profit sharing		Compensation from subsidiaries		Severance payments (from the company or its subsidiaries)		Total compensation		Beneficiaries of equity compensation (#)		Fair value of equity compensation (average in €.000)	
	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial
MD	21	271	939	399	60	10	60	197	73	17	6	1	37	5	63	95	7	7	1.246	731	3	39	649	781
Chairman	25	157	586	313	15	8	-	60	-	3	8	2	7	1	46	67	-	1	661	453	1	12	114	768
Deputy chairman	33	110	157	145	1	1	1	15	6	10	15	3	5	-	715	62	-	2	900	240	1	3	185	157
Other executives	45	135	252	158	16	4	3	42	-	20	10	3	-	13	70	211	-	30	351	480	1	11	81	129
Non-executives in EC	23	35	134	50	1	1	-	-	-	4	36	20	0	-	38	11	-	-	208	85	-	-	-	-
Other Non-executives Non-independents	110	530	58	30	0	1	-	0	0	7	7	4	0	-	37	22	-	3	103	67	-	5	-	47
Other independents	174	806	80	27	0	0	-	0	0	0	17	14	0	-	9	1	-	0	105	44	-	-	-	-
<b>TOTAL</b>	<b>431</b>	<b>2.044</b>	<b>172</b>	<b>115</b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>34</b>	<b>4</b>	<b>6</b>	<b>13</b>	<b>7</b>	<b>3</b>	<b>2</b>	<b>83</b>	<b>41</b>	<b>0</b>	<b>4</b>	<b>285</b>	<b>212</b>	<b>6</b>	<b>70</b>	<b>388</b>	<b>597</b>

MD who are not members of the BoD	19	49	588	273	30	10	247	105	68	5	0	0	0	4	52	73	0	0	986	471	19	46	103	21
-----------------------------------	----	----	-----	-----	----	----	-----	-----	----	---	---	---	---	---	----	----	---	---	-----	-----	----	----	-----	----

REMUNERATION STRUCTURE BY ROLE AND SECTOR (average data in €.000); Remuneration report 2012

Role	#		Fixed remuneration		Non monetary benefits		Bonus and other incentives		Other compensation		Compensation for committees		Profit sharing		Compensation from subsidiaries		Severance payments (from the company or its subsidiaries)		Total compensation		Beneficiaries of equity compensation (#)		Fair value of equity compensation (average in €.000)	
	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial	Financial	Non financial
MD	19	286	1.033	405	23	9	184	226	267	33	21	1	47	5	138	84	-	10	1.712	771	3	43	765	794
Chairman	30	172	551	321	2	6	-	56	86	5	10	4	6	1	44	176	-	10	699	579	-	10	-	266
Deputy chairman	53	117	189	144	1	1	1	25	4	8	24	5	4	-	40	45	-	-	264	228	2	5	89	782
Other executives	44	147	126	162	2	5	9	60	165	32	13	1	-	5	62	179	1	8	377	451	3	15	211	321
Non-executives in EC	25	37	99	54	1	1	-	-	-	-	40	23	0	-	8	9	-	-	148	86	-	1	-	66
Other Non-executives Non-independents	117	600	66	28	1	1	-	2	2	7	8	3	2	-	40	29	-	2	119	71	-	4	-	145
Other independents	182	815	83	27	1	0	-	0	0	0	21	14	0	-	10	1	-	0	115	42	-	-	-	-
<b>TOTAL</b>	<b>470</b>	<b>2.174</b>	<b>163</b>	<b>116</b>	<b>2</b>	<b>2</b>	<b>8</b>	<b>40</b>	<b>34</b>	<b>9</b>	<b>17</b>	<b>7</b>	<b>3</b>	<b>1</b>	<b>33</b>	<b>48</b>	<b>0</b>	<b>3</b>	<b>261</b>	<b>227</b>	<b>8</b>	<b>78</b>	<b>388</b>	<b>592</b>

TAB.31: CEO REMUNERATION (average data in €.000)																			Fair value of equity compensation			
INDEX	Year	#	Fixed remuneration (%)		Non monetary benefits (%)		Bonus and other incentives (%)		Other compensation (%)		Compensation for committees (%)		Profit sharing (%)		Compensation from subsidiaries (%)		Severance payments (from the company or its subsidiaries) (%)		Total compensation	# of beneficiaries	% of beneficiaries	(average in €.000)
FTSE MIB	2014	45	983	52,3%	31	1,6%	575	30,6%	21	1,1%	4	0,2%	0	0,0%	265	14,1%	0	0,0%	1878	14	31,1%	1523
	2013	43	1002	47,6%	47	2,2%	740	35,1%	75	3,6%	3	0,1%	0	0,0%	205	9,7%	36	1,7%	2107	18	41,9%	1343
	2012	42	959	40,4%	30	1,3%	1064	44,8%	122	5,1%	9	0,4%	0	0,0%	163	6,9%	28	1,2%	2375	22	52,4%	1411
	2011	41	726	33,9%	27	1,3%	641	29,9%	747	34,9%									2140			
FTSE MID CAP	2014	65	626	52,3%	18	1,5%	279	23,3%	11	0,9%	0	0,0%	25	2,1%	122	10,2%	115	9,6%	1196	16	24,6%	238
	2013	65	628	57,4%	14	1,3%	260	23,7%	9	0,8%	1	0,1%	8	0,8%	170	15,6%	4	0,4%	1094	17	26,2%	445
	2012	66	661	57,4%	13	1,2%	234	20,3%	68	5,9%	1	0,1%	3	0,2%	172	14,9%	0	0,0%	1152	13	19,7%	377
	2011	67	578	48,7%	22	1,8%	195	16,4%	393	33,1%									1188			
FTSE SMALL CAP	2014	139	280	60,4%	5	1,0%	90	19,4%	46	9,8%	3	0,6%	6	1,2%	31	6,7%	5	1,1%	464	7	5,0%	115
	2013	145	226	71,5%	6	1,9%	28	8,9%	15	4,7%	0	0,1%	11	3,5%	29	9,2%	0	0,1%	316	6	4,1%	91
	2012	168	263	66,7%	4	0,9%	48	12,0%	23	5,9%	0	0,1%	11	2,9%	36	9,2%	9	2,3%	395	8	4,8%	54
	2011	179	252	60,9%	9	2,2%	50	12,1%	103	24,8%									414			
FTSE MICRO CAP	2014	19	155	53,4%	4	1,4%	16	5,5%	8	2,7%	0	0,0%	0	0,0%	106	36,6%	1	0,3%	290	1	5,3%	126
	2013	29	282	64,3%	3	0,7%	59	13,4%	0	0,1%	1	0,1%	0	0,0%	94	21,3%	0	0,0%	438	0	0,0%	0
	2012	22	250	65,1%	6	1,6%	8	2,1%	9	2,3%	2	0,4%	0	0,0%	109	28,4%	0	0,0%	384	3	13,6%	14
	2011	22	179	50,9%	5	1,5%	94	26,7%	73	20,9%									351			
OTHERS	2014	12	303	78,3%	2	0,6%	18	4,6%	24	6,1%	7	1,8%	0	0,0%	33	8,6%	0	0,0%	387	0	0,0%	0
	2013	10	311	74,5%	4	1,0%	32	7,6%	31	7,4%	4	1,0%	0	0,0%	20	4,9%	15	3,6%	417	1	10,0%	125
	2012	7	145	72,9%	1	0,6%	0	0,0%	53	26,5%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	199	0	0,0%	0
	2011	12	343	86,6%	3	0,8%	4	1,1%	46	11,6%									396			
BANKS	2014	18	833	86,2%	31	3,2%	30	3,2%	8	0,8%	9	1,0%	44	4,5%	11	1,1%	0	0,0%	966	5	27,8%	385
	2013	13	1106	81,6%	88	6,5%	38	2,8%	19	1,4%	8	0,6%	61	4,5%	25	1,8%	12	0,9%	1356	3	23,1%	649
	2012	10	881	61,7%	39	2,7%	89	6,2%	294	20,6%	14	1,0%	79	5,5%	33	2,3%	0	0,0%	1428	3	30,0%	765
	2011																					
INSURANCES	2014	5	1218	55,0%	35	1,6%	731	33,0%	157	7,1%	2	0,1%	0	0,0%	72	3,3%	0	0,0%	2215	1	20,0%	283
	2013	8	667	62,4%	13	1,2%	97	9,1%	163	15,2%	3	0,3%	0	0,0%	125	11,7%	0	0,0%	1068	0	0,0%	0
	2012	9	1250	59,0%	0	0,0%	319	15,1%	229	10,8%	30	1,4%	1	0,1%	288	13,6%	0	0,0%	2118	0	0,0%	0
	2011																					
FINANCIAL	2014	23	917	74,1%	32	2,6%	183	14,8%	40	3,2%	8	0,6%	34	2,8%	24	1,9%	0	0,0%	1238	6	26,1%	368
	2013	21	939	75,3%	60	4,8%	60	4,9%	73	5,9%	6	0,5%	37	3,0%	63	5,0%	7	0,6%	1246	3	14,3%	649
	2012	19	1033	60,3%	23	1,3%	184	10,7%	267	15,6%	21	1,2%	47	2,7%	138	8,1%	0	0,0%	1712	3	15,8%	765
	2011	19	887	43,9%	63	3,1%	316	15,7%	752	37,3%									2018			
NON-FINANCIAL	2014	257	426	52,5%	10	1,2%	206	25,5%	29	3,6%	2	0,2%	6	0,8%	101	12,5%	32	3,9%	811	32	12,5%	746
	2013	271	399	54,6%	10	1,4%	197	27,0%	17	2,4%	1	0,1%	5	0,7%	95	13,0%	7	0,9%	731	39	14,4%	781
	2012	286	405	52,5%	9	1,1%	226	29,3%	33	4,2%	1	0,1%	5	0,6%	84	10,9%	10	1,2%	771	43	15,0%	794
	2011	302	347	48,6%	10	1,5%	147	20,6%	209	29,3%									714			
TOTAL	2014	280	466	55,1%	12	1,4%	205	24,2%	30	3,6%	2	0,3%	9	1,0%	95	11,2%	29	3,5%	846	38	13,6%	686
	2013	292	438	57,0%	13	1,8%	188	24,4%	21	2,8%	1	0,1%	7	0,9%	93	12,0%	7	0,9%	768	42	14,4%	772
	2012	305	440	53,4%	10	1,2%	224	27,2%	46	5,6%	2	0,2%	7	0,8%	87	10,5%	9	1,1%	824	46	15,1%	792
	2011	321	379	47,9%	14	1,7%	157	19,8%	241	30,5%									791			



TAB.32: REMUNERATION OF EXECUTIVE CHAIRMEN (average data in €.000)			Fixed remuneration (%)		Non monetary benefits (%)		Bonus and other incentives (%)		Other compensation (%)		Compensation for committees (%)		Profit sharing (%)		Compensation from subsidiaries (%)		Severance payments (from the company or its subsidiaries) (%)		Total compensation	# of beneficiaries	% of beneficiaries	Fair value of equity compensation (average in €.000)
INDEX	Year	#																				
FTSE MIB	2014	10	986	87,6%	23	2,0%	95	8,5%	0	0,0%	6	0,6%	0	0,0%	15	1,3%	0	0,0%	1125	3	30,0%	536
FTSE MID CAP	2014	22	699	62,6%	14	1,3%	76	6,8%	1	0,0%	2	0,1%	0	0,0%	151	13,5%	175	15,6%	1117	1	4,5%	1870
FTSE SMALL CAP	2014	46	262	62,4%	3	0,7%	9	2,1%	10	2,3%	1	0,2%	0	0,0%	56	13,4%	80	18,9%	420	2	4,3%	192
FTSE MICRO CAP	2014	6	304	74,8%	1	0,3%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	97	23,9%	4	0,9%	406	1	16,7%	126
OTHERS	2014	6	69	97,1%	1	0,8%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	2	2,1%	0	0,0%	71	0	0,0%	0
BANKS	2014	2	384	73,9%	0	0,0%	0	0,0%	2	0,3%	32	6,1%	0	0,0%	103	19,7%	0	0,0%	520	0	0,0%	0
INSURANCES	2014	1	661	98,3%	3	0,5%	0	0,0%	0	0,0%	8	1,2%	0	0,0%	0	0,0%	0	0,0%	672	0	0,0%	0
FINANCIAL	2014	3	477	83,5%	1	0,2%	0	0,0%	1	0,2%	24	4,2%	0	0,0%	68	12,0%	0	0,0%	571	0	0,0%	0
NON-FINANCIAL	2014	87	438	67,7%	8	1,2%	35	5,4%	5	0,8%	1	0,1%	0	0,0%	74	11,4%	86	13,4%	647	7	8,0%	570
<b>TOTAL</b>	<b>2014</b>	<b>90</b>	<b>439</b>	<b>68,1%</b>	<b>8</b>	<b>1,2%</b>	<b>34</b>	<b>5,3%</b>	<b>5</b>	<b>0,8%</b>	<b>2</b>	<b>0,2%</b>	<b>0</b>	<b>0,0%</b>	<b>74</b>	<b>11,5%</b>	<b>84</b>	<b>13,0%</b>	<b>645</b>	<b>7</b>	<b>7,8%</b>	<b>570</b>

TAB.33: REMUNERATION OF NON EXECUTIVE CHAIRMEN (average data in €.000)			Fixed remuneration (%)		Non monetary benefits (%)		Bonus and other incentives (%)		Other compensation (%)		Compensation for committees (%)		Profit sharing (%)		Compensation from subsidiaries (%)		Severance payments (from the company or its subsidiaries) (%)		Total compensation	Fair value of equity compensation		
INDEX	Year	#																		# of beneficiaries	% of beneficiaries	(average in €.000)
FTSE MIB	2014	19	456	88,0%	1	0,2%	24	4,6%	0	0,0%	16	3,1%	1	0,2%	20	4,0%	0	0,0%	518	0	0,0%	0
FTSE MID CAP	2014	23	294	79,5%	1	0,3%	0	0,0%	0	0,0%	6	1,5%	0	0,0%	69	18,7%	0	0,0%	369	0	0,0%	0
FTSE SMALL CAP	2014	24	123	84,8%	0	0,1%	6	3,8%	0	0,1%	3	2,3%	7	4,7%	6	4,2%	0	0,0%	146	0	0,0%	0
FTSE MICRO CAP	2014	2	35	76,2%	5	11,9%	0	0,0%	5	11,9%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	45	0	0,0%	0
OTHERS	2014	6	148	87,5%	7	3,9%	0	0,0%	0	0,0%	15	8,6%	0	0,0%	0	0,0%	0	0,0%	169	0	0,0%	0
BANKS	2014	15	546	88,5%	1	0,2%	0	0,0%	0	0,0%	15	2,4%	11	1,8%	44	7,1%	0	0,0%	617	0	0,0%	0
INSURANCES	2014	4	527	90,7%	2	0,4%	0	0,0%	0	0,0%	28	4,8%	4	0,7%	20	3,4%	0	0,0%	581	0	0,0%	0
FINANCIAL	2014	19	542	89,0%	2	0,2%	0	0,0%	0	0,0%	17	2,9%	9	1,6%	39	6,4%	0	0,0%	609	0	0,0%	0
NON-FINANCIAL	2014	55	164	79,5%	1	0,6%	11	5,2%	0	0,1%	5	2,4%	0	0,0%	25	12,2%	0	0,0%	207	0	0,0%	0
<b>TOTAL</b>	<b>2014</b>	<b>74</b>	<b>261</b>	<b>84,3%</b>	<b>1</b>	<b>0,4%</b>	<b>8</b>	<b>2,6%</b>	<b>0</b>	<b>0,1%</b>	<b>8</b>	<b>2,6%</b>	<b>2</b>	<b>0,8%</b>	<b>29</b>	<b>9,3%</b>	<b>0</b>	<b>0,0%</b>	<b>310</b>	<b>0</b>	<b>0,0%</b>	<b>0</b>

TAB.34: REMUNERATION OF INDEPENDENT DIRECTORS (average data in €.000)			Fixed remuneration (%)		Non monetary benefits (%)		Bonus and other incentives (%)		Other compensation (%)		Compensation for committees (%)		Profit sharing (%)		Compensation from subsidiaries (%)		Severance payments (from the company or its subsidiaries) (%)		Total compensation	Fair value of equity compensation (average in €.000)		
INDEX	Year	#																		# of beneficiaries	% of beneficiaries	
FTSE MIB	2014	242	65	66,2%	0	0,1%	1	0,6%	0	0,3%	28	28,1%	0	0,3%	4	4,4%	0	0,0%	98	0	0,0%	0
	2013	260	74	70,2%	0	0,1%	0	0,0%	0	0,3%	25	24,1%	0	0,0%	5	5,2%	0	0,0%	105	0	0,0%	0
	2012	242	72	69,2%	0	0,3%	0	0,0%	0	0,1%	25	24,3%	0	0,2%	6	5,9%	0	0,0%	105	0	0,0%	0
	2011	245	100	93,9%	0	0,2%	0	0,0%	6	5,9%									107			
FTSE MID CAP	2014	274	33	65,0%	0	0,5%	0	0,0%	0	0,9%	15	29,0%	0	0,0%	2	4,6%	0	0,0%	51	0	0,0%	0
	2013	309	31	63,8%	0	0,4%	0	0,1%	0	0,9%	15	30,6%	0	0,0%	2	4,3%	0	0,0%	48	0	0,0%	0
	2012	287	33	61,7%	0	0,2%	0	0,0%	0	0,9%	18	33,3%	0	0,0%	2	3,9%	0	0,0%	54	0	0,0%	0
	2011	264	44	90,2%	0	0,2%	0	0,0%	5	9,6%									49			
FTSE SMALL CAP	2014	336	19	62,9%	0	0,1%	0	1,6%	1	2,7%	9	30,7%	0	0,0%	1	1,8%	0	0,2%	30	0	0,0%	0
	2013	319	17	63,4%	0	0,1%	0	0,1%	1	2,4%	7	27,4%	0	0,0%	2	6,3%	0	0,2%	26	0	0,0%	0
	2012	396	19	64,6%	0	0,4%	0	0,1%	1	1,7%	8	27,5%	0	0,0%	2	5,7%	0	0,1%	30	0	0,0%	0
	2011	391	27	87,2%	0	0,0%	0	0,2%	4	12,6%									31			
FTSE MICRO CAP	2014	33	11	69,3%	0	0,0%	0	0,0%	0	0,8%	4	24,6%	0	0,0%	1	5,3%	0	0,0%	15	0	0,0%	0
	2013	55	17	63,8%	0	0,1%	0	0,0%	0	0,3%	9	33,8%	0	0,0%	1	2,0%	0	0,0%	27	0	0,0%	0
	2012	50	22	82,1%	0	0,0%	0	0,0%	0	1,1%	5	16,8%	0	0,0%	0	0,0%	0	0,0%	27	0	0,0%	0
	2011	50	36	94,7%	0	0,0%	1	3,0%	1	2,2%									38			
OTHERS	2014	50	23	58,8%	1	1,9%	0	0,0%	1	2,0%	13	33,9%	0	0,0%	1	3,5%	0	0,0%	39	0	0,0%	0
	2013	37	24	71,1%	0	0,0%	0	0,0%	1	2,0%	9	26,9%	0	0,0%	0	0,0%	0	0,0%	34	0	0,0%	0
	2012	22	24	78,7%	0	0,0%	0	0,0%	2	7,5%	4	13,8%	0	0,0%	0	0,0%	0	0,0%	30	0	0,0%	0
	2011	32	50	100,0%	0	0,0%	0	0,0%	0	0,0%									50			
BANKS	2014	125	69	71,7%	0	0,4%	0	0,0%	0	0,2%	19	19,9%	0	0,0%	8	7,9%	0	0,0%	97	0	0,0%	0
	2013	120	96	78,5%	0	0,2%	0	0,0%	1	0,5%	14	11,3%	0	0,0%	12	9,5%	0	0,0%	123	0	0,0%	0
	2012	132	89	72,7%	1	0,6%	0	0,0%	0	0,2%	21	16,8%	0	0,1%	12	9,5%	0	0,0%	123	0	0,0%	0
INSURANCES	2014	36	50	64,1%	0	0,0%	0	0,0%	1	1,0%	22	28,6%	2	2,9%	3	3,4%	0	0,0%	78	0	0,0%	0
	2013	54	42	63,0%	0	0,0%	0	0,0%	0	0,0%	23	33,6%	0	0,1%	2	3,3%	0	0,0%	67	0	0,0%	0
	2012	50	60	67,2%	0	0,0%	0	0,0%	0	0,0%	24	26,5%	1	1,1%	5	5,3%	0	0,0%	90	0	0,0%	0
FINANCIAL	2014	161	65	70,2%	0	0,3%	0	0,0%	0	0,3%	20	21,5%	1	0,5%	7	7,0%	0	0,0%	93	0	0,0%	0
	2013	174	80	75,4%	0	0,2%	0	0,0%	0	0,4%	17	15,7%	0	0,0%	9	8,3%	0	0,0%	105	0	0,0%	0
	2012	182	83	71,8%	1	0,5%	0	0,0%	0	0,2%	21	18,5%	0	0,3%	10	8,8%	0	0,0%	115	0	0,0%	0
	2011	178	99	91,6%	0	0,2%	0	0,0%	9	8,2%									108			
NON-FINANCIAL	2014	774	29	62,7%	0	0,3%	0	0,9%	1	1,3%	15	32,2%	0	0,0%	1	2,6%	0	0,1%	46	0	0,0%	0
	2013	806	27	62,9%	0	0,2%	0	0,1%	0	1,1%	14	32,6%	0	0,0%	1	3,1%	0	0,1%	44	0	0,0%	0
	2012	815	27	63,6%	0	0,2%	0	0,0%	0	1,1%	14	32,0%	0	0,0%	1	3,0%	0	0,0%	42	0	0,0%	0
	2011	804	40	91,9%	0	0,1%	0	0,2%	3	7,8%									44			
TOTAL	2014	935	35	64,9%	0	0,3%	0	0,6%	1	1,0%	16	29,1%	0	0,2%	2	3,9%	0	0,0%	54	0	0,0%	0
	2013	980	37	67,2%	0	0,2%	0	0,0%	0	0,9%	15	26,8%	0	0,0%	3	4,9%	0	0,0%	55	0	0,0%	0
	2012	997	37	66,6%	0	0,3%	0	0,0%	0	0,8%	15	27,1%	0	0,1%	3	5,1%	0	0,0%	55	0	0,0%	0
	2011	982	51	91,8%	0	0,2%	0	0,1%	4	7,9%									55			

TAB.35: REMUNERATION OF INDEPENDENT DIRECTORS: LID vs. OTHER INDEPENDENTS (average data in €.000)																					
INDEX	Year	#		Fixed remuneration		Non monetary benefits		Bonus and other incentives		Other compensation		Compensation for committees		Profit sharing		Compensation from subsidiaries		Severance payments (from the company or its subsidiaries)		Total compensation	
		LID	IND	LID	IND	LID	IND	LID	IND	LID	IND	LID	IND	LID	IND	LID	IND	LID	IND	LID	IND
FTSE MIB	2014	11	50	52	51	0	0	0	0	0	1	34	26	0	0	0	6	0	0	86	83
	2013	10	45	54	53	0	0	0	0	0	0	26	28	0	0	0	0	0	0	80	81
	2012	10	44	53	45	0	0	0	0	0	0	30	22	0	0	0	0	0	0	82	67
FTSE MID CAP	2014	30	114	30	28	0	0	0	0	2	0	19	12	0	0	0	1	0	0	51	42
	2013	29	117	26	25	0	0	0	0	3	0	24	13	0	0	1	1	0	0	53	39
	2012	28	103	28	27	0	0	0	0	3	0	23	14	0	0	0	1	0	0	54	42
FTSE SMALL CAP	2014	50	114	21	21	0	0	0	0	1	0	12	9	0	0	0	0	0	0	33	31
	2013	53	107	20	20	0	0	0	0	1	0	9	7	0	0	0	2	0	0	30	29
	2012	54	105	19	16	0	0	0	0	1	1	7	6	0	0	1	1	0	0	28	24
FTSE MICRO CAP	2014	7	17	14	14	0	0	0	0	1	0	5	5	0	0	0	1	0	0	20	20
	2013	7	18	23	21	0	0	0	0	0	0	21	8	0	0	0	1	0	0	44	30
	2012	1	2	3	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	4
OTHERS	2014	3	5	11	6	0	0	0	0	3	0	13	3	0	0	0	0	0	0	27	9
	2013	1	2	25	25	0	0	0	0	0	0	20	13	0	0	0	0	0	0	45	38
	2012	2	3	25	19	0	0	0	0	0	11	15	5	0	0	0	0	0	0	40	35
BANKS	2014	1	2	10	10	0	0	0	0	0	0	15	15	0	0	17	9	0	0	42	34
	2013	1	2	10	10	0	0	0	0	0	0	10	10	0	0	17	9	0	0	37	29
	2012	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
INSURANCES	2014	1	9	24	22	0	0	0	0	0	0	5	8	0	0	0	0	0	0	29	30
	2013	1	7	20	18	0	0	0	0	0	0	5	6	0	0	0	0	0	0	25	24
	2012	1	2	20	20	0	0	0	0	0	0	20	30	0	0	41	2	0	0	81	52
FINANCIAL	2014	2	11	17	20	0	0	0	0	0	0	10	9	0	0	9	2	0	0	35	31
	2013	2	9	15	16	0	0	0	0	0	0	8	7	0	0	9	2	0	0	31	25
	2012	1	2	20	20	0	0	0	0	0	0	20	30	0	0	41	2	0	0	81	52
NON-FINANCIAL	2014	99	289	26	29	0	0	0	0	1	0	16	13	0	0	0	1	0	0	43	43
	2013	98	280	25	27	0	0	0	0	1	0	16	13	0	0	0	1	0	0	43	42
	2012	94	255	25	26	0	0	0	0	1	0	14	12	0	0	0	1	0	0	41	39
TOTAL	2014	101	300	26	28	0	0	0	0	1	0	16	13	0	0	0	1	0	0	43	43
	2013	100	289	25	27	0	0	0	0	1	0	16	13	0	0	0	1	0	0	43	41
	2012	95	257	25	26	0	0	0	0	1	0	15	12	0	0	1	1	0	0	41	39

<b>TAB.36: REMUNERATION OF "OTHER INDEPENDENTS" BY COMMITTEE MEMBERSHIP (average data in €.000)</b>																
<i>INDEX</i>	<i>Year</i>	<i>#</i>	<b>Fixed remuneration (%)</b>	<b>Compensation for committees (%)</b>	<b>Bonus and other incentives (%)</b>	<b>Profit sharing (%)</b>	<b>Non monetary benefits (%)</b>	<b>Other compensation (not from subsidiaries) (%)</b>							<b>Total</b>	
ICC/CRC e RC	<b>2014</b>	273	25	57,7%	17	40,3%	0	0,7%	0	0,0%	0	0,1%	1	1,2%	43	
	2013	288	25	58,6%	17	39,8%	0	0,1%	0	0,0%	0	0,2%	1	1,2%	43	
	2012	308	26	60,8%	16	37,2%	0	0,1%	0	0,0%	0	0,5%	1	1,4%	44	
	2011	305	41	89,4%	0	0,2%	0	0,1%					5	10,3%	46	
ICC/CRC only	<b>2014</b>	238	40	61,7%	23	36,2%	0	0,7%	0	0,2%	0	0,3%	0	0,7%	64	
	2013	251	42	66,2%	21	32,5%	0	0,0%	0	0,0%	0	0,1%	1	1,1%	63	
	2012	255	40	64,0%	22	34,9%	0	0,0%	0	0,2%	0	0,1%	1	0,8%	62	
	2011	250	60	91,6%	0	0,1%	0	0,1%					5	8,1%	65	
RC only	<b>2014</b>	185	40	69,1%	17	29,2%	1	1,0%	0	0,4%	0	0,3%	0	0,0%	59	
	2013	190	42	72,3%	16	27,5%	0	0,0%	0	0,0%	0	0,2%	0	0,1%	58	
	2012	193	40	73,5%	14	25,9%	0	0,0%	0	0,0%	0	0,1%	0	0,4%	55	
	2011	180	53	95,5%	0	0,2%	0	0,4%					2	3,9%	55	
No committee membership	<b>2014</b>	236	38	85,9%	5	11,3%	0	0,0%	0	0,0%	0	0,3%	1	2,5%	44	
	2013	251	41	87,9%	5	10,7%	0	0,1%	0	0,0%	0	0,2%	1	1,1%	47	
	2012	241	43	86,0%	6	12,7%	0	0,0%	0	0,2%	0	0,5%	0	0,6%	50	
	2011	247	52	91,7%	0	0,2%	0	0,0%					5	8,1%	57	
Total independent directors	<b>2014</b>	935	35	67,6%	16	30,3%	0	0,6%	0	0,2%	0	0,3%	1	1,1%	52	
	2013	980	37	70,7%	15	28,2%	0	0,0%	0	0,0%	0	0,2%	0	0,9%	52	
	2012	997	37	70,2%	15	28,6%	0	0,0%	0	0,1%	0	0,3%	0	0,8%	52	
	2011	982	51	91,8%	0	0,2%	0	0,1%					4	7,9%	55	

TAB.37 a): REMUNERATION OF "OTHER INDEPENDENTS" (average data in €.000) BY COMMITTEE MEMBERSHIP, INDEX AND SECTOR		ICC/CRC and RC		ICC/CRC only		RC only		No membership	
INDEX	Year	#	Average	#	Average	#	Average	#	Average
FTSE MIB	2014	32	90	71	115	61	96	78	74
	2013	33	97	82	118	65	95	80	86
	2012	35	91	76	116	57	89	74	91
	2011	40	90	73	132	55	92	77	101
FTSE MID CAP	2014	65	56	75	55	64	46	70	37
	2013	72	53	82	47	68	47	87	40
	2012	75	60	76	54	66	50	70	40
	2011	69	59	75	47	58	47	62	41
FTSE SMALL CAP	2014	160	31	67	31	40	34	69	21
	2013	155	28	67	26	39	25	58	14
	2012	177	29	91	28	53	33	75	25
	2011	168	30	87	31	52	35	84	28
FTSE MICRO CAP	2014	9	13	8	20	11	16	5	8
	2013	18	35	12	22	12	30	13	17
	2012	12	40	9	22	14	25	15	23
	2011	14	28	8	21	11	17	17	67
OTHERS	2014	10	19	17	43	9	59	14	31
	2013	10	36	8	36	6	38	13	30
	2012	9	29	3	45	3	37	7	22
	2011	14	73	7	33	4	26	7	34

BANKS	2014	15	77	34	119	23	82	53	77
	2013	17	92	29	137	23	108	51	104
	2012	21	126	30	139	20	103	61	94
INSURANCES	2014	2	59	9	115	10	102	15	36
	2013	7	38	16	101	13	73	18	38
	2012	8	48	15	121	10	71	17	68

FINANCIAL	2014	17	75	43	118	33	88	68	68
	2013	24	76	45	124	36	95	69	86
	2012	29	114	45	133	30	93	78	90
	2011	30	96	44	146	27	93	77	95
NON-FINANCIAL	2014	259	41	195	52	152	52	168	34
	2013	264	40	206	50	154	49	182	32
	2012	279	37	210	48	163	48	163	32
	2011	275	41	206	48	153	48	170	40

TOTAL	2014	276	43	238	64	185	59	236	44
	2013	288	43	251	63	190	58	251	47
	2012	308	44	255	62	193	55	241	50
	2011	305	46	250	65	180	55	247	57

TAB.37 b): DISTRIBUTION OF "OTHER INDEPENDENTS" (in %) BY COMMITTEE MEMBERSHIP, INDEX AND SECTOR		ICC/CRC and RC		ICC/CRC only		RC only		No membership		Total	
INDEX	Year	#	Average	#	Average	#	Average	#	Average	#	Average
FTSE MIB	2014	32	13,2%	71	29,3%	61	25,2%	78	32,2%	242	100,0%
	2013	33	12,7%	82	31,5%	65	25,0%	80	30,8%	260	100,0%
	2012	35	14,5%	76	31,4%	57	23,6%	74	30,6%	242	100,0%
	2011	40	16,3%	73	29,8%	55	22,4%	77	31,4%	245	100,0%
FTSE MID CAP	2014	65	23,7%	75	27,4%	64	23,4%	70	25,5%	274	100,0%
	2013	72	23,3%	82	26,5%	68	22,0%	87	28,2%	309	100,0%
	2012	75	26,1%	76	26,5%	66	23,0%	70	24,4%	287	100,0%
	2011	69	26,1%	75	28,4%	58	22,0%	62	23,5%	264	100,0%
FTSE SMALL CAP	2014	160	47,6%	67	19,9%	40	11,9%	69	20,5%	336	100,0%
	2013	155	48,6%	67	21,0%	39	12,2%	58	18,2%	319	100,0%
	2012	177	44,7%	91	23,0%	53	13,4%	75	18,9%	396	100,0%
	2011	168	43,0%	87	22,3%	52	13,3%	84	21,5%	391	100,0%
FTSE MICRO CAP	2014	9	27,3%	8	24,2%	11	33,3%	5	15,2%	33	100,0%
	2013	18	32,7%	12	21,8%	12	21,8%	13	23,6%	55	100,0%
	2012	12	24,0%	9	18,0%	14	28,0%	15	30,0%	50	100,0%
	2011	14	28,0%	8	16,0%	11	22,0%	17	34,0%	50	100,0%
OTHERS	2014	10	20,0%	17	34,0%	9	18,0%	14	28,0%	50	100,0%
	2013	10	27,0%	8	21,6%	6	16,2%	13	35,1%	37	100,0%
	2012	9	40,9%	3	13,6%	3	13,6%	7	31,8%	22	100,0%
	2011	14	43,8%	7	21,9%	4	12,5%	7	21,9%	32	100,0%

BANKS	2014	15	12,0%	34	27,2%	23	18,4%	53	42,4%	125	100,0%
	2013	17	14,2%	29	24,2%	23	19,2%	51	42,5%	120	100,0%
	2012	21	15,9%	30	22,7%	20	15,2%	61	46,2%	132	100,0%
INSURANCES	2014	2	5,6%	9	25,0%	10	27,8%	15	41,7%	36	100,0%
	2013	7	13,0%	16	29,6%	13	24,1%	18	33,3%	54	100,0%
	2012	8	16,0%	15	30,0%	10	20,0%	17	34,0%	50	100,0%

FINANCIAL	2014	17	10,6%	43	26,7%	33	20,5%	68	42,2%	161	100,0%
	2013	24	13,8%	45	25,9%	36	20,7%	69	39,7%	174	100,0%
	2012	29	15,9%	45	24,7%	30	16,5%	78	42,9%	182	100,0%
	2011	30	16,9%	44	24,7%	27	15,2%	77	43,3%	178	100,0%
NON-FINANCIAL	2014	259	33,5%	195	25,2%	152	19,6%	168	21,7%	774	100,0%
	2013	264	32,8%	206	25,6%	154	19,1%	182	22,6%	806	100,0%
	2012	279	34,2%	210	25,8%	163	20,0%	163	20,0%	815	100,0%
	2011	275	34,2%	206	25,6%	153	19,0%	170	21,1%	804	100,0%

TOTAL	2014	276	29,5%	238	25,5%	185	19,8%	236	25,2%	935	100,0%
	2013	288	29,4%	251	25,6%	190	19,4%	251	25,6%	980	100,0%
	2012	308	30,9%	255	25,6%	193	19,4%	241	24,2%	997	100,0%
	2011	305	31,1%	250	25,5%	180	18,3%	247	25,2%	982	100,0%

TAB.38: COMPENSATION OF REMUNERATION COMMITTEE MEMBERS: CHAIRMAN vs. OTHER MEMBERS (average data in €.000)																					
INDEX	Year	#		Fixed remuneration		Non monetary benefits		Bonus and other incentives		Other compensation		Compensation for committees		Profit sharing		Compensation from subsidiaries		Severance payments (from the company or its subsidiaries)		Total compensation	
		RC ch.	RC members	RC ch.	RC members	RC ch.	RC members	RC ch.	RC members	RC ch.	RC members	RC ch.	RC members	RC ch.	RC members	RC ch.	RC members	RC ch.	RC members	RC ch.	RC members
FTSE MIB	2014	33	84	109	86	0	0	1	1	0	0	39	31	0	0	2	6	0	0	151	125
	2013	34	84	106	94	0	4	0	0	0	0	41	27	0	0	7	8	0	0	154	133
	2012	35	90	147	77	1	1	0	0	20	27	28	28	0	0	39	8	0	0	236	142
FTSE MID CAP	2014	50	104	46	56	0	1	0	1	0	2	18	16	0	0	3	7	0	0	68	83
	2013	50	110	41	41	0	0	0	0	0	0	19	18	0	0	4	4	0	0	65	64
	2012	42	98	67	39	0	0	0	0	0	0	22	21	0	0	8	1	0	0	98	61
FTSE SMALL CAP	2014	80	155	22	31	0	0	1	2	1	0	12	9	0	0	0	1	0	0	36	44
	2013	78	146	21	22	0	0	0	1	1	2	10	7	0	0	0	3	0	0	32	35
	2012	90	174	34	22	0	0	0	0	2	2	11	9	0	0	2	5	2	0	51	38
FTSE MICRO CAP	2014	7	13	15	9	0	0	0	0	1	0	5	2	0	0	0	2	0	0	20	13
	2013	13	27	45	21	0	0	0	0	0	0	13	13	0	0	34	1	0	0	92	35
	2012	8	15	108	26	0	0	0	0	0	0	11	11	0	0	82	0	0	0	201	37
OTHERS	2014	7	14	42	22	1	1	0	0	1	0	23	10	0	0	0	0	0	0	67	32
	2013	6	11	51	26	0	0	0	0	0	2	17	9	0	0	0	0	0	0	68	37
	2012	4	8	27	22	0	0	0	0	3	1	8	2	0	0	0	0	0	0	38	25
BANKS	2014	17	43	149	115	1	1	0	0	0	0	23	24	0	0	4	14	0	0	177	154
	2013	14	40	180	141	0	9	0	0	0	0	26	13	0	0	15	12	0	0	222	175
	2012	13	38	213	109	3	2	0	0	13	63	25	30	0	1	32	14	0	0	286	218
INSURANCES	2014	5	10	61	67	0	0	0	0	0	0	32	22	3	3	11	14	0	0	108	105
	2013	8	17	47	51	0	0	0	0	0	0	33	19	0	0	16	8	0	0	95	78
	2012	7	19	83	60	0	0	0	0	0	0	21	25	1	1	36	7	0	0	142	93
FINANCIAL	2014	22	53	129	106	0	1	0	0	0	0	25	24	1	1	6	14	0	0	161	145
	2013	22	57	132	114	0	7	0	0	0	0	28	15	0	0	16	11	0	0	176	146
	2012	20	57	177	97	2	1	0	0	9	48	24	29	0	1	33	12	0	0	246	188
NON-FINANCIAL	2014	155	317	33	40	0	0	0	2	1	1	18	15	0	0	1	2	0	0	53	60
	2013	159	321	33	31	0	0	0	0	0	1	18	15	0	0	3	3	0	0	55	51
	2012	159	328	55	31	0	0	0	0	5	1	16	14	0	0	12	3	1	0	89	49
TOTAL	2014	177	370	45	50	0	0	0	1	1	1	19	16	0	0	1	4	0	0	67	72
	2013	181	378	45	44	0	1	0	0	0	1	19	15	0	0	5	4	0	0	70	65
	2012	179	385	67	39	0	0	0	0	5	7	17	16	0	0	14	4	1	0	105	68

TAB.39: REMUNERATION OF INTERNAL CONTROL/CONTROL AND RISK COMMITTEE MEMBERS: CHAIRMAN vs. OTHER MEMBERS (average data in € .000)																					
INDEX	Year	#		Fixed remuneration		Non monetary benefits		Bonus and other incentives		Other compensation		Compensation for committees		Profit sharing		Compensation from subsidiaries		Severance payments (from the company or its subsidiaries)		Total compensation	
		ICC/CRC ch.	ICC/CRC members	ICC/CRC ch.	ICC/CRC members	ICC/CRC ch.	ICC/CRC members	ICC/CRC ch.	ICC/CRC members	ICC/CRC ch.	ICC/CRC members	ICC/CRC ch.	ICC/CRC members	ICC/CRC ch.	ICC/CRC members	ICC/CRC ch.	ICC/CRC members	ICC/CRC ch.	ICC/CRC members	ICC/CRC ch.	ICC/CRC members
FTSE MIB	2014	35	96	66	84	0	0	1	1	2	2	55	38	0	0	7	17	0	0	131	142
	2013	35	98	73	88	0	0	0	0	0	2	52	33	0	0	9	14	0	0	135	138
	2012	37	100	79	97	1	1	0	0	6	0	52	35	0	0	18	11	0	0	155	144
FTSE MID CAP	2014	50	116	35	46	0	0	0	0	2	1	27	22	0	0	2	4	0	0	66	73
	2013	52	115	35	41	0	0	0	0	2	3	24	18	0	0	1	7	0	8	62	78
	2012	45	101	44	42	0	0	0	0	2	1	27	23	0	0	1	6	0	0	75	73
FTSE SMALL CAP	2014	80	145	20	21	0	0	1	1	1	1	12	10	0	0	0	1	0	0	34	34
	2013	81	159	18	23	0	0	0	0	2	4	11	7	0	0	1	3	0	0	31	38
	2012	93	186	18	21	0	2	0	0	4	4	13	9	0	0	1	15	0	0	36	52
FTSE MICRO CAP	2014	8	18	12	14	0	0	0	0	1	7	8	4	0	0	0	80	0	0	20	105
	2013	12	27	34	16	0	0	0	0	0	4	18	13	0	0	0	56	0	0	52	89
	2012	7	16	66	18	0	0	0	0	13	0	16	11	0	0	52	7	0	0	149	37
OTHERS	2014	6	14	44	21	1	1	0	0	1	1	25	16	0	0	0	0	0	0	72	39
	2013	6	11	46	24	0	0	0	0	0	0	16	14	0	0	0	0	0	0	62	38
	2012	3	6	20	31	0	0	0	0	9	0	16	3	0	0	0	0	0	0	45	34
BANKS	2014	16	49	69	104	1	1	0	0	0	0	49	33	0	0	16	18	0	0	135	156
	2013	15	50	108	118	1	1	0	0	0	0	38	23	0	0	12	20	0	0	158	162
	2012	15	44	110	151	1	2	0	0	11	0	54	42	0	0	33	25	0	0	209	221
INSURANCES	2014	5	12	49	92	0	0	0	0	6	0	46	42	2	4	2	45	0	0	105	182
	2013	8	19	39	60	0	0	0	0	0	0	38	37	0	0	9	24	0	0	86	122
	2012	8	21	56	66	0	4	0	0	0	4	43	32	1	1	20	11	0	0	120	117
FINANCIAL	2014	21	61	64	102	1	1	0	0	2	0	48	35	1	1	13	23	0	0	128	161
	2013	23	69	84	102	1	0	0	0	0	0	38	27	0	0	11	21	0	0	133	151
	2012	23	65	94	130	1	2	0	0	8	1	51	39	0	1	29	22	0	0	184	195
NON-FINANCIAL	2014	158	328	29	33	0	0	0	0	1	2	22	18	0	0	1	7	0	0	54	60
	2013	163	341	28	31	0	0	0	0	1	4	21	15	0	0	1	8	0	3	52	61
	2012	162	344	31	30	0	1	0	0	4	2	21	16	0	0	4	9	0	0	59	59
TOTAL	2014	179	389	34	44	0	0	0	0	1	2	25	20	0	0	2	9	0	0	63	76
	2013	186	410	35	43	0	0	0	0	1	3	23	17	0	0	3	10	0	2	62	76
	2012	185	409	38	45	0	1	0	0	4	2	24	19	0	0	7	11	0	0	74	79





TAB.41: REMUNERATION OF INDEPENDENT DIRECTORS: TENURE LONGER vs. SHORTER THAN 9 YEARS (average data in € .000)																					
INDEX	Year	#		Fixed remuneration		Non monetary benefits		Bonus and other incentives		Other compensation		Compensation for committees		Profit sharing		Compensation from subsidiaries		Severance payments (from the company or its subsidiaries)		Total compensation	
		Indep. in BoD from < 9 years	Indep. in BoD from > 9 years	Indep. in BoD from < 9 years	Indep. in BoD from > 9 years	Indep. in BoD from < 9 years	Indep. in BoD from > 9 years	Indep. in BoD from < 9 years	Indep. in BoD from > 9 years	Indep. in BoD from < 9 years	Indep. in BoD from > 9 years	Indep. in BoD from < 9 years	Indep. in BoD from > 9 years	Indep. in BoD from < 9 years	Indep. in BoD from > 9 years	Indep. in BoD from < 9 years	Indep. in BoD from > 9 years	Indep. in BoD from < 9 years	Indep. in BoD from > 9 years	Indep. in BoD from < 9 years	Indep. in BoD from > 9 years
FTSE MIB	2014	223	33	66	72	0	0	1	1	0	0	28	35	0	0	3	10	0	0	99	118
	2013	202	45	74	115	0	0	0	0	0	0	26	31	0	0	5	11	0	0	106	157
	2012	189	42	81	120	0	0	0	0	0	0	28	31	0	0	5	18	0	0	115	169
FTSE MID CAP	2014	240	49	36	41	0	1	0	0	1	1	15	19	0	0	1	7	0	0	53	68
	2013	201	45	36	35	0	1	0	0	0	1	14	24	0	0	2	6	0	0	53	67
	2012	191	36	35	40	0	0	0	0	0	2	20	24	0	0	2	1	0	0	57	68
FTSE SMALL CAP	2014	302	46	20	18	0	0	1	0	1	0	9	8	0	0	1	0	0	0	31	27
	2013	201	44	18	16	0	0	0	0	0	1	8	8	0	0	1	0	0	0	27	25
	2012	252	51	24	23	0	0	0	0	0	0	9	7	0	0	1	1	0	0	35	30
FTSE MICRO CAP	2014	31	4	11	14	0	0	0	0	0	0	4	1	0	0	0	6	0	0	16	21
	2013	20	8	24	27	0	0	0	0	0	0	22	4	0	0	0	3	0	0	46	34
	2012	23	4	39	37	0	0	0	0	0	0	7	3	0	0	0	0	0	0	47	39
OTHERS	2014	54	5	30	80	1	0	0	0	1	0	15	26	0	0	1	0	0	0	48	106
	2013	31	5	36	102	0	0	0	0	1	0	9	0	0	0	0	0	0	0	46	102
	2012	18	3	27	143	0	0	0	0	2	0	4	1	0	0	0	0	0	0	34	144
BANKS	2014	123	15	68	107	0	0	0	0	0	0	20	38	0	0	7	4	0	0	96	149
	2013	99	32	84	148	0	0	0	0	1	0	13	21	0	0	10	14	0	0	109	183
	2012	103	38	92	134	1	0	0	0	0	0	21	28	0	0	9	16	0	0	123	179
INSURANCES	2014	32	7	59	29	0	0	0	0	1	0	26	19	3	0	1	8	0	0	90	56
	2013	52	7	48	39	0	0	0	0	0	0	26	39	0	0	1	10	0	0	75	89
	2012	48	9	72	33	0	0	0	0	0	0	32	13	1	0	3	11	0	0	109	57
FINANCIAL	2014	155	22	66	82	0	0	0	0	0	0	21	32	1	0	6	5	0	0	95	120
	2013	151	39	72	128	0	0	0	0	0	0	17	24	0	0	7	13	0	0	97	166
	2012	151	47	87	118	1	0	0	0	0	0	23	26	0	0	8	16	0	0	120	160
NON-FINANCIAL	2014	695	115	30	34	0	0	0	0	1	1	15	16	0	0	1	5	0	0	47	56
	2013	504	108	33	30	0	0	0	0	0	1	16	17	0	0	1	3	0	0	50	51
	2012	522	89	33	32	0	0	0	0	0	1	16	15	0	0	1	1	0	0	50	49
TOTAL	2014	850	137	37	42	0	0	0	0	1	0	16	19	0	0	2	5	0	0	55	66
	2013	655	147	42	56	0	0	0	0	0	1	16	19	0	0	2	6	0	0	61	81
	2012	673	136	44	61	0	0	0	0	0	1	17	19	0	0	2	6	0	0	64	86

TAB.42: BONUSES ASSIGNED TO DIRECTORS		Number of companies (by index)	Number of companies filling out Table 3B (details on cash incentive plans)	% of companies filling out Table 3B	Number of beneficiaries (on average, by company)	Number of beneficiaries (total)	Year bonus payable/to pay (on average, by beneficiary)	Year bonus deferred (on average, by beneficiary)	Previous years bonuses that are no more payable (on average, by beneficiary)	Previous years bonuses payable/to pay (on average, by beneficiary)	Previous years bonuses still deferred (on average, by beneficiary)	Other bonuses (on average, by beneficiary)
INDEX	Year	#	#	%	#	#	(€.000)	(€.000)	(€.000)	(€.000)	(€.000)	(€.000)
FTSE MIB	2014	36	30	83,3%	2	73	574	198	89	125	353	37
	2013	38	32	84,2%	1,9	62	999	410	69	482	329	55
	2012	38	28	73,7%	1,8	50	984	399	0	328	432	167
FTSE MID CAP	2014	58	35	60,3%	1,7	59	269	227	0	47	180	73
	2013	60	32	53,3%	1,8	56	287	100	16	172	82	47
	2012	60	26	43,3%	1,9	50	259	99	0	230	119	63
FTSE SMALL CAP	2014	109	35	32,1%	2,0	69	129	18	0	52	7	2
	2013	108	21	19,4%	2,3	49	78	20	0	38	2	0
	2012	131	34	26,0%	2,1	72	164	19	0	108	5	8
FTSE MICRO CAP	2014	13	3	23,1%	2,3	7	75	0	0	0	0	0
	2013	22	4	18,2%	2,3	9	193	0	0	0	0	0
	2012	17	3	17,6%	2,0	6	39	0	0	3	0	0
OTHERS	2014	14	3	21,4%	1,3	4	32	0	0	0	1	0
	2013	11	2	18,2%	1	2	75	0	0	0	2	180
	2012	9	0	0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
BANKS	2014	18	12	66,7%	2,2	26	63	107	1	24	84	110
	2013	17	8	47,1%	1,8	14	1857	17	164	504	15	0
	2012	19	4	21,1%	1,5	6	119	79	0	85	357	646
INSURANCES	2014	5	4	80,0%	1,3	5	656	63	0	52	37	150
	2013	8	3	37,5%	1,3	4	142	150	0	0	0	433
	2012	8	2	25,0%	1,5	3	115	0	0	180	0	0
FINANCIAL	2014	23	14	60,9%	2,0	28	236	20	1	36	27	64
	2013	25	11	44,0%	1,6	18	1389	54	119	367	11	118
	2012	27	6	22,2%	1,5	9	117	53	0	116	238	431
NON-FINANCIAL	2014	207	92	44,4%	2,0	184	306	155	29	73	182	31
	2013	214	80	37,4%	2,0	160	355	202	17	221	164	29
	2012	228	85	37,3%	2,0	169	462	166	0	214	164	47
TOTAL	2014	230	106	46,1%	2,0	212	297	137	25	68	162	35
	2013	239	91	38,1%	2,0	178	480	184	30	239	145	40
	2012	255	91	35,7%	2	178	439	158	0	207	169	72

TAB.43: STOCK OPTIONS ASSIGNED TO DIRECTORS		Number of companies with stock option plans for BoD members			Number of beneficiaries by company (average)	Number of plans by company (average)	Total number of beneficiaries (by index)	Number of beneficiaries in the year of reference	Fair value of stock options in the year of reference (average)
INDEX	Year	#	No.	%	No.	No.	No.	No.	(€.000)
FTSE MIB	2014	36	20	55,6%	2,3	6	45	32	593
	2013	38	19	50,0%	2,4	6,6	46	31	424
	2012	38	18	47,4%	1,8	4,3	32	29	577
FTSE MID CAP	2014	58	18	31,0%	1,6	5,1	29	19	146
	2013	60	18	30,0%	1,8	7,5	32	21	293
	2012	60	18	30,0%	1,9	8,1	34	13	342
FTSE SMALL CAP	2014	109	15	13,8%	1,9	2,6	28	9	151
	2013	108	17	15,7%	1,9	2,8	32	15	102
	2012	131	26	19,8%	2,0	3,3	52	19	120
FTSE MICRO CAP	2014	13	1	7,7%	2,0	6,0	2	2	126
	2013	22	1	4,5%	3,0	3,0	3	0	0
	2012	17	1	5,9%	2,0	12,0	2	2	48
OTHERS	2014	14	0	0,0%	n.a.	n.a.	n.a.	n.a.	n.a.
	2013	11	1	9,1%	1,0	1,0	1	1	125
	2012	9	0	0,0%	n.a.	n.a.	n.a.	n.a.	n.a.
BANKS	2014	18	4	22,2%	1,8	4,5	7	4	136
	2013	17	4	23,5%	2,0	5,3	8	4	153
	2012	19	2	10,5%	1,0	3,5	2	1	197
INSURANCES	2014	5	1	20,0%	2,0	2,0	2	2	383
	2013	8	1	12,5%	2,0	2,0	2	2	272
	2012	8	1	12,5%	1,0	1,0	1	1	67
FINANCIAL	2014	23	5	21,7%	1,8	4,0	9	6	218
	2013	25	5	20,0%	2,0	4,6	10	6	193
	2012	27	3	11,1%	1,0	2,7	3	2	132
NON-FINANCIAL	2014	207	49	23,7%	1,9	5,0	95	56	394
	2013	214	51	23,8%	2,0	5,7	104	62	319
	2012	228	60	26,3%	2,0	5,2	117	61	382
TOTAL	2014	230	54	23,5%	1,9	4,9	104	62	377
	2013	239	56	23,4%	2,0	5,6	114	68	308
	2012	255	63	0	1,9	5,1	120	63	374

TAB.44: OTHER EQUITY-BASED INSTRUMENTS ASSIGNED TO DIRECTORS		Number of companies with equity-based plans for BoD members			Number of beneficiaries by company (average)	Number of plans by company (average)	Total number of beneficiaries (by index)	Number of beneficiaries in the fiscal year of reference	Fair value of instruments in the fiscal year of reference (average)
		#	No.	%					
INDEX	Year	#	No.	%	No.	No.	No.	No.	(€.000)
FTSE MIB	2014	36	17	47,2%	2	5	35	20	1373
	2013	38	16	42,1%	1,8	3,5	29	26	1481
	2012	38	12	31,6%	1,8	3,3	22	20	1197
FTSE MID CAP	2014	58	14	24,1%	1,2	2,1	17	15	533
	2013	60	10	16,7%	1,5	2,9	15	11	485
	2012	60	10	16,7%	1,2	1,9	12	8	355
FTSE SMALL CAP	2014	107	6	5,6%	2,0	3,5	12	7	108
	2013	108	5	4,6%	2,6	3,8	13	6	91
	2012	131	5	3,8%	1,8	2,6	9	3	214
FTSE MICRO CAP	2014	13	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	2013	22	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	2012	17	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
OTHERS	2014	14	1	7,1%	1,0	1,0	1	0	0
	2013	11	1	9,1%	1,0	1,0	1	1	125
	2012	9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
BANKS	2014	18	7	38,9%	2,3	6,6	16	6	268
	2013	17	7	41,2%	1,7	3,0	12	6	349
	2012	19	3	15,8%	1,7	2,3	5	5	501
INSURANCES	2014	5	2	40,0%	1,0	1,0	2	1	283
	2013	8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	2012	8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FINANCIAL	2014	23	9	39,1%	2,0	5,3	18	7	270
	2013	25	7	28,0%	1,7	3,0	12	6	349
	2012	27	3	11,1%	1,7	2,3	5	5	501
NON-FINANCIAL	2014	205	29	14,1%	1,6	3,2	47	35	980
	2013	214	25	11,7%	1,8	3,4	46	38	1116
	2012	228	24	10,5%	1,6	2,7	38	26	958
TOTAL	2014	228	38	16,7%	1,7	3,7	65	42	862
	2013	239	32	13,4%	1,8	3,3	58	44	1012
	2012	255	27	0	1,6	2,6	43	31	884



TAB.46: REMUNERATION OF THE BOARD OF STATUTORY AUDITORS: CHAIRMAN vs. OTHER MEMBERS (average data in €.000)		#		Age		Fixed remuneration		Non monetary benefits		Bonus and other incentives		Other compensation		Compensation for committees		Profit sharing		Compensation from subsidiaries		Severance payments (from the company or its subsidiaries)		Total compensation	
INDEX	Year	BoSA Chairmen	BoSA members	BoSA Chairmen	BoSA members	BoSA Chairmen	BoSA members	BoSA Chairmen	BoSA members	BoSA Chairmen	BoSA members	BoSA Chairmen	BoSA members	BoSA Chairmen	BoSA members	BoSA Chairmen	BoSA members	BoSA Chairmen	BoSA members	BoSA Chairmen	BoSA members	BoSA Chairmen	BoSA members
FTSE MIB	2014	32	78	60	61	92	68	0	0	0	0	0	3	1	1	0	0	9	16	0	0	103	89
	2013	34	82	60	59	85	65	0	0	0	0	0	2	0	1	0	0	14	14	0	0	100	82
	2012	34	82			86	62	1	1	0	0	1	1	3	4	0	0	14	19	0	0	105	86
FTSE MID CAP	2014	56	116	61	55	65	44	0	0	0	0	2	2	2	1	0	0	15	15	0	0	83	62
	2013	59	122	62	56	69	47	0	0	0	0	1	1	2	1	0	0	19	22	0	0	90	71
	2012	59	122			64	44	0	0	0	0	2	3	2	1	0	0	20	18	0	0	88	65
FTSE SMALL CAP	2014	107	220	59	55	36	24	0	0	0	0	0	0	1	1	0	0	7	5	0	0	43	30
	2013	106	216	58	55	37	25	1	0	0	0	0	0	0	0	0	0	7	5	0	0	46	30
	2012	128	260			37	26	0	0	0	0	0	0	0	0	0	0	7	6	0	0	45	33
FTSE MICRO CAP	2014	14	30	58	54	19	15	0	0	0	0	0	0	1	1	0	0	0	3	0	0	19	18
	2013	21	46	59	56	25	21	0	0	0	0	0	0	0	0	0	0	5	6	0	0	30	27
	2012	16	36			33	26	0	0	0	0	0	0	0	0	0	0	9	3	0	0	43	30
OTHERS	2014	14	32	61	55	40	28	0	0	0	0	5	4	2	2	0	0	5	5	0	0	52	39
	2013	11	26	58	56	46	29	0	0	0	0	0	0	0	0	0	0	9	11	0	0	55	40
	2012	9	20			34	25	0	0	0	0	1	5	0	0	0	0	8	6	0	0	43	36
BANKS	2014	15	42	63	59	96	66	1	1	0	0	1	0	4	4	0	0	8	8	0	0	113	80
	2013	14	40	65	59	99	76	1	1	0	0	0	0	4	2	0	0	32	9	0	0	136	88
	2012	16	44			99	70	2	1	0	0	0	0	10	7	0	0	33	13	0	0	143	92
INSURANCES	2014	5	12	59	53	116	80	0	0	0	0	0	18	0	0	0	0	11	33	0	0	143	131
	2013	8	18	59	59	91	64	0	0	0	0	0	6	0	0	0	0	18	36	0	0	110	106
	2012	8	18			94	75	0	0	0	0	0	0	0	0	0	0	16	65	0	0	110	140
FINANCIAL	2014	20	54	62	58	101	70	1	1	0	0	1	5	3	3	0	0	15	14	0	0	121	92
	2013	22	58	65	59	96	72	1	1	0	0	0	2	3	1	0	0	27	17	0	0	126	94
	2012	24	62			97	71	1	1	0	0	0	0	7	6	0	0	29	26	0	0	134	103
NON-FINANCIAL	2014	203	422	60	56	46	32	0	0	0	0	1	1	1	1	0	0	8	9	0	0	56	42
	2013	209	434	59	56	47	32	0	0	0	0	0	0	1	0	0	0	9	10	0	0	58	44
	2012	222	458			45	32	0	0	0	0	1	1	1	0	0	0	10	9	0	0	56	42
TOTAL	2014	223	476	60	56	51	36	0	0	0	0	1	1	1	1	0	0	9	9	0	0	61	47
	2013	231	492	59	56	52	37	0	0	0	0	0	1	1	0	0	0	11	11	0	0	65	50
	2012	246	520			50	36	0	0	0	0	1	1	1	1	0	0	11	10	0	0	63	49

TAB.47: REMUNERATION OF THE BOARD OF STATUTORY AUDITORS: STATUTORY AUDITORS "AT RISK" vs. "NOT AT RISK" (average data in €.000)		#		Age		Fixed remuneration		Non monetary benefits		Bonus and other incentives		Other compensation		Compensation for committees		Profit sharing		Compensation from subsidiaries		Severance payments (from the company or its subsidiaries)		Total compensation	
INDEX	Year	DOC members of BoSA	BoSA members at risk	DOC members of BoSA	BoSA members at risk	DOC members of BoSA	BoSA members at risk	DOC members of BoSA	BoSA members at risk	DOC members of BoSA	BoSA members at risk	DOC members of BoSA	BoSA members at risk	DOC members of BoSA	BoSA members at risk	DOC members of BoSA	BoSA members at risk	DOC members of BoSA	BoSA members at risk	DOC members of BoSA	BoSA members at risk	DOC members of BoSA	BoSA members at risk
FTSE MIB	2014	92	26	60	63	73	84	0	0	0	0	0	12	1	1	0	0	4	62	0	0	79	159
	2013	95	24	58	64	68	80	0	0	0	0	0	6	1	1	0	0	4	59	0	0	73	146
	2012	89	27			68	73	1	0	0	0	1	4	1	10	0	0	4	60	0	0	75	146
FTSE MID CAP	2014	134	41	56	63	49	56	0	0	0	0	0	8	1	2	0	0	5	48	0	0	56	110
	2013	136	45	56	63	52	58	0	0	0	0	0	3	1	2	0	0	9	61	0	0	62	124
	2012	134	47			50	53	0	0	0	0	0	8	1	1	0	0	7	50	0	0	59	112
FTSE SMALL CAP	2014	247	101	54	60	25	35	0	0	0	0	0	1	1	1	0	0	2	18	0	0	28	51
	2013	239	106	54	58	28	32	0	2	0	0	0	1	0	0	0	0	2	13	0	0	31	48
	2012	288	100			29	31	0	0	0	0	0	1	0	1	0	0	2	20	0	0	31	52
FTSE MICRO CAP	2014	36	8	54	59	17	10	0	0	0	0	0	0	1	0	0	0	0	0	0	0	18	19
	2013	51	17	55	63	23	21	0	0	0	0	0	0	0	0	0	0	1	22	0	0	24	43
	2012	44	8			27	35	0	0	0	0	0	0	0	0	0	0	2	23	0	0	29	58
OTHERS	2014	34	18	54	63	33	28	0	0	0	0	2	8	3	0	0	0	1	13	0	0	40	49
	2013	29	11	54	64	34	34	0	0	0	0	0	0	0	0	0	0	3	34	0	0	37	68
	2012	18	11			32	22	0	0	0	0	3	6	0	0	0	0	1	14	0	0	36	42
BANKS	2014	42	23	58	64	73	78	1	0	0	0	0	1	4	6	0	0	7	11	0	0	85	95
	2013	33	21	57	66	86	76	1	0	0	0	0	0	2	2	0	0	8	25	0	0	98	104
	2012	38	22			79	75	2	0	0	0	0	0	5	14	0	0	8	36	0	0	94	125
INSURANCES	2014	11	6	56	53	90	91	0	0	0	0	0	35	0	0	0	0	14	63	0	0	104	190
	2013	19	7	63	55	70	78	0	0	0	0	0	16	0	0	0	0	16	68	0	0	87	163
	2012	15	11			84	75	0	0	0	0	0	0	0	0	0	0	20	97	0	0	104	172
FINANCIAL	2014	53	29	57	62	77	82	1	0	0	0	0	10	3	4	0	0	9	26	0	0	90	122
	2013	52	28	59	63	80	76	1	0	0	0	0	4	2	2	0	0	11	36	0	0	94	119
	2012	53	33			81	75	2	0	0	0	0	0	3	10	0	0	11	52	0	0	97	137
NON-FINANCIAL	2014	490	165	55	62	36	38	0	0	0	0	0	3	1	1	0	0	2	30	0	0	39	71
	2013	498	175	55	60	37	37	0	1	0	0	0	2	0	0	0	0	3	33	0	0	41	73
	2012	520	160			36	36	0	0	0	0	0	4	0	0	0	0	3	29	0	0	40	69
TOTAL	2014	543	194	56	62	39	44	0	0	0	0	0	4	1	1	0	0	3	30	0	0	44	78
	2013	550	203	56	60	41	44	0	1	0	0	0	2	1	1	0	0	4	33	0	0	46	81
	2012	573	193			40	42	0	0	0	0	0	3	1	2	0	0	3	33	0	0	45	79



TAB. 48: COMPLY OR EXPLAIN: ADOPTION OF THE CODE, BOARD EVALUATION and BoD COMPOSITION		Number of companies in the sample	Companies not formally adopting the CG Code		An explanation for non- adoption is disclosed		No board evaluation was carried out by the BoD		An explanation for non- compliance with board evaluation recommendations is disclosed		The composition of the BoD is not compliant with Code recommendations		An explanation for non compliance with composition recommendations is disclosed	
INDEX	Year	#	#	%	No.	%	No.	%	No.	%	No.	%	No.	%
FTSE MIB	2014	36	1	2,8%	1	100,0%	3	8,3%	2	66,7%	3	8,3%	1	33,3%
FTSE MID CAP	2014	58	3	5,2%	3	100,0%	7	12,1%	3	42,9%	3	5,2%	0	0,0%
FTSE SMALL CAP	2014	109	5	4,6%	4	80,0%	27	24,8%	6	22,2%	9	8,3%	1	11,1%
FTSE MICRO CAP	2014	13	4	30,8%	1	25,0%	5	38,5%	1	20,0%	4	30,8%	0	0,0%
OTHERS	2014	14	4	28,6%	3	75,0%	6	42,9%	0	0,0%	2	14,3%	0	0,0%
BANKS	2014	18	3	16,7%	2	66,7%	1	5,6%	0	0,0%	3	16,7%	0	0,0%
INSURANCES	2014	5	0	0,0%	n.a.	n.a.	0	0,0%	n.a.	n.a.	0	0,0%	n.a.	n.a.
FINANCIAL	2014	23	3	13,0%	2	66,7%	1	4,3%	0	0,0%	3	13,0%	0	0,0%
NON-FINANCIAL	2014	207	14	6,8%	10	71,4%	47	22,7%	12	25,5%	18	8,7%	2	11,1%
<b>TOTAL</b>	<b>2014</b>	<b>230</b>	<b>17</b>	<b>7,4%</b>	<b>12</b>	<b>70,6%</b>	<b>48</b>	<b>20,9%</b>	<b>12</b>	<b>25,0%</b>	<b>21</b>	<b>9,1%</b>	<b>2</b>	<b>9,5%</b>

TAB. 49: COMPLY OR EXPLAIN: INDEPENDENT DIRECTORS		Number of companies in the sample	Independent directors never met or the information is missing				An explanation for non-compliance with recommendations concerning meetings of independent directors is disclosed			The company did not appoint a lead independent director		An explanation for the choice not to appoint a LID is disclosed		The company is in a situation where the appointment of a LID is recommended			The company did not identify a LID even though the appointment of a LID is recommended		An explanation for non-compliance with LID recommendations is disclosed		The BoD does not apply one or more "independence" criteria set forth by the Code		An explanation for disapplication of independence criteria is disclosed		The BoD applies one or more "independence" criteria in a substantial way		An explanation concerning how the "substantial" principle was applied is disclosed	
INDEX	Year		#	# (No.)	%	# (provide explanati ons)	%	No.	% (No.)	% (companies that provide explanations)	No.	%	No.	%	#	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
FTSE MIB	2014	36	6	16,7%	6	16,7%	4	66,7%	66,7%	21	58,3%	6	28,6%	36	6	16,7%	0	0,0%	n.a.	n.a.	1	2,8%	1	100,0%	10	27,8%	10	100,0%
FTSE MID CAP	2014	58	22	37,9%	17	29,3%	11	50,0%	64,7%	26	44,8%	4	15,4%	58	17	29,3%	1	1,7%	1	100,0%	4	6,9%	3	75,0%	11	19,0%	8	72,7%
FTSE SMALL CAP	2014	109	40	36,7%	31	28,4%	13	32,5%	41,9%	47	43,1%	18	38,3%	109	55	50,5%	14	12,8%	10	71,4%	8	7,3%	7	87,5%	11	10,1%	9	81,8%
FTSE MICRO CAP	2014	13	5	38,5%	4	30,8%	1	20,0%	25,0%	3	23,1%	1	33,3%	13	8	61,5%	0	0,0%	n.a.	n.a.	0	0,0%	n.a.	n.a.	0	0,0%	n.a.	n.a.
OTHERS	2014	14	8	57,1%	7	50,0%	3	37,5%	42,9%	9	64,3%	1	11,1%	14	7	50,0%	2	14,3%	0	0,0%	0	0,0%	n.a.	n.a.	1	7,1%	1	100,0%
BANKS	2014	18	1	5,6%	1	5,6%	0	0,0%	0,0%	4	22,2%	0	0,0%	18	0	0,0%	0	0,0%	n.a.	n.a.	2	11,1%	2	100,0%	2	11,1%	2	100,0%
INSURANCES	2014	5	4	80,0%	4	80,0%	4	100,0%	100,0%	11	220,0%	3	27,3%	5	0	0,0%	0	0,0%	n.a.	n.a.	2	40,0%	1	50,0%	2	40,0%	2	100,0%
FINANCIAL	2014	23	5	21,7%	5	21,7%	4	80,0%	80,0%	15	65,2%	3	20,0%	23	0	0,0%	0	0,0%	n.a.	n.a.	4	17,4%	3	75,0%	4	17,4%	4	100,0%
NON-FINANCIAL	2014	207	76	36,7%	60	29,0%	28	36,8%	46,7%	91	44,0%	27	29,7%	207	93	44,9%	17	10,1%	11	64,7%	9	4,3%	8	88,9%	29	14,0%	24	82,8%
<b>TOTAL</b>	<b>2014</b>	<b>230</b>	<b>81</b>	<b>35,2%</b>	<b>65</b>	<b>28,3%</b>	<b>32</b>	<b>39,5%</b>	<b>49,2%</b>	<b>106</b>	<b>46,1%</b>	<b>30</b>	<b>28,3%</b>	<b>230</b>	<b>93</b>	<b>40,4%</b>	<b>17</b>	<b>10,1%</b>	<b>11</b>	<b>64,7%</b>	<b>13</b>	<b>5,7%</b>	<b>11</b>	<b>84,6%</b>	<b>33</b>	<b>14,3%</b>	<b>28</b>	<b>84,8%</b>

TAB. 50: COMPLY OR EXPLAIN: ESTABLISHMENT AND COMPOSITION OF BOARD COMMITTEES		Number of companies in the sample		The company did not establish a nomination committee		An explanation for lack of nomination committee is disclosed		The committee composition is not compliant with art. 5.P.1.		An explanation of non-compliance with NC composition recommendations is disclosed		The company did not establish a remuneration committee		An explanation for lack of remuneration committee is disclosed		The remuneration committee composition is not compliant with art. 6.P.3.		An explanation of non-compliance with RC composition recommendations is disclosed		The company did not establish a control and risk committee		An explanation for lack of control and risk committee is disclosed		The Control and risk committee composition is not compliant with art. 7.P.4. or information in this regard is not disclosed				An explanation for non-compliance with CRC composition recommendations is disclosed		
INDEX	Year	#	#	%	No.	%	#	%	No.	%	#	%	No.	%	#	%	No.	%	#	%	No.	%	# (No.)	%	# (non compliant companies)	%	No.	% (No.)	% (non compliant companies)	
FTSE MIB	2014	36	8	22,2%	7	87,5%	0	0,0%	n.a.	n.a.	1	2,8%	1	100,0%	6	17,1%	3	50,0%	0	0,0%	n.a.	n.a.	3	8,3%	3	8,3%	0	0,0%	0,0%	
FTSE MID CAP	2014	58	22	37,9%	19	86,4%	0	0,0%	n.a.	n.a.	1	1,7%	1	100,0%	10	17,5%	2	20,0%	3	5,2%	2	66,7%	2	3,6%	2	3,6%	0	0,0%	0,0%	
FTSE SMALL CAP	2014	109	68	62,4%	57	83,8%	0	0,0%	n.a.	n.a.	16	14,7%	12	75,0%	20	21,5%	3	15,0%	9	8,3%	6	66,7%	18	18,0%	15	15,0%	1	5,6%	6,7%	
FTSE MICRO CAP	2014	13	10	76,9%	10	100,0%	0	0,0%	n.a.	n.a.	5	38,5%	2	40,0%	2	25,0%	0	0,0%	5	38,5%	5	100,0%	3	37,5%	3	37,5%	0	0,0%	0,0%	
OTHERS	2014	14	9	64,3%	9	100,0%	0	0,0%	n.a.	n.a.	5	35,7%	4	80,0%	1	11,1%	0	0,0%	3	21,4%	3	100,0%	2	18,2%	1	9,1%	0	0,0%	0,0%	
BANKS	2014	18	1	5,6%	1	100,0%	0	0,0%	n.a.	n.a.	0	0,0%	n.a.	n.a.	7	38,9%	2	28,6%	1	5,6%	0	0,0%	3	17,6%	3	17,6%	0	0,0%	0,0%	
INSURANCES	2014	5	3	60,0%	1	33,3%	0	0,0%	n.a.	n.a.	0	0,0%	n.a.	n.a.	0	0,0%	n.a.	n.a.	0	0,0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0,0%	0,0%	
FINANCIAL	2014	23	4	17,4%	2	50,0%	0	0,0%	n.a.	n.a.	0	0,0%	n.a.	n.a.	7	30,4%	2	28,6%	1	4,3%	0	0,0%	3	13,6%	3	13,6%	0	0,0%	0,0%	
NON-FINANCIAL	2014	207	113	54,6%	100	88,5%	0	0,0%	n.a.	n.a.	28	13,5%	20	71,4%	32	17,9%	6	18,8%	19	9,2%	16	84,2%	25	13,3%	21	11,2%	1	4,0%	4,8%	
TOTAL	2014	230	117	50,9%	102	87,2%	0	0,0%	n.a.	n.a.	28	12,2%	20	71,4%	39	19,3%	8	20,5%	20	8,7%	16	80,0%	28	13,3%	24	11,4%	1	3,6%	4,2%	

TAB. 51. COMPLY OR EXPLAIN: BoD ROLE IN THE INTERNAL CONTROL SYSTEM		Number of companies in the sample	The BoD is not entrusted with the power to appoint/revoke the person in charge of the IA		An explanation for non- compliance appointment recommendations is disclosed		The internal audit plan is not formally approved by the BoD or information in this regard is not disclosed				An explanation for non-compliance with internal audit plan approval is disclosed		
<i>INDEX</i>	<i>Year</i>		<i>#</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i># (No.)</i>	<i>%</i>	<i># (not formally approved by the BoD)</i>	<i>%</i>	<i>No.</i>	<i>% (No.)</i>
FTSE MIB	2014	36	3	8,3%	0	0,0%	5	13,9%	4	11,1%	1	20,0%	25,0%
FTSE MID CAP	2014	58	4	6,9%	1	25,0%	13	22,4%	6	10,3%	3	23,1%	50,0%
FTSE SMALL CAP	2014	109	10	9,2%	7	70,0%	47	43,1%	12	11,0%	6	12,8%	50,0%
FTSE MICRO CAP	2014	13	4	30,8%	3	75,0%	8	61,5%	1	7,7%	1	12,5%	100,0%
OTHERS	2014	14	5	35,7%	3	60,0%	8	57,1%	1	7,1%	0	0,0%	0,0%
BANKS	2014	18	4	22,2%	0	0,0%	5	27,8%	3	16,7%	1	20,0%	33,3%
INSURANCES	2014	5	0	0,0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FINANCIAL	2014	23	4	17,4%	0	0,0%	5	21,7%	3	13,0%	1	20,0%	33,3%
NON-FINANCIAL	2014	207	22	10,6%	14	63,6%	76	36,7%	21	10,1%	10	13,2%	47,6%
<b>TOTAL</b>	<b>2014</b>	<b>230</b>	<b>26</b>	<b>11,3%</b>	<b>14</b>	<b>53,8%</b>	<b>81</b>	<b>35,2%</b>	<b>24</b>	<b>10,4%</b>	<b>11</b>	<b>13,6%</b>	<b>45,8%</b>

TAB. 52: COMPLY OR EXPLAIN: REMUNERATION POLICY		Number of companies in the sample	Variable remuneration (for executives) is not envisaged		An explanation for non-compliance with variable remuneration recommendations is disclosed		Only short-term variable component is provided		An explanation for non-compliance with deferral of variable remuneration is disclosed		A cap to variable remuneration has been established		An explanation for non-compliance with variable remuneration cap recommendations is disclosed		A cap to termination indemnities is missing or not disclosed		An explanation for non-compliance with termination indemnities' cap is disclosed				
INDEX	Year		#	#	%	No.	%	#	%	No.	%	#	%	No.	%	# (No.)	%	# (cap not fixed)	%	No.	% (No.)
FTSE MIB	2014	36	2	5,6%	0	0,0%	2	5,6%	0	0,0%	3	8,8%	0	0,0%	19	52,8%	15	41,7%	8	42,1%	53,3%
FTSE MID CAP	2014	58	7	12,1%	4	57,1%	10	17,2%	0	0,0%	2	3,9%	0	0,0%	43	74,1%	29	50,0%	15	34,9%	51,7%
FTSE SMALL CAP	2014	109	32	29,4%	7	21,9%	27	24,8%	5	18,5%	10	13,0%	0	0,0%	84	77,1%	67	61,5%	31	36,9%	46,3%
FTSE MICRO CAP	2014	13	9	69,2%	1	11,1%	3	23,1%	0	0,0%	1	25,0%	0	0,0%	13	100,0%	11	84,6%	2	15,4%	18,2%
OTHERS	2014	14	5	35,7%	0	0,0%	2	14,3%	0	0,0%	1	11,1%	0	0,0%	14	100,0%	11	78,6%	5	35,7%	45,5%
BANKS	2014	18	3	16,7%	1	33,3%	1	5,6%	0	0,0%	0	0,0%	0	0,0%	17	94,4%	14	77,8%	4	23,5%	28,6%
INSURANCES	2014	5	0	0,0%	n.a.	n.a.	3	60,0%	0	0,0%	1	20,0%	0	0,0%	3	60,0%	3	60,0%	2	66,7%	66,7%
FINANCIAL	2014	23	3	13,0%	1	33,3%	4	17,4%	0	0,0%	1	5,0%	0	0,0%	20	87,0%	17	73,9%	6	30,0%	35,3%
NON-FINANCIAL	2014	207	52	25,1%	11	21,2%	40	19,3%	5	12,5%	16	10,3%	0	0,0%	153	73,9%	116	56,0%	55	35,9%	47,4%
TOTAL	2014	230	55	23,9%	12	21,8%	44	19,1%	5	11,4%	17	9,7%	0	0,0%	173	75,2%	133	57,8%	61	35,3%	45,9%