



**REPORT ON
CORPORATE GOVERNANCE
AND THE OWNERSHIP
STRUCTURES**

Issued by: Exprivia S.p.A

Website: www.exprivia.it

Financial year: 2009

Submitted to the Shareholders' Meeting for approval on 20th April 2010

1. ISSUER PROFILE

In accordance with the Articles of Association, the administration and control model adopted by Exprivia S.p.A. (referred to below as "**Exprivia**", the "**Company**", the "**issuer**" or the "**Group Leader**") is of the traditional nature, based on a Board of Directors and Board of Auditors. This Corporate Governance consists of the following bodies:

- ✓ the Board of Directors,
- ✓ the Board of Auditors, which ensures that the company operates in accordance with the law and its articles of association, and that it adheres to the principles of correct administration in conducting its business. It also carries out checks on the adequacy of the organisational structure of the internal control system and the administrative and accounting system,
- ✓ the Shareholders' Meeting, which is convened in ordinary or extraordinary session to take decisions on the basis of the legal provisions and the terms of the articles of association.

The company and its bodies act in accordance with the principles of correct company and business management, which also apply to its relations with the companies within the Exprivia Group.

2. INFORMATION ON THE OWNERSHIP STRUCTURES

Structure of the Company Capital

On 31st December 2009, the company capital of Exprivia was € 26,368,918.16, represented by 50,709,458 ordinary shares, each with a face value of € 0.52.

The Exprivia shares have been quoted on the Remote Share Market of the Italian Stock Exchange since August 2000. On 28th September 2007, Exprivia was admitted to the STAR Segment.

There are no categories of share with limited or no voting rights.

The Extraordinary Shareholders' Meeting of Exprivia of 3rd August 2006 approved a proposal for the Increase of the Company Capital to fund a Stock Option plan pursuant to article 2441, paragraph 4, point 2, of the civil code, and article 5 of the articles of association, with a face value of € 1,716,000, with the issue of 3,300,000 new ordinary shares in Exprivia S.p.A., each with a face value of € 0.52, which may be subscribed only by the directors and managers of the company and its controlled companies. All the subscription options may be exercised in three instalments, from 1st January 2010 to 30th June 2011.

As of 11th March 2010, 660,000 (six hundred and sixty thousand) of these new shares had been subscribed and issued, at a face value of € 343,200 (three hundred and forty three thousand two hundred euros).

The company capital on 11th March 2010 was therefore € 26,712,118.16, divided up into 51,369,458 ordinary shares, each with a face value of € 0.52.

In accordance with the terms of article 114-bis of legislative decree 58/98 (the "**TUF**" or "**Unified Text**"), which came into force on 12th January 2006, article 84-bis of the Regulations on Issuers, based on Consob resolution no. 15915 of 3rd May 2007, which came into force on 1st September 2007, and the transitory regulations set out in the plans submitted to the relevant body for a decision on their application prior to 1st September 2007, the information

on this Stock Option plan is available on the website, in the section entitled “Investors –Stock Option Plan”.

Significant shareholdings

On the basis of the entries in the shareholders’ book, the communications received under the terms of article 120 of TUF and the other information available, the Exprivia shareholder structure as at 11th March 2010 was as follows:

Situazione al 11 Marzo 2010		
Azionisti	Azioni	Quote
Abaco Innovazione S.p.A. (*)	25.593.977	49,8233%
Merula S.r.l.(**)	2.794.207	5,4394%
Data Management S.p.A.(***)	1.078.516	2,0995%
<i>flottante sul mercato</i>	<i>21.902.758</i>	<i>42,6377%</i>
Totale Azioni	51.369.458	100,00%

(*) Abaco Innovazione SpA is controlled by Abaco Systems & Services Srl, which is not controlled by any other party pursuant to article 93 of the TUF. The shareholding structure of Abaco Systems & Services Srl is as follows: Domenico Favuzzi with 45.33%, Valeria Savelli with 33.17% and Marco D’Imperio with 21.5%.

(**) Merula S.r.l. is controlled by Domenico Di Paola.

(***) Data Management SpA is controlled by Almeida S.A., a Luxembourg company which is not controlled by any other party pursuant to article 93 of the TUF.

Stock transfer restrictions

On the date of publication of this report, no transfer prohibitions applied.

Stocks granting special rights

The company capital of the Issuer consists only of ordinary shares.

There are therefore no other categories of shares or financial instruments which grant their holders rights other than those of the ordinary shares.

Employee shareholdings: mechanisms for the exercise of voting rights

No mechanism for the exercise of voting rights applies to any employee shareholding system that might be in place.

Restrictions on voting rights

The company capital of the Issuer consists only of ordinary shares.

There are therefore no other categories of shares or financial instruments which grant their holders rights other than those of the ordinary shares.

Shareholder agreements

Extract of the amendments to the shareholder agreements passed on to Consob pursuant to article 122 of TUF and the regulations for its application.

Pursuant to Consob resolution no. 11971 of 14th May 1999 (with subsequent amendments and additions, referred to below as the "**Consob Resolution**"), we write to inform you of the changes to the terms of the shareholder agreements (referred to below as the "**Shareholder Agreements**") between Abaco Innovazione S.p.A., with registered office at Viale Adriano Olivetti, Molfetta (Bari), tax code, VAT no. and entry number in the Bari company register 05434040720, (referred to below as "**Abaco**") and Merula S.r.l. with registered office at Via Massaua 18, Bari, VAT no. 03408380727, entered in the Bari company register (referred to below as "**Merula**").

The Shareholder Agreements are set out in a contract (referred to below as the "**Contract**") regarding the acquisition by Exprivia S.p.A. (as defined below) of the entire company capital of Svimservice S.p.A, with registered office at Via Massaua 18, Bari, VAT no. 04051440727, entered in the Bari company register as no. 08336080588 (referred to below as "**Svimservice**"), stipulated on 9th August 2007 between Exprivia S.p.A., the buyer, the shareholders of Svimservice (including the controlling shareholder Merula), the sellers, and Abaco, this latter solely with respect to a number of guarantee commitments taken on by it under the terms of the Contract and the Shareholder Agreements.

An extract of the contents of the Shareholder Agreements as referred to in the Contract was published as laid down in law in Finanza e Mercati on 10th August 2007 (the "**2007 Extract**"), to which we refer in full for any aspects not specifically covered in this extract.

On 30th November 2007 (the "**Closing Date**"), following the completion of the transfer of the entire company capital of Svimservice as laid down in the Contract, the application of the Shareholder Agreements took place (the "**Shareholder Agreements Applied**") under the terms already published in Finanza e Mercati on 14th February 2008 (the "**Previous Extract**"), to which we refer in full for any aspects not specifically covered in this extract.

On 19th November 2008, an agreement was signed by Merula, Abaco and Exprivia which amends some of the terms of the Shareholder Agreements Applied (the "**Amended Shareholder Agreements**") as set out below:

1. Companies whose financial instruments are subject to the Amended Shareholder Agreements

The Amended Shareholder Agreements regard Exprivia, with registered office at Viale Adriano Olivetti, Molfetta (Bari), company capital fully paid up of € 26,368,918.16, entry number in the Bari company register and tax code 00721090298, Economic and Administrative Register no. 481202, VAT no. 09320730154, quoted on the MTA market – STAR segment, organised and managed by Borsa Italiana S.p.A. (referred to below as "**Exprivia**").

2. Financial instruments subject to the Amended Shareholder Agreements and their percentages with respect to the company capital

The Amended Shareholder Agreements regard restrictions on the transfer of 2,794,207 (two million seven hundred and ninety four thousand two hundred and seven) Exprivia ordinary shares, each with a face value of € 0.52, representing 5.51% (***) of the company capital subscribed and paid up by Exprivia, which were allocated to Merula following an increase in the company capital of Exprivia on the Closing Date, with no option right, pursuant to articles 2440 and 2441, paragraph 4, of the civil code (referred to below as the "**Reserved Capital Increase**"), released in kind by means of the conferral by Merula of the second instalment of Svimservice shares, corresponding to the remaining 23% of the company capital held by Merula.

3. Parties to the Amended Shareholder Agreements

The parties to the Amended Shareholder Agreements are Abaco and Merula.

Party to the agreement	Number of syndicated shares	% of the total syndicated shares involved	% of the company capital of Exprivia
Merula Srl	2,794,207	100 %	5.510 % (****)
Abaco Innovazione SpA	0	0 %	0 %
Total	2,794,207		5.510 % (****)

4. Control of Exprivia on the basis of the Amended Shareholder Agreements

Abaco exercises of the Unified Text.

5. Content of the Amended Shareholder Agreements

5.1 Non-transfer restriction on the ordinary shares of Exprivia

Following the signing of the Amended Shareholder Agreements, the non-transfer restriction as described in paragraph 2 of the 2007 Extract and the Previous Extract (referred to below as the “**Lock-up**”), which was in force until 30th November 2009, was cancelled as of 20th November 2008.

5.2 Methods and timing for the share transfers following the expiry of the Lock-up period

The methods and timing for the share transfers following the expiry of the Lock-up period as described in the 2007 Extract remain unchanged, which means that: Merula may transfer the Exprivia ordinary shares held by it (a) freely, if the shares are transferred outside the market, and (b) by means of written notification to Exprivia with at least 2 working days of advance notice, if the shares are transferred on the MTA-STAR segment, provided the shares affected do not exceed whichever is greater of (x) 30% of the volume of Exprivia ordinary shares exchanged on the MTA-STAR segment on the business day prior to the transfer, and (y) 1.5% of the company capital of Exprivia.

6. Duration of the Shareholder Agreements

The Shareholder Agreements will remain in force for a maximum of 3 (three) years following the date when the Contract is signed, pursuant to article 123, paragraph 1, of the Unified Text.

Withdrawal may take place at any time pursuant to article 133, paragraph 3, of the Unified Text.

Molfetta, 25th November 2008

This extract was published in *La Repubblica* on 27th November 2008.

(****) Following the capital increases that took place after the above shareholder agreements were signed, the percentage of 5.515% of the company capital of Exprivia has been progressively reduced. The precise percentage can be found in the previous point entitled “Significant Shareholdings”.

Delegation of powers to increase the company capital

As pointed out above, on 3rd August 2006 the shareholders’ meeting of Exprivia resolved on an increase in the company capital, pursuant to article 2441, paragraph 4, point 2, of the civil code and article 5 of the articles of association, by a maximum of € 1,716,000, with the issue of 3,300,000 new ordinary shares in Exprivia S.p.A., each with a face value of € 0.52, identical to those already in circulation and with normal voting rights, for subscription by the chairmen, managing directors, managers, employees and collaborators of Exprivia S.p.A. and its controlled and affiliated companies.

The price and methods were laid down by the Board of Directors in accordance with the share incentive plan, on the understanding that, pursuant to article 2439, paragraph 2, of the civil code, the final deadline for subscriptions is 30th June 2011.

If the capital increase is not fully subscribed under the terms and conditions laid down by that date, the company capital will be increased by the equivalent of the subscriptions obtained.

The Meeting granted the Board of Directors the most wide-ranging powers for the drawing up of specific regulations for the application of the share incentive plan and the setting of the terms and conditions, and authorised it to proceed with the allocation of option rights for the issue and placement of the shares, either in a single block or in a number of instalments.

Pursuant to the terms of article 114-bis of legislative decree 58/98 (TUF), which came into force on 12th January 2006, article 84-bis of the Regulations on Issuers, based on Consob resolution no. 15915 of 3rd May 2007, which came into force on 1st September 2007, and the transitory regulations set out in the plans submitted to the relevant body for a decision on their application prior to 1st September 2007, all the information on the Stock Option plan is published in the Issuer's website, in the section entitled "*Investors – Stock Option Plan*".

Authorisations to acquire own shares

The Ordinary Shareholders' Meeting of Exprivia of 17th November 2008 approved the issue of a new authorisation to purchase and dispose of the company's own shares pursuant to articles 2357 and 2357-ter of the civil code.

The main objective of the authorisation to purchase and dispose of the company's own shares is to obtain a significant tool of strategic and operating flexibility, on the basis of which the company will be able to dispose of its own shares acquired, in addition to those already in its possession, as part of:

- ✓ acquisitions or takeovers of shareholdings
- ✓ operations for the stabilisation of the stock quotations
- ✓ backup for the stock option plans
- ✓ trading operations on the company's own shares, in accordance with the terms of the new version of article 2357, paragraph 1, of the civil code, by means of subsequent purchases and sales of the company's own shares

In accordance with the regulations in force, the authorisation is issued for a maximum number of shares whose face value does not exceed a tenth of the company capital. Taking into account for this purpose the shares already in possession of the company, totalling 363,247, the maximum number of shares which may be acquired is 4,707,698.

The authorisation to purchase is granted for a period of 18 months as of 17th November 2008, while the authorisation to sell is not subject to any time limits.

The minimum purchase price will be no less than 20% of the mean reference price for the stock in the three Stock Exchange sessions prior to each single purchase operation.

The maximum purchase price will be no greater than 20% of the mean reference price for the stock in the three Stock Exchange sessions prior to each single purchase operation.

The transfer operations carried out on the Borsa Italiana share market will take place at the market quotation price for the day when the operation takes place.

The transfer operations carried out outside the Borsa Italiana share market may take place at a price no lower than 20% of the mean official price of the Exprivia stock on the reference market in the 90 days prior to the transfer date.

The transfer operations to back up the stock option plans will take place under the conditions set out in the Stock Option approved by the Shareholders' Meeting.

The operations for the purchase of the company's own shares will be carried out by means of the methods set out in the regulations for the organisation and management of the markets, in such a way as to ensure fairness of treatment for all the shareholders, pursuant to article 132 of legislative decree 58 of 24th February 1998 and article 144-bis, paragraph 1 b) and c) of the Regulations on Issuers, based on Consob resolution no. 11971 of 14th May 1999 and subsequent amendments.

After carefully assessing the need to extend the existing authorisation, which expires on 16th May 2010, the Board of Directors will submit the proposal for the renewal of the authorisation granted on 17th November 2008 to the Shareholders' Meeting convened to approve the draft financial statement for the period ended 31st December 2009.

Change of control clauses

In 2008, a medium term loan was taken out with BNL and other lenders to back up the acquisition of Svimservice SpA and Wel.Network SpA, which took place at the end of 2007.

The loan involves specific restrictions and obligations on the part of the Issuer and its guarantors, on the basis of a standard classification for operations of this kind.

These commitments include the Change of Control situation, if (i) Abaco Innovazione SpA should no longer directly hold at least 40% of the ordinary share capital of the Issuer and the related voting rights and is unable to exert dominant influence over the shareholders' meeting of the Beneficiary, by appointing the majority of its board members, for example, (ii) Abaco System and Services s.r.l. should no longer directly hold at least 50% of the capital of Abaco Innovazione SpA and Domenico Favuzzi should no longer directly hold at least 12.8% of the capital of that company, and/or (iii) Domenico Favuzzi should no longer directly hold at least 45.33% of the capital of Abaco System and Services S.r.l..

The relationships between Abaco Innovazione SpA, Abaco System and Services s.r.l. and Domenico Favuzzi are described in the "Significant Shareholdings" section above.

Failure to satisfy the above obligations will be regarded as a "Case for Withdrawal", or a cause which entitles the lenders to withdraw from the medium term loan agreement.

Full documentation on this loan is available in the Information Prospectus authorised for publication by CONSOB on 9th July 2008 by means of protocol 8065016, which can be found on the issuer's website, in the section entitled "*Investors – Capital Operations*".

Indemnities due to the directors in the event of resignation, dismissal or termination of the working relationship following a public takeover offer

No agreements have been stipulated between the Issuer and the directors involving the payment of indemnities in the event of resignations or dismissal/removal from office without just cause, or if the working relationship should be terminated following a public takeover offer.

3. COMPLIANCE

The Corporate Governance system adopted by Exprivia incorporates the rules and procedures set out in the articles of association and the legislative provisions which apply, on which the management and control system for the company and group are based.

Essentially speaking, it incorporates the principles and recommendations set out in the new Code of Self-discipline for quoted companies issued by Borsa Italiana SpA, which is available to the public on the Borsa Italiana website (www.borsaitaliana.it), and to which the company has adapted, as resolved during the meeting of the Board of Directors of 26th March 2007, in relation to the adaptation of the corporate governance structure of the company to the criteria laid down for the STAR Segment.

Pursuant to the terms of article 2.6.2., paragraph 1, of the regulations of Borsa Italiana S.p.A., the company passes on its annual calendar of events to the Market Management Company by 31st January of each year.

4. MANAGEMENT AND COORDINATION ACTIVITIES

As of the date of publication of this report, Abaco System & Services S.r.l., with registered office at Viale Adriano Olivetti, Molfetta (Bari), entered in the Bari company register as no. 03739180721, controls the Issuer indirectly, through Abaco Innovazione SpA, pursuant to article 93 of the TUF.

5. BOARD OF DIRECTORS

Nomination

On 29th June 2007, an amendment was made to article 14 of the articles of association on the nomination of the Board of Directors, which takes place on the basis of lists presented by the shareholders as specified below.

Each list has to contain at least 3 directors, numbered in sequence, or the minimum number laid down in the articles of association, including the independent directors.

The lists may only be presented by shareholders who, whether alone or together with others, hold shares representing at least 2.5% of the company capital with the right to vote at the Shareholders' Meeting, or any lower percentage that might be laid down as compulsory in the legislation or regulations in force.

Each shareholder, those who are parties to a significant shareholder agreement (article 122 of legislative decree 58/1998), the parent company, controlled companies and those subject to common control (article 93 of legislative decree 58/1998) may present no more than one list or vote for other lists, either directly or through intermediaries or trust companies.

Each candidate may appear in one list only, upon pain of disqualification.

The lists presented by the shareholders, which will be signed by these latter, have to be lodged at the registered office of the company, where they will remain at the disposal of those wishing to inspect them, at least 15 days prior to the date set for the Shareholders' Meeting, and are subject to the other forms of publication laid down in the regulations in force at the time.

The following have to be lodged along with each list: (i) the identity information on the shareholders presenting the list and the percentage of their shareholdings, (ii) certification issued by a legally authorised intermediary confirming ownership of the number of shares necessary to present the lists, (iii) declarations by means of which each candidate accepts his or her candidacy and swears that he or she is not ineligible for or incompatible with the office for any reason, and is in possession of the requirements laid down in the regulations in force to take up the positions, (iv) declarations as to the independence of the candidates, where applicable, under the terms of the legislative and regulatory provisions which apply, and (v) the CVs of each candidate.

Any lists presented without fulfilling the conditions set out above will not be taken into consideration.

The following procedures apply to the election of the Board of Directors:

- a) all of the directors to be elected, except one, are taken from the list obtaining the greatest number of shareholder votes ("Majority List"), in the sequence in which they are numbered in the list;
- b) the first director in the numerical sequence is elected from the list obtaining the second largest number of votes, which will bear no connection of any kind, directly or indirectly, with the shareholders presenting or voting for the Majority List ("Minority List").

For this purpose, the lists which do not achieve at least half the percentage of votes required for the presentation of the lists (1.25%) will not be taken into consideration.

If the candidates elected as described above do not bring the number of independent directors elected up to the minimum laid down in law, a replacement procedure will apply. This is described in detail in article 14 of the articles of association.

If only one list is presented or no list is presented, the Meeting will pass its resolutions on the basis of the legal majority, rather than proceeding as described above.

If one or more directors should no longer be in office in the course of the financial year, the procedure laid down in article 2386 of the civil code, as described in detail in article 14 of the articles of association, will apply, provided the majority of board members are those nominated by the Shareholders' Meeting.

The new article 14 of the articles of association, which governs the election of the Board of Directors, was applied by the Issuer for the first time on 31st March 2008, when the mandate of previous board expired upon approval of the financial statement for 2007.

The articles of association of the company may be found in the "Investors – Company Information" section of the Issuer's website.

Composition

Pursuant to article 14 of the articles of association, the board of directors may consist of three to seven members, who need not necessarily be shareholders, as resolved by the Shareholders' Meeting.

The directors remain in office for the period laid down at the time of their election, and in any case for no more than three financial years. Their mandate expires on the date of approval of the financial statement for the final year of their period in office, and they are eligible for re-election.

If the majority of directors should no longer be in office for any reason, the entire board is understood as removed from office, and the Shareholders' Meeting will be convened to elect a new board, pursuant to the terms of article 2386 of the civil code.

The board of directors consists of executive (see "Delegated Bodies") and non-executive members.

An appropriate number of non-executive directors will be independent. This means that, on the basis of the regulations which apply, they will have no existing or previous relations with the company or its controlled or affiliated companies, either directly or indirectly, that might have an effect on their independence of judgment.

All the members of the board of directors nominated by the Shareholders' Meeting of Exprivia of 31st March 2008 were elected from the list presented and voted by the majority. The Board was made up as follows:

Board member	Position	Executive / Non-executive	Place and date of birth
Domenico Favuzzi	Chairman and managing director	Executive	Molfetta (BA) 18/04/1962
Dante Altomare	Vice-chairman	Executive	Molfetta (BA) 18/09/1954
Giancarlo Di Paola	Vice-chairman	Executive	Bari 22/05/1952
Pierfilippo Vito Maria Roggero	Independent director	Non-executive	Milan 22/06/1954
Alessandro Laterza	Independent director	Non-executive	Bari 9/02/1958
Filippo Giannelli	Non-independent director	Executive	Camposampiero (PD) 16/09/1971
Rosa Daloiso	Non-independent director	Non-executive	Margherita di Savoia (FG) 5/04/1966

The executive director Filippo Giannelli resigned on 18th June 2009. On 25th June 2009, Giorgio De Porcellinis was co-opted by the board to replace him. The nomination of Mr. De Porcellinis will be submitted to the shareholders' for approval during the next shareholders' meeting.

The board of directors, whose mandate expires at the end of the 2010 financial year, is therefore made up as follows:

Board member	Position	Executive / Non-executive	Place and date of birth
Domenico Favuzzi	Chairman and managing director	Executive	Molfetta (BA) 18/04/1962
Dante Altomare	Vice-chairman	Executive	Molfetta (BA) 18/09/1954
Giancarlo Di Paola	Vice-chairman	Non-executive	Bari 22/05/1952
Pierfilippo Vito Maria Roggero	Independent director	Non-executive	Milan 22/06/1954
Alessandro Laterza	Independent director	Non-executive	Bari 9/02/1958
Giorgio De Porcellinis	Non-independent director	Non-executive	Milan 21/01/1948
Rosa Dalosis	Non-independent director	Non-executive	Margherita di Savoia (FG) 5/04/1966

All the directors are domiciled for the purpose of their office at the registered office of the company, Viale Adriano Olivetti, Molfetta (BA).

During its meeting of 31st March 2008, the Board of Directors confirmed that the directors may hold no more than 10 directorships in other quoted or non-quoted companies.

During the same meeting, the Board of Directors stated that the other positions currently held by the directors in quoted companies, finance, banking, insurance and other major companies, are compatible with their positions as directors of the company.

The table below lists the main positions occupied over the last 5 years by the members of the company board in the boards of directors, management or control of other companies, as well as their shareholdings in other non-quoted companies during the same period.

Name	Company	Position	Current status
Domenico Favuzzi	Sezione Terziario Innovativo e Comunicazione di Confindustria Bari	Chairman and Member of the Administrative Committee	Ongoing
	Abaco Innovazione	Chairman and shareholder	Ongoing
	Abaco Systems & Services	Shareholder	Ongoing
	ACS S.p.A.	Director	Ongoing
	Spegea S.C. a r.l	Vice-chairman	Ongoing
	Svimservice S.p.A.	Chairman	Ongoing
	Wel.Network S.p.A.	Chairman	Ongoing
	Exprivia SI (Spain)	Director	Ongoing
	Consorzio Rete Industria di Confindustria	Director	Ongoing
	ASSINFORM – Associazione Nazionale	Member of the Organising Council	Ongoing
	Sezione Terziario Avanzato Assindustria Bari	Member of the Board of Management	Resigned
Infobyte S.p.A.	Director	Resigned	

Name	Company	Position	Current status
Giancarlo Di Paola	IDP S.r.l.	Sole director	Ongoing
	Aplomb S.r.l.	Sole director	Ongoing
	Fondazione Carnevale di Putignano	Chairman	Ongoing
	Confindustria Bari, Barletta, Andria e Trani	Vice-chairman	Ongoing
	Confindustria Puglia	Member of the Management Committee	Ongoing
	Confindustria (Rome)	Member of the Commission for Southern Italy	Ongoing
	Broadband Communications and Development Committee	Committee member	Ongoing
	Svimservice S.p.A.	Managing director and general manager	Resigned
	Spegea S.C. a r.l.	Chairman	Resigned
Pierfilippo Vito Maria Roggero	Al Faro S.r.l.	Sole director	Resigned
	Ruhl S.r.l.	Sole director	Resigned
	Fujitsu Technology Solutions SPA (formerly Fujitsu Siemens Computers)	Chairman and managing director	Ongoing
	Fujitsu Siemens itps srl	Chairman	Resigned
Alessandro Laterza	Fujitsu Service SPA	Chairman	Resigned
	Promobit	Chairman	Resigned
	Aitech Assinform – Confindustria sector association	Replacement vice-chairman	Resigned
	GIUS. LATERZA E FIGLI SPA	Managing director	Ongoing
	LATERZA-AGORÀ	Director	Ongoing
	Confindustria Bari	Chairman	Ongoing
	Confindustria Cultural Commission	Chairman	Ongoing
	Confindustria for Southern Italy	Member	Ongoing
	Luis - Libera Università Internazionale degli Studi Sociali Guido Carli	Director	Ongoing
	Scientific Committee of the Studies and Research Association for Southern Italy	Member of the scientific committee	Ongoing
	ICTechnology (Infocamere - Unioncamere)	Director	Ongoing
	REI Foundation for Legal and Economic Research	Chairman	Ongoing
	Comitato Biennale Internazionale di Firenze per i Beni Culturali e Paesaggistici	Director	Ongoing
	Telefono Azzurro	National vice-chairman	Ongoing
	Comitato Locale Pugliese Unicredit	Chairman	Ongoing
	Fondazione Rico Semeraro	Director	Ongoing
	Man'è	Director	Ongoing
	Scuola di alta formazione Spegea	Chairman	Resigned
Confindustria Technical Committee for Credit for Small and Medium Enterprises	Member	Resigned	
Comitato tecnico confederale Education	Member	Resigned	
Comitato promotore di Fondirigenti	Member	Resigned	
SFC – Confindustria	Director	Resigned	
Comitato Interassociativo per la Formazione di Sistema	Chairman	Resigned	
Dante Altomare	Abaco Innovazione S.p.A.	Shareholder	Ongoing
	Abaco Innovazione S.p.A.	Director	Resigned
	Exprivia Projects S.p.A.	Sole director	Ongoing
	Svimservice S.p.A.	Director	Ongoing
	Consorzio Pugliatech	Director	Resigned
	Società cons. a r.l. Conca Barese	Director	Resigned
Filippo Giannelli	Wel.Network S.p.A.	Director	Ongoing
	Abaco Innovazione SpA.	Shareholder	Ongoing
	GST S.r.l.	Director	Resigned
	Exprivia S.P.A.	Director	Resigned

Name	Company	Position	Current status
Giorgio De Porcellinis	Golf Immobiliare S.p.A.	Chairman	Ongoing
Rosa Daloiso	Abaco Innovazione S.p.A.	Shareholder	Ongoing
	Abaco Innovazione S.p.A.	Director	Resigned

The articles of association do not specify a minimum interval between board meetings. However, the board meets at least once a month, in the presence of all the directors and members of the Board of Auditors.

The board meetings are convened by the chairman each time when he believes it is in the interests of the company for a meeting to be held. The board also meets when required to do so in law or under the terms of the articles of association, and at the request of the directors and Board of Auditors.

The work of the board is coordinated by the chairman, who conducts the meeting and the voting procedures, ensures that the directors and auditors have been duly and correctly informed of each item on the agenda, and ensures that the supporting documentation for the decisions to be taken by the board has been received at least 5 days prior to the date of the meeting, except in urgent situations.

During each board meeting, the first point on the agenda is the reading and approval of the minutes of the previous meeting.

During the 2009 financial year, 12 meetings of the Board of Directors took place, which were attended as follows:

Position	Member	In office		Executive	Non-executive	Independent	No. of occasions convened	% of attendance
		from	to					
Chairman and managing director	Favuzzi Domenico	1 st January	in office	X			12	100%
Vice-chairman	Altomare Dante	1 st January	in office	X			12	83%
Vice-chairman	Di Paola Giancarlo	1 st January	in office		X		12	92%
Director	Roggero Pierfilippo	1 st January	in office			X	12	75%
Director	Laterza Alessandro	1 st January	in office			X	12	67%
Director	Daloiso Rosa	1 st January	in office		X		12	75%
Director	Giannelli Filippo	1 st January	18 th June	X			7	100%
Director	De Porcellinis Giorgio	25 th June	in office		X		5	100%

The Control Board set up pursuant to legislative decree 231/2001 is also invited to take part in the board meetings, and a representative of that board took part in all 12 meetings held in 2009.

The 2010 calendar of board meetings for the approval of the financial statement figures, which was announced to the market on 28th January, is as follows:

- ✓ 11th March – board meeting for the approval of the draft financial statement for the period ended 31/12/09
- ✓ 15th April – Ordinary Shareholders' Meeting for the approval of the financial statement for the period ended 31/12/09 – 1st call
- ✓ 13th May – board meeting on the financial statement figures for Q1 2010
- ✓ 5th August - board meeting on the interim financial statement figures for H1 2010
- ✓ 12th November - board meeting on the financial statement figures (statement) for Q3 2010

Role and powers of the Board of Directors

The Board of Directors meets at regular intervals and organises its operations in such a way as to ensure the effective performance of its functions.

The Board of Directors acts and takes its decisions in an informed manner and autonomously. Its priority objective is the creation of value for the shareholders, and for that purpose it takes all the decisions necessary and useful to further the success of the company business.

The Board of Directors has the most wide-ranging powers for the ordinary and extraordinary management of the company, with no exceptions, and is fully authorised to pursue and achieve the company objectives.

It may therefore take on obligations of all kinds and make use of the company assets in an unlimited manner. It is responsible for all the matters not expressly reserved in law to the Shareholders' Meeting.

It is responsible for the strategic and organisational guidelines and the monitoring of the company and Exprivia Group trends.

More specifically, the Board of Directors has the following exclusive powers, on the basis of the articles of association, company practices and the authorisations conferred upon it:

- a) it elects a chairman and, where appropriate, one or more vice-chairmen, from its members, unless this has been done by the Shareholders' Meeting;
- b) it may set up an executive committee and/or appoint one or more managing directors;
- c) it allocates and removes the powers of the chairman, vice-chairmen, managing directors, executive committee and one or more directors, and lays down the limits of their powers and the methods for their exercise. It also lays down the intervals at which the delegated bodies have to report to it on the operations carried out by them, which they will do at least once a quarter;
- d) it may appoint one or more general managers, unless this has been done by the Shareholders' Meeting, as well as special representatives to carry out specific actions or categories of action, and lay down their duties, authorisations and powers within the legal limits;
- e) after examining the proposals by the remuneration committee and consulting the board of auditors, it determines the payments due to the managing directors, directors occupying specific positions and the general managers, as well as the subdivision of the overall fees payable to the board members, unless this has been done by the Shareholders' Meeting;
- f) it examines and approves the strategic, industrial and financial plans of the company and its controlled companies, the corporate governance system and the structure of the Exprivia Group;
- g) it assesses the effectiveness of the organisational, administrative and general accounting models of the company and its controlled companies as set up by the managing directors,

with particular reference to the internal control system and the handling of conflicts of interests;

- h) it examines and approves the annual budget and business plan presented by the managing directors of the company and its controlled companies, and identifies any modifications required during the financial year;
- i) it assesses the overall management trend, and compares the results achieved with those targeted at regular intervals, taking into consideration the information received from the delegated bodies;
- j) it examines and approves the operations of the company and its controlled companies in advance, when these are of particular economic, capital or financial significance for the company, with particular reference to those situations in which one or more of the directors hold interests on their own behalf or on behalf of third parties, and when the operations regard affiliated parties. For this purpose, it lays down general criteria for the identification of operations of particular significance;
- k) it approves the recruitment of management personnel, determines their salaries and the positions to be occupied by them, and the termination of working relationships with them;
- l) it reports to the shareholders through the chairman, during the shareholders' meetings;
- m) at least once a year, it carries out an assessment of its own performance and that of its committees, and expresses judgments as to the professional specialists whose presence on the board is regarded as desirable;
- n) in its corporate governance report, it supplies information on the application of article 1 of the code on self-discipline for quoted companies, and more specifically on the number of meetings held by the board and executive committee during the financial year and the percentages of attendance by each member;
- o) The Board of Directors also have the following powers:
 - I. decisions on mergers in the cases referred to in articles 2505 e 2505-bis of the civil code,
 - II. the adaptation of the articles of association to the regulatory provisions,
 - III. the transfer of the registered office within Italian territory.

Delegated bodies

During its meeting of 31st March 2008, the board of directors of the Issuer conferred upon its chairman and managing director, Domenico Favuzzi, the role of executive manager and the powers to drive forward the company activities.

The board acknowledged that even though this accumulation of roles on the part of the chairman and managing director is not fully in line with international best practices it is justified by the organisational requirements of a medium sized company such as Exprivia.

During the same meeting, the board appointed the executive directors Dante Altomare and Giancarlo Di Paola to the position of vice-chairman, to guarantee the company operations even in the absence of the chairman and managing director.

The chairman and managing director and vice-chairman are currently in possession of the following powers:

	Chairman and managing director	Vice-chairmen
	Powers which can be exercised at any time	Powers which can be exercised only in the absence or impediment of the chairman
1	Pursuant to article 18 of the articles of association, the powers to represent the company in its dealings with third parties and in legal action, with the right to bring legal actions and lawsuits and present legal and administrative petitions at all levels of justice, including revocation and appeal judgments, and the power to sign on behalf of the company.	Pursuant to article 18 of the articles of association, the powers to represent the company in its dealings with third parties and in legal action, with the right to bring legal actions and lawsuits and present legal and administrative petitions at all levels of justice, including revocation and appeal judgments, and the power to sign on behalf of the company.
2	The recruitment of personnel, with the exception of management personnel, as part of the recruitment programme laid down by the board of directors, with the powers to determine their payments and the positions attributed to them.	The recruitment of personnel, with the exception of management personnel, as part of the recruitment programme laid down by the board of directors, with the powers to determine their payments and the positions attributed to them.
3	The management of the wages and salaries policies, in line with the accounting provisions laid down by the board of directors, career advancement procedures, disciplinary action and dismissal of personnel, with the exception of management personnel. The management of the salaries policies for management staff, in line with the accounting provisions laid down by the board of directors and the limits set by the remuneration committee, with salary increases limited to a maximum of 20% per manager, with reporting on such actions to the board of directors.	The management of the wages and salaries policies, in line with the accounting provisions laid down by the board of directors, career advancement procedures, disciplinary action and dismissal of personnel, with the exception of management personnel. The management of the salaries policies for management staff, in line with the accounting provisions laid down by the board of directors and the limits set by the remuneration committee, with salary increases limited to a maximum of 20% per manager, with reporting on such actions to the board of directors.
4	The assignment of consultancy missions to companies and/or professional specialists in relation to specific services not linked to industrial production, in accordance with the plans approved in advance by the board of directors. The mandates granted to each company and/or consultant will have a value not in excess of 150,000 (a hundred and fifty thousand) euros within a single financial year.	The assignment of consultancy missions to companies and/or professional specialists in relation to specific services not linked to industrial production, in accordance with the plans approved in advance by the board of directors. The mandates granted to each company and/or consultant will have a value not in excess of 150,000 (a hundred and fifty thousand) euros within a single financial year.
5	The assignment of mandates to trustees, agents, representatives and sales agents, whose payments consist prevalently of commission.	The assignment of mandates to trustees, agents, representatives and sales agents, whose payments consist prevalently of commission.
6	Representation of the company in relation to all its activities and with no limits of expenditure in the following cases: taking part, either alone or as a member of temporary joint ventures and/or consortia, in private negotiations and bidding procedures set up by private and/or public enterprises and bodies, government, regional and local authorities and all other public administrative bodies in Italy and abroad; membership of temporary joint ventures, consortia and joint venture enterprises, with the widest ranging powers to sign all the necessary and useful documentation, including the issue of mandates and/or power of attorney to the group leader enterprises; the signing of offers and contracts for the sale of products and/or services; operating as agent and/or representative of third parties. It will be necessary to report to the board on single operations with a value in excess of 10 million euros.	Representation of the company in relation to all its activities and with no limits of expenditure in the following cases: taking part, either alone or as a member of temporary joint ventures and/or consortia, in private negotiations and bidding procedures set up by private and/or public enterprises and bodies, government, regional and local authorities and all other public administrative bodies in Italy and abroad; membership of temporary joint ventures, consortia and joint venture enterprises, with the widest ranging powers to sign all the necessary and useful documentation, including the issue of mandates and/or power of attorney to the group leader enterprises; the signing of offers and contracts for the sale of products and/or services; operating as agent and/or representative of third parties. It will be necessary to report to the board on single operations with a value in excess of 10 million euros.
7	The taking on of loans in the most appropriate	The taking on of loans in the most appropriate

	Chairman and managing director	Vice-chairmen
	technical forms, with a total maximum credit limit for the company and its controlled companies of 50,000,000 (fifty million) euros. The credit limits may also be based on the transfer of credits deriving from the company business, and the limit in question may be exceeded by a maximum of 10% (ten per cent) in the case of additional temporary credit limits with a maximum duration of six months, of which the board of directors has to be informed.	technical forms, with a total maximum credit limit for the company and its controlled companies of 50,000,000 (fifty million) euros. The credit limits may also be based on the transfer of credits deriving from the company business, and the limit in question may be exceeded by a maximum of 10% (ten per cent) in the case of additional temporary credit limits with a maximum duration of six months, of which the board of directors has to be informed.
8	All banking operations, including the opening of current accounts and their management within the credit limits assigned to them, and the use of cash and endorsement credits. The signing of cheques and payment instructions on the company current accounts for sums up to a maximum of 2,000,000 (two million) euros per operation.	All banking operations, including the opening of current accounts and their management within the credit limits assigned to them, and the use of cash and endorsement credits. The signing of cheques and payment instructions on the company current accounts for sums up to a maximum of 2,000,000 (two million) euros per operation.
9	The stipulation of leasing agreements and negotiation of the prices and conditions, for sums up to a maximum of 200,000 (two hundred thousand) euros per operation.	The stipulation of leasing agreements and negotiation of the prices and conditions, for sums up to a maximum of 200,000 (two hundred thousand) euros per operation.
10	The taking on of obligations as part of the normal administration of the company, and the handling of all current expenditure and/or investments for the purchase of services and goods up to a maximum of 1,000,000 (one million) euros per operation, in line with the annual budget approved by the board of directors, with the exception of purchases of goods to be resold on the basis of purchase orders.	The taking on of obligations as part of the normal administration of the company, and the handling of all current expenditure and/or investments for the purchase of services and goods up to a maximum of 1,000,000 (one million) euros per operation, in line with the annual budget approved by the board of directors, with the exception of purchases of goods to be resold on the basis of purchase orders.
11	Pursuant to article 17 of the articles of association and within the limits of the powers conferred, issue special powers of attorney to third parties for acts of normal administration, as well as for acts of extraordinary administration that might be determined from time to time by the board of directors.	Pursuant to article 17 of the articles of association and within the limits of the powers conferred, issue special powers of attorney to third parties for acts of normal administration, as well as for acts of extraordinary administration that might be determined from time to time by the board of directors.

On 31st January 2006, Pietro Sgobba, the Chief Administrative and Financial Officer of Exprivia, was granted special powers, to be exercised by means of his signature alone up to such time as these are revoked, with the following powers to enable him to perform his administrative and financial roles in the most effective manner possible:

- a) all banking operations on the company's current accounts, both in credit and overdrawn, the use of cash and endorsement credits, signing of cheques and payment instructions, up to a maximum limit of 100,000 euros per operations, and in any case within the credit limits granted. In the case of payments of taxes, duties and contributions to the state, state treasury offices or local authority bodies, the maximum limit per operation is 1,000,000 euros;
- b) the taking on of loans in the most appropriate technical forms, within the credit limits laid down by the company, including the procurement, acceptance and use of credits based on advances on invoices and/or transfers of credits deriving from the company business operations;
- c) cash transfers up to the maximum limit of 2,000,000 euros on the current accounts of the company and its controlled companies, or with regard to any temporary relationships with controlled or affiliated group companies;
- d) operations of all kinds with the National Debt Office, Banca d'Italia, Deposits and Loans Office, the Treasury and State Treasury Offices, the Finance and other Ministries, the Post Office, Local and Regional Bodies and recognised Foundations and Associations, for the ordinary management of the company, including the signature of declarations, notifications, petitions, claims and similar documents;
- e) withdrawal and despatch of all correspondence, including registered letters, telegrams, telexes or documents, packages and packets, goods of all kinds and any other item sent to the company or dispatched by it, with the

issue of receipts and exonerations of liability, where appropriate. The above operations may be carried out with the Post Office, State Railway Offices and all other national or local public body, as well as with shipping companies, airlines, carriers, couriers and all other individuals and organisations in general;

- f) the issue of declarations and certifications on payments to third parties and employees on behalf of the company;
- g) the issue of extracts from payroll records and statements regarding personnel to social security, insurance and other bodies or private organisations, with the monitoring of the company's obligations in this sense (the signing of forms and certifications for the payment of deductions on behalf of employees, agents and other collaborators), with the powers to sign declarations, statements and all other deeds or certificates for that purpose;
- h) in relation to the annual budget approved by the board of directors, administer all the current expenditure and/or investments for the purchase of goods and services, up to a maximum limit of 100,000 euros per operation. In relation to the annual budget approved by the board of directors, administer all the current expenditure for the purchase of products and services directly linked to supplies to the company customers, up to a maximum limit of 500,000 euros per operation.

On 4th December 2007, the company managers Dante Altomare, Giorgio Cioni and Filippo Giannelli, based in the Rome and Milan offices, were granted the following special powers to perform their roles as commercial representatives of the company:

- a) representation of the company in relation to all its activities and with no limits of expenditure in the following cases: taking part, either alone or as a member of temporary joint ventures and/or consortia, in private negotiations and bidding procedures set up by private and/or public enterprises and bodies, government, regional and local authorities and all other public administrative bodies in Italy and abroad; membership of temporary joint ventures, consortia and joint venture enterprises, with the widest ranging powers to sign all the necessary and useful documentation, including the issue of mandates and/or power of attorney to the group leader enterprises; the signing of offers and contracts for the sale of products and/or services; operating as agent and/or representative of third parties. Any single operations with a value in excess of ten million euros will have to be reported to the managing director without delay;
- b) negotiate, stipulate and terminate the following contracts or agreements in relation to the management of the company, as supplier or transferring party, with no price limits: the signature of orders and order confirmations received from customers; licence agreements for the use per patents, trademarks and other intellectual and technological property rights in general; sales agreements, tender contracts, agreements for the supply of goods and/or services and/or technical assistance and/or maintenance, sub-supply and administration, not including leasing, free loan, rental and tenancy contracts. Any single operations with a value in excess of ten million euros will have to be reported to the managing director without delay.

Identical powers were granted on 18th July 2008 to the company manager Stefano Ferrara.

On 4th December 2007, Francesco Greco, the Human Resource Manager of Exprivia, was granted the following special powers for the effective performance of his duties:

- a) to carry out operations of all kinds with assistance and social security bodies, employment offices, social security and maximum employment bodies, the Ministry of Labour and Social Security and all other public authorities with responsibility for matters regarding the management and administration of personnel;
- b) representation of the company with professional associations and trade unions;
- c) recruitment of personnel, with the exception of management personnel, within the context of the recruitment programmes drawn up by the board of directors, and the determination of their payments and the positions to be occupied by them;
- d) the management of the wages and salaries policies, with the exception of those applicable to management personnel and in line with the levels of compatibility laid down by the board of directors, career advancement procedures, disciplinary action and dismissal of personnel. Representation of the company as plaintiff and defendant in employment disputes at all levels of justice, and agreement to settlement procedures relating to manual and office workers and senior staff, but with the exception of management personnel;
- e) withdrawal and despatch of all correspondence, including registered letters, telegrams, telexes or documents, packages and packets, goods of all kinds and any other item sent to the company or dispatched by it, with the issue of receipts and exonerations of liability, where appropriate. The above operations may be carried out with the Post Office, State Railway Offices and all other national or local public body, as well as with shipping companies, airlines, carriers, couriers and all other individuals and organisations in general;
- f) the issue of declarations and certifications on payments to third parties and employees on behalf of the company;
- g) the issue of extracts from payroll records and statements regarding personnel to social security, insurance and other bodies or private organisations, with the monitoring of the company's obligations in this sense (the signing of forms and certifications for the payment of deductions on behalf of employees, agents and other

collaborators), with the powers to sign declarations, statements and all other deeds or certificates for that purpose.

On 20th November 2009, Alessandro Falco, head of the Health Systems Sales Team, and Francesco Guindani, head of the Clinical and Imaging Sales Team, were granted the special powers necessary to enable them to perform their duties in the most effective manner with a view to taking part in public tender competitions, with or without joint ventures:

representation of the company in relation to all its activities and with no limits of expenditure in the following cases: taking part, either alone or as a member of temporary joint ventures and/or consortia, in private negotiations and bidding procedures set up by private and/or public enterprises and bodies, government, regional and local authorities and all other public administrative bodies in Italy and abroad, and/or by private enterprises or organisations; take part in temporary joint ventures, consortia or joint venture enterprises. For these purposes, they may:

(i) draw up, sign and present all the documentation and other deeds necessary to enable the company to take part in single tender competitions and provide services to competing third parties which decide to make use of them, including declarations of requirements possessed by auxiliary parties and the setting up of provisional performance bonds;

(ii) grant or take on mandates when taking part in temporary joint ventures or similar;

(iii) negotiate and sign the contracts and deed relating to the tender procedure and awards, including, merely by way of example, the deeds of the tender competition for acceptance, the deeds for the setting up of intermediary companies, shareholders agreements, the regulations for temporary joint ventures and similar (with determination of the group leader and the quotas and activities of each member company), and tender contracts, and carry out all related deeds, including requests for documentation not received during the preliminary or offer stages, and the setting up of final and provisional performance bonds, with the powers to grant any warranties that might be required by the guarantor;

The delegated bodies report to the board of directors on the operations carried out by means of the powers conferred upon them during the board meetings, and in any case at least once a quarter, and provide the board with all the information required to keep it updated on any non-routine or unusual operations or operations with affiliated parties, whose assessment and approval are not the direct responsibility of the board.

The Issuer decided not to set up an executive committee, as it believes that its existing organisational structure is suitable for the operating requirements of the single Group companies.

Other executive directors

During its meeting of 31st March 2008, the board of directors confirmed that Filippo Giannelli was to be regarded as an executive director, taking into account the positions held by him within the group leader and controlled companies pursuant to article 2 of the code of self-discipline. Mr. Giannelli resigned from this position on 18th June 2009.

During its meeting of 31st March 2008, the board of directors confirmed that Rosa Dalloiso was to be regarded as a non-executive director, a position which she still holds, taking into account the positions held by her within the group leader and controlled companies pursuant to article 2 of the code of self-discipline.

During its meeting of 18th June 2009, the board of directors confirmed that the vice-chairman Giancarlo Di Paola, who had been an executive director up to that time, was now to be regarded as a non-executive director, pursuant to article 2 of the code of self-discipline (Composition of the Board of Directors – Criteria for Application - 2.C.1).

During its meeting of 25th June 2009, the board of directors appointed Giorgio De Porcellinis to the position of non-executive director, as a replacement for Filippo Giannelli, pursuant to article 2 of the code of self-discipline.

Independent directors

The independent directors have the necessary professional skills and autonomy of judgment to analyse, discuss and resolve the management problems that the company has to deal with. With their specific qualifications and consolidated professional experience in the sector, they make a significant contribution to the strategic guidelines and development initiatives of the company and group.

The procedure laid down in the articles of association and adopted by the board of directors to ensure the independence of the directors pursuant to article 148, paragraph 3, of legislative decree 58/1998 involves a declaration of independence by the director at the time of nomination, which has to be confirmed by the board during its first meeting following nomination. The independent directors are also obliged to inform the board immediately of any situations that negatively affect their independent status, in which cases they will be required to step down from office.

If a director should lose the status of independence as defined above, he or she will not be removed from office if the minimum number of directors laid down in the regulations in force should continue to retain independent status.

On approval of the Corporate Governance Report, the board asks the directors involved to repeat their declarations of independence, and carries out checks on any additional information supplied by them.

The board of auditors carries out checks to ensure the correct application of the criteria and procedures adopted each year by the board of directors to assess the independence of its members, and reports on these checks to the shareholders' meeting.

The independence of the directors is assessed at regular intervals by the board, and the results of its assessments are passed on to the market

The independence of the directors is assessed with the emphasis placed on substance rather than form, and taking into account that a director is unlikely to be independent in the following cases:

- a) if he/she controls the company directly or indirectly, through controlled companies, trustees or intermediaries, or is in a position to exert significant influence on it, or is a party to a shareholders agreement by means of which one or more parties may exercise control or a significant influence over the company;
- b) if he/she is, or has been in the previous 3 financial years, a key role-player in the company or one of its strategically important controlled companies, or in a company subject to common control with the company, or in an organisation or body that controls the company or is able to exert considerable influence over it, either singly or by means of other organisations on the basis of a shareholders agreement;
- c) if he/she has, or has previously had, significant commercial, financial or professional relations with one of the following, directly or indirectly (such as through controlled companies or companies in which he/she plays a key role, or as a partner in a professional practice or consultancy company):
 - a. the company, one of its controlled companies, or any of the key role-players in these latter;
 - b. a party which controls the company, either singly or by means of other organisations on the basis of a shareholders agreement;
 - c. or he/she is, or has been in the previous 3 financial years, an employee of one of the above parties;
- d) if he/she receives, or has received in the previous 3 financial years, significant additional remuneration in addition to the fixed fees payable to the non-executive directors of the

company, from the company or a controlled or parent company, including remuneration from performance related incentive plans, whether share-based or otherwise;

- e) if he/she is an executive director in which an executive director of the company is a director;
- f) if he/she is a shareholder or director of a company or organisation belonging to the company network which audits the accounts of the company;
- g) if he/she is a close relative of a person in any of the situations described in the previous points.

The board meeting of 31st March 2008 nominated Pierfilippo Roggero and Alessandro Laterza to the positions of independent director.

Immediately after their nomination and the checks on their independence by the board, Alessandro Laterza and Pierfilippo Roggero confirmed that they satisfy this requirement and agreed to inform the board as soon as possible of any situation that should have a negative effect on their independent status.

The board meeting of 11th March 2010 confirmed the independent status of Alessandro Laterza and Pierfilippo Roggero pursuant to the terms of article 3 of the code of self-discipline and asked the chairman of the board of auditors to have this latter check the correct application of the criteria and procedures adopted by the board for the assessment of the independence of its members.

Lead Independent Director

Taking into account the fact that the positions of chairman and managing director are held by the same person, the board meeting of 31st March 2008 nominated Pierfilippo Roggero to the position of lead independent director, pursuant to the terms of article 2 of the code of self-discipline.

The board asked the lead independent director, Pierfilippo Roggero, to organise a meeting of independent directors at periodic intervals, pursuant to the terms of article 3.C.6. of the code of self-discipline, to express their comments on the running and management of the company.

6. HANDLING OF COMPANY INFORMATION

Handling of confidential information

The directors and auditors are obliged to treat the documents and information acquired by them in the course of their duties as confidential, and to adhere to the procedure adopted by the company for the internal management and outside divulging of such documents and information.

On 18th December 2008, the board updated the internal procedure in force since March 2006 for the correct management of outside divulging of company documents and information, with particular reference to privileged information that has to be divulged as a matter of urgency.

The aim of the internal procedure is to ensure that the information passed on to the market is not selective, out of date, incomplete or inappropriate, especially in the case of price sensitive information.

The handling of significant information takes place as follows:

- ✓ the Communications and Investor Relations Department works with the managing director, and may contact Borsa Italiana S.p.A. in the event of doubts, to establish when

a fact, event or item of news involving the company or group have to be passed on to the market;

- ✓ when the market has to be informed, the Communications and Investor Relations Department, with the assistance of the company structures involved, draws up the text of the notification and ensures that this contains the information that the Italian and international financial intermediaries require;
- ✓ the managing director examines the notification and submits it to the board of directors, executive committee or chairman for approval, as applicable. In the case of notifications to be issued without delay and as a matter of urgency, these are approved by the managing director following consultations with one or more of the vice-chairmen, a senior director and/or the lead independent director;
- ✓ following approval of the final text of the notification, the Communications and Investor Relations Department contacts Borsa Italiana by telephone and then issues the notification through the NIS remote circuit, as laid down in the Consob and Borsa Italia regulations and instructions;
- ✓ following the transfer of the notification to the remote circuit, the Communications and Investor Relations Department passes it on to other press agencies and newspapers (by means of outside consultants, where applicable) and to the financial community entered in the IR database;
- ✓ the press release is then passed on internally to the entire group structure and entered in the dedicated section of the company website.

On 27th March 2006, the board of directors approved the creation of a Register of Relevant Parties, pursuant to the terms of article 115-bis of legislative decree 58 of 24th February 1998 and subsequent amendments and additions and articles 152-bis and following of the regulations on issuers.

This register came into force on 1st April 2006, and contains the names and other identity details of those whose roles or functions give them access to precise information of a non-public nature which directly or indirectly regards Exprivia or its group companies, which could, if placed in the public domain, have a significant influence on the financial instruments issued by it.

The Register is kept at Exprivia by the Communications and Investor Relations Department, which is responsible for its safekeeping, management and updates, on behalf of Exprivia and its controlled companies.

Exprivia is responsible for the creation, management and safekeeping of the register, on its own behalf and in the interests of its group companies, pursuant to the terms of article 152-bis, paragraph 4, of the regulations on issuers. It also ensures that the internal policies on the circulation and monitoring of privileged information among the group companies and Exprivia enable these latter to fulfil all their obligations in this sense.

Notification procedure for operations on company financial instruments carried out by relevant and closely linked parties

Pursuant to the terms of articles 152-sexies and following of the regulations on issuers (the "Procedure"), the Internal Dealing procedure which came into force on 1st April 2006 was updated, with the removal of the regulations on Internal Dealing included in the regulations of Borsa Italiana S.p.A. The upgrade in question was approved by the board meeting of 27th March 2006.

The aim of the procedure is to regulate the obligations to inform Consob and the public of the operations carried out on financial operations, whether directly or through intermediaries, by parties responsible for the administration, control or management of a quoted issuer, by managers with regular access to the privileged information referred to in article 114, paragraph 1, of the Financial Mediation Legislation, and who have the power to take management decisions that could have an effect on the evolution and future prospects of the quoted issuer, or by any parties holding at least 10% of the company capital or any other party controlling the quoted issuer.

With a view to ensuring fulfilment of the notification obligations, the procedure identifies:

- ✓ the relevant parties,
- ✓ the operations regarded as significant,
- ✓ the deadlines within which the parties have to inform the company that the operation has been carried out.

Under the terms of the procedure and on the basis of the information received, the company informs the market of the operations with a total or combined value of 5,000 (five thousand) euros within the end of the year. In the case of derivative financial instruments, the value of the operation is calculated with reference to the underlying shares.

The amount of 5,000 euros is calculated by adding the values of the operations on shares and connected financial instruments carried out on behalf of each relevant party and the persons closely linked to these latter.

The procedure also prohibits the relevant parties from carrying out such operations during specific periods of time, and grants the board of directors the right to make changes or add to the list of relevant parties or similar persons.

The code of conduct on internal dealing can be found in the *"Investors – Company Information"* section of the issuer's website.

7. INTERNAL COMMITTEES WITHIN THE BOARD

Pursuant to the terms of article 5.C.1 of the code of self-discipline, the board of directors of the issuer decided to set up a Technical Remuneration Committee and an Internal Control Committee. Their members consist exclusively of non-executive directors, and they perform advisory and consultancy roles.

The board decided not to set up a Nominations Committee, as the company makes use of the list voting system for the election of its directors. This method is described in detail in the section on the election of the board of directors.

8. NOMINATIONS COMMITTEE

As mentioned above, both the previous and current board of directors decided that there was no need to set up a Nominations Committee.

The application of the methods for the election of the board of directors on the basis of the lists presented by the majority and minority shareholders, as laid down in article 14 of the articles of association, took place for the first time during the shareholders' meeting of 31st March 2008.

On that occasion, the outgoing board of directors resolved to set up a List Committee, consisting of two non-executive directors, the Group Leader's Head of Company Affairs and an independent solicitor, for the monitoring of the presentation of the majority and minority lists

and the correct application of the relevant terms of the articles of association and regulations on issuers, and to ensure that the market is correctly informed in accordance with the Consob regulations.

The List Committee carried out its tasks within the terms laid down and published the lists presented as laid down in articles 14 and 23 of the articles of association and article 144 *octies* of the regulations on issuers. It issued its report on its activities to the board of directors on 26th March 2008.

9. REMUNERATION COMMITTEE

The Board of Directors is assisted in its work by the Remuneration Committee.

This committee presents proposals to the Board of Directors, in agreement with the Board of Auditors but independently of the interested parties, on the remuneration programmes, including any stock option or share allocation plans, for the managing directors and other special office holders. It also issues proposal upon the recommendation of the managing directors for the remuneration of senior managers at the company.

The committee also examines the matters relating to the general retribution policies for managers and senior staff.

The members of the remuneration committee in office until 25th June 2009 were:

- ✓ Pierfilippo Roggero (Lead Independent Director), Chairman,
- ✓ Alessandro Laterza (Independent Director),
- ✓ Rosa Daliso (Non-executive Director).

Following the nomination of Giorgio De Porcellinis on 25th June 2009, the current members of the remuneration committee are:

- ✓ Pierfilippo Roggero (Lead Independent Director), Chairman,
- ✓ Alessandro Laterza (Independent Director),
- ✓ Giorgio De Porcellinis (Non-executive Director).

In 2009, the remuneration committee met twice, in the presence of all its members the Chairman of the Board of Auditors and the Head of Company Affairs.

Other parties attended the meetings of the remuneration committee to report to it on the single items on the agenda.

The committee has no specific financial resources at its disposal, but it may gain access to information and to the company departments necessary to enable it to carry out its tasks, and may also make use of outside consultants.

10. DIRECTORS' FEES

The fees payable to the Board of Directors are laid down by the Shareholders' Meeting in accordance with the law and articles of association. Article 22 of the articles of association state that "the Shareholders' Meeting may grant the board fees in the form of a fixed sum, to be paid once only or at periodic intervals, which may be in proportion to the results achieved by the company. The fees will be divided up among the directors as established by the board".

The directors also have the right to reimbursement of the costs sustained by them in the performance of their duties.

The payments to the managing directors and directors performing special roles are established by the board of directors, upon consultancy with the board of auditors, on the proposal of the technical remuneration committee set up for the purpose.

The payments due to the executive directors and senior managers are determined in relation to the results obtained by the company and/or the achievement of specific targets.

The gross payments made in 2009 to the directors of the group leader for the work carried out by them, including the operations carried out for the other companies included in the area of consolidation, are set out below.

Name	Positions occupied in 2009	Payments in 2009	Bonuses and other incentives
Domenico Favuzzi	Chairman and managing director	€ 315,000	-
Dante Altomare	Vice-chairman	⁽¹⁾ € 65,292	€ 20,673
Giancarlo Di Paola	Executive vice-chairman until 18 th June	⁽¹⁾ € 270,553	⁽²⁾ € 529,000
Pierfilippo Roggero	Independent director	€ 20,000	-
Alessandro Laterza	Independent director	€ 15,000	-
Filippo Giannelli	Executive director until 18 th June	⁽¹⁾ € 88,007	€ 46,384
Giorgio De Porcellinis	Executive director until 25 th June	€ 5,000	-
Rosa Daloiso	Non-executive director	⁽¹⁾ € 38,757	€ 3,051

(1) The payments made to Messrs. Altomare, Di Paola, Giannelli and Daloiso are the gross salaries as managers, employees and/or directors of Exprivia and/or other Group companies.

(2) The bonuses and other incentives include the sums paid on the basis of an agreement which lays down the additional premium on the 2008 results of Svimservice as laid down in the collaboration contract signed with Giancarlo Di Paola along with the acquisition agreement for Svimservice, following the termination of the collaboration contract between Mr. Di Paola and the companies controlled by Exprivia SpA.

On 20th December 2006 and 28th February and 9th April 2008, in accordance with the regulations of the Stock Option plan for 2006-2011 and following consultancy with the Remuneration Committee, the Board of Directors allocated the following stock options to the directors in office in 2009:

DOMENICO FAVUZZI – CHAIRMAN

- ✓ on 20/12/2006: 200,000 options for the subscription of 1 new share each, to be exercised by 30th June 2010 at the price of € 0.8918 each;
- ✓ on 28/02/2008: 200,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.6582 each;
- ✓ on 9/04/2008: 200,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.577 each;
- ✓ all the options allocated have matured.

DANTE ALTOMARE – VICE-CHAIRMAN

- ✓ on 20/12/2006: 40,000 options for the subscription of 1 new share each, to be exercised by 30th June 2010 at the price of € 0.8918 each;
- ✓ on 28/02/2008: 35,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.6582 each;
- ✓ on 9/04/2008: 40,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.577 each;
- ✓ all the options allocated have matured.

FILIPPO GIANNELLI – EXECUTIVE DIRECTOR

- ✓ on 20/12/2006: 50,000 options for the subscription of 1 new share each, to be exercised by 30th June 2010 at the price of € 0.8918 each;
- ✓ on 28/02/2008: 50,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.6582 each;
- ✓ on 9/04/2008: 50,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.577 each;
- ✓ all the options allocated have matured.

ROSA DALOISO – NON-EXECUTIVE DIRECTOR

- ✓ on 20/12/2006: 6,000 options for the subscription of 1 new share each, to be exercised by 30th June 2010 at the price of € 0.8918 each;
- ✓ on 28/02/2008: 6,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.6582 each;
- ✓ on 9/04/2008: 6,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.577 each;
- ✓ all the options allocated have matured.

Remuneration of the senior managers

During the financial year ended on 31st December 2009, the senior managers of the company received payments totalling € 1,050,108.

The table below sets out the gross remuneration (with any bonuses and contributions and company cars indicated separately, but not including the severance fund contributions) paid to the senior managers of the Issuer or its Group companies in 2008.

Name	Position	Payments received from the Issuer and/or Group companies	
		<i>Fixed gross salary</i>	<i>Bonuses and other incentives received, on the basis of the 2009 cash criterion</i>
Giannelli Filippo	Exprivia Commercial Manager Executive director until 18 th June 2009	€ 88,007	€ 46,384
Agosti Ubaldo	Exprivia Production Manager	€ 65,000	€ 18,645
Baldini Stefano	Managing Director of Wel.Network	€ 200,000	€ 22,500
De Michele Francesco	Director of Svimservice	€ 156,000	€ 74,332
Ferrara Stefano (*)	Manager of the Health and Local Bodies Business Unit	€ 110,000	€ 45,500
Dalbis Donato	Central Services Manager	€ 45,505	€ 13,650
Greco Francesco	Human Resource Manager	€ 70,000	€ 11,925
Sgobba Pietro	Head of Administration and Finance	€ 73,679	€ 8,982

(*) – For Stefano Ferrara, the fixed gross salary includes that paid as a manager of Exprivia SpA and director of Svimservice.

In accordance with the Stock Option Plan regulations for 2006-2011, and following consultancy with the Remuneration Committee, the board of directors allocated the following stock options to its senior managers in office:

UBALDO AGOSTI – PRODUCTION MANAGER

- ✓ on 20/12/2006: 50,000 options for the subscription of 1 new share each, to be exercised by 30th June 2010 at the price of € 0.8918 each;
- ✓ on 28/02/2008: 48,400 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.6582 each;
- ✓ on 9/04/2008: 50,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.577 each;
- ✓ all the options allocated have matured.

STEFANO FERRARA – SALES MANAGER FOR THE HEALTH AND LOCAL BODIES AREA

- ✓ on 28/02/2008: 25,500 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.6582 each;
- ✓ on 9/04/2008: 25,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.577 each;
- ✓ all the options allocated have matured.

DONATO DALBIS – CENTRAL SERVICES MANAGER

- ✓ on 20/12/2006: 20,000 options for the subscription of 1 new share each, to be exercised by 30th June 2010 at the price of € 0.8918 each;
- ✓ on 28/02/2008: 20,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.6582 each;
- ✓ on 9/04/2008: 20,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.577 each;
- ✓ all the options allocated have matured.

FRANCESCO GRECO - DIRETTORE RISORSE UMANE

- ✓ on 28/02/2008: 15,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.6582 each;
- ✓ on 9/04/2008: 10,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.577 each;
- ✓ all the options allocated have matured.

PIETRO SGOBBA – HEAD OF ADMINISTRATION AND FINANCE

- ✓ on 20/12/2006: 20,000 options for the subscription of 1 new share each, to be exercised by 30th June 2010 at the price of € 0.8918 each;
- ✓ on 28/02/2008: 20,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.6582 each;
- ✓ on 9/04/2008: 20,000 options for the subscription of 1 new share each, to be exercised by 30th June 2011 at the price of € 1.577 each;
- ✓ all the options allocated have matured.

11. INTERNAL CONTROL COMMITTEE

With a view to ensuring the correct operation of the internal control system, the Board of Directors is assisted by an Internal Control Committee, which plays an advisory and consultancy role, and whose members are non-executive directors, most of them independent. The Chairman of the Board of Auditors or another Auditor designate by this latter takes part in the work of the Internal Control Committee.

Where necessary due to the matters to be discussed, the Internal Control Committee and Board of Auditors meet jointly.

As well as assisting the Board of Directors in its checks on the internal control system, the Internal Control Committee also:

- a) carries out checks with the manager in charge of the drafting of the company accounting documents and the auditors on the correct use of the accounting standards and their uniformity, with a view to drafting the consolidated financial statement;
- b) at the request of the board of directors, expresses its opinions on specific aspects of the identification of the main company risks and the design, creation and management of the internal control system;
- c) examines the internal auditing plan drawn up by the internal control manager and the periodic reports drawn up by this latter;
- d) assesses the offers from the outside auditing companies for the issue of the mandate, and the operating plan drawn up for the auditing procedures and the results entered in the report and letter of suggestions, if any;
- e) monitors the effectiveness of the auditing of accounts process;
- f) assesses and validates the internal company procedures, and checks to ensue the correct application and prompt updating of the rules of Corporate Governance;
- g) reports to the board at least once every six months on the activities carried out and the effectiveness of the internal control system, during the meetings for the approval of the financial statement and half-yearly report.

The Internal Control Committee appointed by the Board of Directors on 31st March 2008 consisted of the following members:

- ✓ Pierfilippo Roggero (Lead Independent Director), Chairman,
- ✓ Alessandro Laterza (Independent Director),
- ✓ Rosa Daloiso (Non-executive Director).

Following the appointment of the director Giorgio De Porcellinis on 25th June 2009, the Internal Control Committee currently consists of:

- ✓ Pierfilippo Roggero (Lead Independent Director), Chairman,
- ✓ Alessandro Laterza (Independent Director),
- ✓ Giorgio De Porcellinis (Non-executive Director).

In 2009, the Internal Control Committee met 3 times, in the presence of all its members, with the exception of one absence by Mr. Laterza, also attending were the Chairman of the board of Auditors and the Head of Company Affairs.

The full Board of Auditors also attended one of the meetings.

Other parties attended the meetings of the internal control committee, upon invitation, to report to it on the single items on the agenda.

The committee has no specific financial resources at its disposal, but it may gain access to information and to the company departments necessary to enable it to carry out its tasks, and may also make use of outside consultants.

12. INTERNAL CONTROL SYSTEM

The internal control system is the series of rules, procedures and organisational structures for the identification, assessment, management and monitoring of the main risks, to ensure that the company is run in an efficient, correct manner, in line with its business objectives.

An effective internal control system helps safeguard the company assets and ensures that the company operations are carried out efficiently and correctly, that the financial information is reliable and that the laws and regulations are complied with.

The Board of Directors is responsible for the internal control system. It lays down the guidelines and checks the correct and effective running of the system from time to time, to ensure that the main company risks are identified and managed in a suitable manner.

The board of directors ensures that its assessments and decisions regarding the internal control system, approval of the financial statements, half-yearly reports and the relationships between the issuer and auditor are backed up by a suitable information gathering process.

For that purpose, the Board of Directors is assisted by the Internal Control Committee, made up of non-executive directors, most of them independent.

In accordance with the code of self-discipline and on the proposal of the Internal Control Committee, the Board of Directors has also:

- a) given the managing and executive director, Domenico Favuzzi, the task of monitoring the overall running of the internal control system;
- b) given the task of internal auditor for the internal control system to the head of the Quality and Organisation Department, Rosa Daloiso;
- c) given the task of drafting the company accounting documents to the Head of Administration and Finance, Pietro Sgobba.

These roles were attributed for the first time on 27th March 2006 by the previous Board of Directors and confirmed on 9th April 2008 by the existing board, on the proposal of the Internal Control Committee.

The company has laid down the roles and responsibilities of the various people involved in the training and control processes relating to the Group financial information and the operating and management methods for the administrative and accounting control system. In 2009, the company reviewed and updated the main administrative procedures in the light of the company and organisational changes which took place during that year, which will continue throughout 2010, and the recent legislative provisions in this area. The review will take into account the scheduled organisational and process modifications and the reinforcement of the information systems.

ORGANISATIONAL MODEL pursuant to legislative decree 231/2001

As of 31/03/2008, Exprivia adopted and Organisational, Management and Control Model pursuant to legislative decree 231/2001 and set up a control body for the entire group. Its members, who do not belong to any of the board of directors of group companies, are Angelantonio De Palma, the Chairman, Giulio Guarino and Mariacecilia Guglielmi.

This model is integrated with the principles and provisions of the Code of Ethics of Exprivia. This confirms the uniformity of the governance system for the Exprivia processes and policies,

which centre around the development of a company ethical culture fully in line with the code of conduct which applies throughout Exprivia.

The control body acts in accordance with the tasks assigned to it by the model and its own internal regulations and charter, with a view to ensuring the correct operation of the model and updating it as necessary.

On 6th August 2009, the Board of Directors approved the proposal for a change to the Organisational, Management and Control Model, which the control body drew up and approved during its meeting of 24th July 2009. As a result, the organisational model was updated and brought into line with the new legislative provisions as follows:

1- The "General Part" was updated to: (i) include references to the offences described in article 24 *bis* of the decree, (ii) incorporate the new annexe D, containing special provisions on cyber crimes, to form an integral part of the model, and (iii) include the amendments deriving from the publication of the new organisational structure of the Exprivia Group (organisational provision no. 2 of 24th May, which came into operation on 1st June 2009).

2- Changes were made to "Special Part A – Offences against the Public Administration", to: (i) include the offences specified in article 640 *ter* of the criminal code, "Computer Fraud" and articles 319 and 319 *ter* of the criminal code, "Corruption by Actions Contrary to Official Duty" and "Corruption in Judicial Deeds", (ii) incorporate the changes resulting from the new organisational structure of the Exprivia Group, (iii) review the procedure for taking part in tender competitions and the organisation of research and development projects, on the basis of the feedback received from the departments involved.

3- Changes were made to "Special Part B – Company Offences", to: (i) include the offences specified in article 2629 *bis*, "Failure to Report Conflicts of Interests", (ii) incorporate the changes resulting from the new organisational structure of the Exprivia Group, (iii) review a number of control processes on the basis of the feedback received from the departments involved.

4- Updates were made to "Special Part C – Culpable Homicide or Grave of Extremely Grave Injuries Inflicted in Violation of the Accident Prevention and Health and Safety in the Workplace Regulations", following the publication of legislative decree 81/08.

5- The first version of "Special Part D - Cyber Crimes" was included. This contains all the new provisions for the prevention of computer crimes introduced by legislative decree 231/01.

The body met 5 times in 2009, and two auditing sessions took place.

The highest levels of company management and the directors of the controlled companies took part in the training programme, with sessions dedicated to (i) The Regulations in Context, (ii) Code of Ethics and Control Body, (iii) Organisational Model – General and Special Parts, and (iv) Prevention of Computer Crimes.

Pursuant to article I.A. 2.13.2 of the instructions regulating the markets organised and managed by Borsa Italiana S.p.A., on 15th June 2009 the control body sent the board of Exprivia S.p.A. its certification of the suitability of the organisational, management and control model and of its correct implementation at the time of assessment.

The Organisational, Management and Control Model can be found in the "Investors – Company Information" section of the Issuer's website.

INDEPENDENT AUDITOR

On 29th June 2005, the Shareholders' Meeting of Exprivia S.p.A allocated the mandate to audit the company accounts for the 2005-07 period to PKF Italia S.p.A., pursuant to the terms of article 159 of legislative decree 58 of 24th February 1998.

On 27th April 2007, the Shareholders' Meeting of Exprivia extended the mandate to the independent auditor to the end of the 2013 financial year, under the terms of article 8 of legislative decree 303 of 29th December 2006.

The same mandate was issued to PKF Italia S.p.A. by the other companies forming part of the Exprivia Group.

13. DIRECTORS' INTERESTS AND OPERATIONS WITH AFFILIATED PARTIES

In accordance with the legislative and regulatory provisions which apply, on 26th March 2007 the Board of Directors adopted a procedure for carrying out intergroup operations and operations with other affiliated parties, to ensure that when a director has interests, either directly or on behalf of third parties, in such operations they are carried out transparently and in a substantially correct and appropriate manner.

The definition of affiliated party currently applicable, as specified in article 2 h) of the Consob regulations adopted by means of resolution no. 11971 of 14th May 1999 and subsequent amendments and additions (the "Regulations on Issuers"), refers to the international accounting standards and, more specifically, to IAS 24, which is adopted pursuant to the procedure described in article 6 of EC regulation 1606/2002.

Following the renewal of the Board of Directors on 31st March 2008, the affiliated parties of the Exprivia Group now include the following:

- o Aplomb S.r.l., lessor of the property in Bari currently occupied by Svimservice, whose shareholder and sole director is Giancarlo Di Paola, a member of the board of directors of the company;

Network Services Srl, which was a controlled company in 2008, was merged by incorporation into Exprivia Solutions SpA in 2009.

The operations with affiliated parties carried out by the Issuer form part of the normal company management processes and are subject to standard market conditions.

The procedure for carrying out intergroup operations and operations with other affiliated parties can be found in the *"Investors – Company Information"* section of the Issuer's website.

14. APPOINTMENT OF AUDITORS

The Board of Auditors consists of three acting auditors and two replacements, who are appointed by the Shareholders' Meeting and eligible for re-election. Their powers, duties and period in office are as laid down in law.

The auditors remain in office for three financial years and their mandate expires on the date of approval of the financial statement for the final year of their period in office.

Any persons who are in the situations of incompatibility specified in law or who fail to satisfy the personal and professional integrity requirements may not be appointed to the position of auditor, or if they have been so appointed, will be removed from office. The same applies to persons who exceed the limit of positions that may be held, as laid down in the relevant legislation and the regulations for its application.

On 29th June 2007, an amendment was made to article 23 of the articles of association on the appointment of the board of auditors, which takes place on the basis of lists presented by the

shareholders as described below, with a view to ensuring that the minority shareholders are able to elect an acting and a replacement auditor.

The lists presented are divided into one section for the acting auditors and another for the replacements. The list contains the names and reference numbers for one or more candidates.

The lists may only be presented by shareholders who, whether alone or together with others, hold shares representing at least 2.5% of the company capital with the right to vote at the Shareholders' Meeting, or any lower percentage that might be laid down as compulsory in the legislation or regulations in force.

Each shareholder, those who are parties to a significant shareholder agreement pursuant to article 122 of legislative decree 58/1998, the parent company, controlled companies and those subject to common control pursuant to article 93 of legislative decree 58/1998, may present no more than one list or vote for other lists, either directly or through intermediaries or trust companies. Each candidate may appear in one list only, upon pain of disqualification.

The lists presented by the shareholders, which will be signed by these latter, have to be lodged at the registered office of the company at least 15 days prior to the date set for the Shareholders' Meeting, and are subject to the other forms of publication laid down in the regulations in force at the time.

If only one list has been presented within the 15 day deadline, or only lists presented by shareholders with joint interests under the terms of the legislative and regulatory provisions in force, additional lists may be presented up to the tenth day prior to the date set for the Shareholders' Meeting. In such a case, the shareholders in possession, either alone or together with others, of shares representing one half of the minimum capital specified above (1.25%) may present the additional lists.

The following have to be lodged along with each list: (i) the identity information on the shareholders presenting the list and the percentage of their shareholdings, (ii) certification issued by a legally authorised intermediary confirming ownership of the number of shares necessary to present the lists, (iii) declarations by means of which each candidate accepts his or her candidacy and swears that he or she is not ineligible for or incompatible with the office for any reason, and is in possession of the requirements laid down in the regulations in force to take up the positions, and (iv) the CVs of each candidate, containing detailed information on their personal and professional profiles and indicating the administration and control positions held in other companies.

The lists presented by shareholders other than those with a controlling or majority shareholding have to be accompanied by a statement to the effect that they are unconnected to the controlling or majority shareholders in accordance with the relevant regulations in force.

The first two candidates in the list obtaining the greatest number of votes and the first candidate in the list which obtained the second greatest number of votes, who has no direct or indirect connections with the shareholders presenting or voting for the list which obtained the greatest number of votes, are elected to the position of acting auditor.

The first candidate in the list obtaining the greatest number of votes and the first candidate in the list which obtained the second greatest number of votes are elected to the position of replacement auditor.

The first candidate in the list which obtained the second greatest number of votes will be the chairman of the board of auditors.

If only one list is presented, the board of auditors is chaired by the candidate for the post of acting auditor who was first on that list.

If no list is presented, the Shareholders' Meeting decides on the basis of the legal majority, without following the above procedure.

If the auditors elected fail to meet the necessary requirements, they are removed from office.

When an auditor has to be replaced, the replacement from the same list as that auditor takes over from him or her. The auditor elected by the minority shareholders will continue to chair the board of auditors.

When the Shareholders' Meeting has to elect acting and/or replacement auditors to make up the number of members of the board of auditors, the replacement procedure described in detail in article 23 of the articles of association applies.

The auditors act on an autonomous and independent basis, which also extends to the shareholders who elected them.

The company's articles of association can be found in the *"Investors – Company Information"* section of the Issuer's website.

15. AUDITORS

The board of auditors currently in office, which was elected by the shareholders' meeting of Exprivia of 31st March 2008 and whose mandate expires with the closure of the 2010 financial year, consists of the following:

Member	Position	Place and date of birth
Renato Beltrami	Chairman	Storo (TN) 07/12/1942
Gaetano Samarelli	Acting auditor	Molfetta (BA) 07/12/1945
Ignazio Pellecchia	Acting auditor	Bari 28/06/1968
Leonardo Giovanni Ciccolella	Replacement auditor	Bari 24/06/1964
Mauro Ferrante	Replacement auditor	Bisceglie (BA) 01/11/1964

All the members of the board of auditors were elected from the list presented and voted by the majority.

The auditors in office satisfy the requirements of independence laid down in law. The board of directors confirmed that those requirements were met during its meeting of 11th March 2010, in which it examined the corporate governance of the company.

The table below sets out the main positions held over the last 5 years by the members of the board of auditors on the boards of directors, management or control of other companies, as well as their shareholdings in other non-quoted companies during the same period.

Name	Company	Position	Current status
Renato Beltrami	Clinichall S.r.l.	Chairman of the board of auditors	Ongoing
	Svimservice	Chairman of the board of auditors	Ongoing
	Wel.Network	Chairman of the board of auditors	Ongoing
	GST S.r.l.	Chairman of the board of auditors	Ongoing
	Compagnia di Sviluppo S.r.l.	Chairman of the board of auditors	Ongoing
	Arici Fratelli S.r.l.	Chairman of the board of auditors	Ongoing
	Golf Immobiliare S.p.A.	Chairman of the board of auditors	Ongoing
	Mediocredito Trentino Alto Adige S.p.A.	Acting auditor	Ongoing
	A.C.S. S.p.A.	Acting auditor	Ongoing
	Salumificio Aliprandi S.p.A.	Acting auditor	Ongoing
	Pervoice S.r.l.	Acting auditor	Ongoing
	Valle Bianca S.p.A.	Acting auditor	Ongoing
	E.B.S. S.r.l.	Acting auditor	Ongoing
	Garioni Naval S.p.A.	Acting auditor	Ongoing
	Venzia Holding S.p.A.	Chairman of the board of auditors	Resigned
	OMP Piccinelli S.r.l.	Chairman of the board of auditors	Resigned
	Ille Prefabbricati S.p.A.	Chairman of the board of auditors	Resigned
	Comap Italia S.r.l.	Acting auditor	Resigned
	Comap Industria S.p.A.	Acting auditor	Resigned
	Nova Comet S.r.l.	Acting auditor	Resigned
	Exprivia Solutions S.p.A.	Chairman of the board of auditors	Resigned
	Euroboiler S.r.l.	Acting auditor	Resigned
	Dosso Alto S.p.A.	Acting auditor	Resigned
Cassa Rurale di Darzo e Lodrone (TN)	Chairman of the board of directors	Resigned	
Entratech S.r.l.	Director	Resigned	
Gaetano Samarelli	Viaggi & Turismo Marozzi S.r.l.	Chairman of the board of auditors	Ongoing
	Exprivia Solutions S.p.A.	Acting auditor	Ongoing
	Oleificio Cooperativo Goccia di Sole	Chairman of the board of auditors	Ongoing
	BIOGENE - Consorzio per lo studio e l'applicazione della Bioinformatica	Acting auditor	Ongoing
	Svimservice S.p.A.	Acting auditor	Ongoing
	Fondazione Musicale "Vincenzo Maria Valente"	Acting auditor	Ongoing
	Spegea S.C. a r.l	Chairman of the board of auditors	Ongoing
	Azienda Servizi Municipalizzati - settore raccolta e smaltimento rifiuti – Molfetta	Chairman of the board of auditors	Resigned
	Fonderie e Smalterie "Palbertig" S.p.A.	Chairman of the board of auditors	Resigned
	Metra Puglia S.r.l.	Acting auditor	Resigned
	Aemmeci S.r.l.	Acting auditor	Resigned
	Filmer S.r.l.	Acting auditor	Resigned
Ignazio Pellecchia	ASV Autolinee e Autoservizi S.p.A.	Acting auditor	Ongoing
	Spegea S.C. a r.l	Acting auditor	Ongoing
	Innovazione Sanitaria SpA	Controller of accounts (article 2409 bis c.c.)	Ongoing
	Santa Maria SpA	Controller of accounts (article 2409 bis c.c.)	Ongoing
	Consorzio Campus Virtuale	Acting auditor	Resigned
Coalpa S.p.A.	Acting auditor	Resigned	

Name	Company	Position	Current status
Leonardo Giovanni Ciccolella	Svimservice	Acting auditor	Resigned
	Teleco Sud S.p.A.	Acting auditor	Resigned
	Abaco Innovazione S.p.A.	Chairman of the board of auditors	Ongoing
	Exprivia Projects S.p.A.	Acting auditor	Ongoing
	Promove S.r.l.	Chairman of the board of auditors	Ongoing
	Cattolica Immobiliare srl	Acting auditor	Ongoing
	Dalet srl	Acting auditor	Ongoing
	Exprivia S.p.A.	Acting auditor	Resigned
Mauro Ferrante	Abaco Innovazione S.p.A.	Acting auditor	Ongoing
	Exprivia Projects S.p.A.	Chairman of the board of auditors	Ongoing
	Exprivia Solutions S.p.A.	Acting auditor	Ongoing
	Promove S.r.l.	Chairman of the board of auditors	Resigned
	Promove Costruzioni Meccaniche S.r.l.	Sole director	Ongoing

None of the members of the board of auditors named above:

- is related to the other members of the board of directors, board of auditors or senior managers,
- has been a member of the boards of directors, management or control or a shareholder of any companies other than those already mentioned in the previous five years,
- has any convictions for fraud,
- has been involved in bankruptcy, controlled administration or liquidation procedures regarding the companies in which they held the positions mentioned,
- has been subject to official charges and/or sanctions applied by public or regulatory authorities.

In 2009, no situations arose in relation to which the members of the board of auditors had to declare direct or indirect interests in a specific operation carried out by the company.

The attendance at meetings by the members of the board of auditors in 2009 was as follows:

Position	Member	In office		Audits		Board of directors		Internal control committee		Remuneration committee	
		from	to	number of occasions	% of attendance	number of occasions	% of attendance	number of occasions	% of attendance	number of occasions	% of attendance
Chairman	Renato Beltrami	1 st Jan	in office	6	100 %	12	100 %	3	100 %	2	100 %
Acting auditor	Gaetano Samarelli	1 st Jan	in office	6	100 %	12	100 %	-	-	-	-
Acting auditor	Ignazio Pellecchia	1 st Jan	in office	6	100 %	12	100 %	-	-	-	-
Replacement auditor	Leonardo Ciccolella	1 st Jan	in office	-	-	-	-	-	-	-	-
Replacement auditor	Mauro Ferrante	1 st Jan	in office	-	-	-	-	-	-	-	-

In carrying out its activities, the Board of Auditors worked closely at all times with the Internal Audit Department and the Internal Control Committee.

The members of the issuer's board of auditors hold similar positions in the controlled or partly owned companies belonging to the Exprivia Group, as follows:

Company / Member	Exprivia Solutions SpA	Exprivia Projects SpA	Svimservice SpA	Wel.Network SpA	Spegea S.c. arl	G.S.T. Srl	PerVoice SpA
Renato Beltrami			Chairman of the board	Chairman of the board		Chairman of the board	Acting auditor
Gaetano Samarelli	Acting auditor		Acting auditor		Chairman of the board		
Leonardo Ciccolella	Replacement auditor	Acting auditor	Replacement auditor	Replacement auditor	Replacement auditor		
Ignazio Pellecchia					Acting auditor		
Mauro Ferrante	Acting auditor	Chairman of the board	Replacement auditor	Replacement auditor			

The fees payable to the board of auditors are determined by the shareholders' meeting on the basis of the relevant professional tariffs.

The total fees paid in 2009 to the auditors of the group leader for the work carried out by them, including the operations carried out for the other group companies, are set out below.

RENATO BELTRAMI – CHAIRMAN

€ 75,314.62, including fees for the positions indicated in the previous table – no non-monetary benefits, bonuses or other incentives.

GAETANO SAMARELLI – ACTING AUDITOR

€ 49,403.00 including fees for the positions indicated in the previous table – no non-monetary benefits, bonuses or other incentives.

IGNAZIO PELLECCIA – ACTING AUDITOR

€ 36,481.49 including fees for the positions indicated in the previous table – no non-monetary benefits, bonuses or other incentives.

LEONARDO GIOVANNI CICCOLELLA – REPLACEMENT AUDITOR

€ 3,534.27 including fees for the positions indicated in the previous table – no non-monetary benefits, bonuses or other incentives.

MAURO FERRANTE – REPLACEMENT AUDITOR

€ 8,610.14 for the positions indicated in the previous table – no non-monetary benefits, bonuses or other incentives.

16. RELATIONS WITH SHAREHOLDERS

The company has set up a specific Investors section in its website, which is freely accessible for consultation and contains information on the issuer of interest to its shareholders, to enable them to exercise their rights in an informed manner.

In accordance with the procedure on the provision of documents and information on the company, Exprivia has created a specific department (Communications and Investor Relations) whose task is to guarantee a transparent, ongoing, complete dialogue with the shareholders, with particular reference to institutional investors.

This department, which reports directly to the managing director, backs up the company in its communications to the financial community (institutional and retail investors and financial analysts) on the strategies and the most important company decisions, to enable this to carry out a complete, precise assessment of the company in a prompt and transparent manner.

The above activity is backed up by a specific Investor Relator database containing the list of individuals and organisations who wish to receive company information by email (press releases, financial statements, initiatives, etc) and an Investor Relations section in the website which provides all the significant financial information on the company.

An email box has also been placed at the disposal of the financial community (IR@exprivia.it), for the forwarding of requests for clarification or information.

The dialogue procedure does not include information on significant facts before the market is notified of these.

17. SHAREHOLDERS' MEETINGS

In accordance with the law and the articles of association, the holders of shares with voting rights may take part in the shareholders' meetings if they have been informed of these as laid down in the regulations in force at least two business days prior to the date when they are to be convened.

The shareholders' meetings take place at the registered office of the company or in any other location in Italy that might be specified by the board of directors in the notification of the meeting.

The ordinary shareholders' meeting is convened at least once a year, within 120 days of the closure of the company financial year, or within 180 days if the company is obliged to draw up a consolidated financial statement or when specific requirements relating to the structure and nature of business of the company make this necessary.

The ordinary and extraordinary shareholders' meeting is convened each time the board of directors deems this necessary and in the cases laid down in law.

The meeting may also be convened by means of written notification to the chairman of the board by the board of auditors, or by two acting auditors.

The meeting is convened by means of a notice specifying the date, time and place of the session and the items on the agenda. This is published in the Official Journal of the Republic of Italy or in at least one of the following daily newspapers: *Finanza e Mercati*, *Il Sole 24 ore*, *La Repubblica* or *MF*, at least 15 days prior to the date set for the meeting, unless other deadlines are laid down by the special laws on companies with shares quoted on the regulated markets.

The company encourages the shareholders to take part in the meetings and, for this purpose, provides them with all the information and clarification they require to enable them to take part in an informed manner.

Specific regulations have been drawn up, as an expression of the self-determining powers of the shareholders, with a view to ensuring that the ordinary and extraordinary shareholders' meetings take place in an ordered manner and that each shareholder has the right to speak on the items on the agenda.

The regulations on shareholders' meetings lay down the procedures for the identification and admission of the participants and their representatives, specify the times and methods for contributions on the single items on the agenda and govern the voting processes and the announcement of the results.

The regulations on shareholders' meetings are placed at the disposal of the public at the registered office of the company and in the location where the meetings are to take place. The regulations on shareholders' meetings can also be found in the "Investors – Company Information" section of the Issuer's website.

In 2009, 1 shareholders' meeting took place:

- ✓ The ordinary shareholders' meeting took place on 20th April at the registered office of the company, for the:
 - Presentation and approval of the financial statement of Exprivia SpA for the year ended 31st December 2008, presentation of the management report by the Board of Directors, the Corporate Governance Report, reports by the Board of Auditors and Independent Auditor, and the resolutions on the above.
 - Presentation of the Consolidated Group Financial Statement for the year ended 31st December 2008, the management report by the Board of Directors and the reports by the Board of Auditors and Independent Auditor.

18. CHANGES FOLLOWING THE CLOSURE OF THE FINANCIAL YEAR

No changes to the Corporate Governance structure described in this report have taken place since the closure of the 2009 financial year.

Provisions of the Code of Self-discipline

	YES	NO	Summary of the reasons for any departure from the recommendations in the code
System of delegation and operations with affiliated parties			
The board of directors has distributed delegations of powers and laid down the:			
a) limits	X		
b) methods of exercise	X		
c) reporting intervals	X		
Does the board of directors reserve the right to examine and approve the operations of particular significance in economic, capital and financial terms (including operations with affiliated parties)?	X		
Has the board of directors laid down guidelines and criteria for the identification of 'significant' operations?	X		
Are these guidelines and criteria described in the report?	X		
Has the board of directors laid down specific procedures for the examination and approval of operations with affiliated parties?	X		
Are the procedures for the approval of operations with affiliated parties described in the report?	X		
Procedures for the most recent appointment of directors and auditors			
Were the candidacies for the position of director lodged at least 10 days in advance?	X		
Were the candidacies for the position of director accompanied by full information?	X		
Were the candidacies for the position of director accompanied by information on the suitability of the candidates to be classified as independent?	X		
Were the candidacies for the position of auditor lodged at least 10 days in advance?	X		
Were the candidacies for the position of auditor accompanied by full information?	X		
Shareholders' meetings			
Has the company approved a set of regulations on shareholders' meetings?	X		
Are the regulations attached to the report (or does this specify where they may be obtained or downloaded)?	X		
Internal control			
Has the company appointed an internal control officer?	X		
Are the officers independent of the heads of operating areas?	X		
Unit responsible for internal control matters	Quality and Organisation		
Investor Relations			
Has the company appointed a head of Investor Relations?	X		
Department and contact information for the head of Investor Relations	Head of Investor Relations Via Carlo Esterle 9, 20132 Milan Tel. +39 02280141 – Fax +39 022610853 email: alessia.vanzini@exprivia.it		

Molfetta, 11th March 2010

Domenico Favuzzi

Chairman and Managing Director