

Report on Corporate Governance and ownership structure

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

referring to the year ended December 31, 2012

MARCH 28, 2013

**Buzzi Unicem SpA**

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

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

Chamber of Commerce of Alessandria: 00930290044

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

## **REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE**

### **Introduction**

This report contains the information on the corporate governance and ownership structure of Buzzi Unicem SpA (hereinafter referred to as Buzzi Unicem) pursuant to article 123 bis of Legislative Decree 24 February 1988 no. 58 as amended (hereinafter referred to as T.U.F.), also in compliance with the Code of Conduct in the version adopted by Borsa Italiana S.p.A. in December 2011 (hereinafter referred to as “Code of Conduct” or simply “Code”) to which Buzzi Unicem adheres under the terms reported in this report.

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

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

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

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

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

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

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

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

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

No financial instruments exist that confer the right to subscribe newly issued shares.

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

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

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

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

In the event of increases in the share capital, holders of shares in each category shall be entitled to a proportional right of pre-emption on the newly issued shares in the same category or on newly issued shares in other categories, if shares of the same category are not available or their number is insufficient.

The capital can be increased within the limit of 10% of the existing share capital also in case of cash payment and with the exclusion of the pre-emption right, on condition that the issuing price corresponds to the market value of the shares and this is confirmed by the auditing firm in a special report <sup>1</sup>.

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

---

<sup>1</sup> We specify that, pursuant to the new text of art. 2441, 4<sup>th</sup> paragraph, of the Civil Code, following the amendments introduced by Legislative Decree no 184/2012, the board of directors, in the meeting held on the date of this report, resolved to ask the Extraordinary Shareholders' Meeting to amend art. 7 so as to provide for the possibility that the opinion required by this provision be given by a legal auditor or by a legal auditing firm and consequently also by a subject other than the one entrusted with the company's auditing.

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

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

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

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

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

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

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

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

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

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

- a) to the savings shares up to their par value;
- b) to the ordinary shares up to their par value;
- c) the remainder, if any, shall be equally shared between the two categories of shares.

By the savings shares allocation resolved by the board of directors of March 30, 2012, based on the attainment of the objectives set for 2011, the grant scheme for the years 2009-2011, approved by the General Shareholders' Meeting of April 28, 2009, has come

to an end. For additional information on such grant scheme, reference is made to the related documents available on the Company's website [www.buzziunicem.it](http://www.buzziunicem.it), Investor Relations section, Info for shareholders, among the reports submitted to the above Shareholders' Meeting of April 28, 2009 and the subsequent information documents on the annual implementation of the plan, available on the company website, [www.buzziunicem.it](http://www.buzziunicem.it), Investors Relations section, info for shareholders.

**b) Restrictions on share transfer (article 123 bis, paragraph 1, letter b), T.U.F.)**

There are no restrictions on share transfer or acceptance clauses.

**c) Significant shareholdings (article 123 bis, paragraph 1, letter c, T.U.F.)**

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

	<b>no of ordinary shares</b>	<b>% of ordinary stock</b>
<b>Fimedi Group</b>		
PRESA SpA	79,200,000	47.899
FIMEDI SpA	17,750,000	10.735
	<b>96,950,000</b>	<b>58.634</b>
BUZZI UNICEM SpA *	500,000	0.302

*\*with voting rights suspended, being treasury shares*

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

**d) Shares granting special rights of control (article 123 bis, paragraph 1, letter d., T.U.F.)**

No shares granting special rights of control have been issued.

**e) Employees' shareholding: system of voting rights exercise (article 123 bis, paragraph 1, letter f), T.U.F.)**

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

***f) Restrictions on voting right (article 123 bis, paragraph 1, letter f), T.U.F.)***

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

***g) Shareholders' agreements (article 123 bis, paragraph 1, letter g,) T.U.F.)***

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

***h) Clauses of change of control (article 123 bis, paragraph 1, letter h,) T.U.F.)***

Buzzi Unicem and the group's subsidiaries are not part of significant agreements which become effective, are modified or terminate in the event of direct and/or indirect change in the control of the company, apart from what follows.

The Senior Unsecured Notes (USPP) issued on the US private placement market by the subsidiary RC Lonestar Inc., presently outstanding for an overall amount of 451 million euro and guaranteed by Buzzi Unicem, contain clauses that, as it is customary in financial transactions of this kind, mandate call option within 90 days from the acquisition disclosure, if more than 50% of the voting rights of Buzzi Unicem are acquired by parties other than the current controlling shareholder.

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

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

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

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

***i) Agreements between the company and the directors (article 123 bis, paragraph 1, letter i), T.U.F.)***

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

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

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

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

***l) Appointment and replacement of the directors and bylaws amendments (article 123 bis, paragraph 1, letter l), T.U.F.)***

By the amendments to the bylaws adopted in 2007 to comply with the provisions of Law no 262 of December 28, 2005 (Savings Law) slate voting for the appointment of directors was introduced in art. 13 of the bylaws.

Specifically art. 13 of the bylaws, as lastly amended by resolution of the Board of Directors of November 11, 2010 to make it consistent with the new deadline for filing slates as provided by Legislative Decree 27 January 2010 no 27, in short provides the following rules for the appointment of the board of directors:

- the possibility to submit lists by shareholders with voting rights representing at least 2.5% of the voting stock in the ordinary general meeting or a different percentage fixed by Consob's regulation; Consob set this threshold at 1.5% for the year 2008 and at 2% for the subsequent years until 2012 and at 1% for the year 2013 of the voting stock.
- the obligation to deposit the lists within the 25th day prior to the date fixed for the shareholders' meeting in first call and to include in the lists at least two directors that qualifies as independent directors according to the article 147 ter of T.U.F. and to complete the lists with the candidates' curricula;
- a voting system which provides that all directors be elected from the list which got the majority of the votes except one who will be reserved to the list that obtained the second greatest number of votes, being understood that the lists which did not achieve a percentage of votes equivalent at least to half the percentage required to submit the list shall be disregarded;
- a voting system that provides that in the event not even one independent director ex art. 147 ter of T.U.F. is elected from the list which got the majority of votes, instead of the last one elected in the list, the first independent director ex art. 147 ter of T.U.F. included in the list shall be considered as elected. In case the shareholders' meeting has fixed the board members to be elected in a number higher than seven and both the independent directors ex art. 147 ter of T.U.F. are not elected from the majority list, then the first independent director ex art. 147 ter of T.U.F included in the minority list shall be elected;
- in case only one list should be submitted, the shareholders' meeting shall resolve by the simple majority of votes and should this list obtain the majority of the votes, the candidates shall be elected as directors in progressive order up to the number fixed by the shareholders' meeting;
- should it not be possible in whole or in part to appoint the directors according to the above rules, or in case of directors appointed as a consequence of the earlier termination from office of directors or as a consequence of the resolution to increase their number, the shareholders' meeting resolves by the simple majority of votes.

The board of directors, in the meeting held today, provided to convene the extraordinary shareholders' meeting in order to introduce in the bylaws mechanisms aimed at guaranteeing that the distribution of directors to be elected be effected



according to criteria that ensure the gender balance pursuant to art. 147 ter, paragraph 1 ter of T.U.F.. In short the proposal, inter alia, provides for:

- the obligation to form lists consisting of at least three candidates so that the gender less represented in the list would reach at least the minimum number provided by the regulations in force, rounded up, in case of fractional number, to the next higher whole number;
- the replacement within the majority list of the last elected candidates belonging to the gender more represented by others belonging to the gender less represented, in the event a gender should be less represented than what provided by the regulations in force as a consequence of slate vote;
- should it not be possible in whole or in part to appoint the directors through slate vote, the shareholders' meeting shall resolve by the simple majority of votes in compliance with the rules which guarantee the gender balance;

Such mechanism shall be applied starting from the next renewal of the board of directors which will take place in the shareholders' meeting called to approve the financial statements as at December 31, 2013.

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

***m) Powers to increase the capital (article 123 bis, paragraph 1, letter m), T.U.F.)***

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

- pursuant to article 2441, 4<sup>th</sup> paragraph, first sentence, of the civil code against contribution of companies and/or equity interests in companies whose activities fall within the corporate purpose or are similar to or complementary to;

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

The directors, without prejudice to their competence to issue bonds under the law, have also the power, for a length of 5 years from the resolution of the extraordinary shareholders' meeting of May 11, 2012, to issue, in one or more tranches, convertible bonds and/or warrants up to a maximum amount of 300,000,000 euro, ensuring, however, that the amount issued through each tranche does not exceed the limits imposed by the law, with the additional power for the corresponding capital increase, also excluding the pre-emption right pursuant to article 2441, 5<sup>th</sup> paragraph of the civil code, pursuant to article 2441, 5<sup>th</sup> paragraph of the civil code, in favour of Italian or foreign institutional investors or of companies whose activities fall within the corporate purpose or are similar to or complementary to, when the company's interest requires it as well as pursuant to article 2441, 4<sup>th</sup> paragraph, second sentence, of the civil code, within the limits hereunder stated.

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

***n) Authorization to the purchase of treasury shares (article 123 bis, paragraph 1, letter n), T.U.F.)***

The shareholders' meeting of May 12, 2012 authorised the board of directors to buy back, in one or more tranches, treasury shares up to a maximum of #4,000,000 ordinary shares and/or savings shares (in addition to those held at the date of the shareholders' meeting) for a purchasing price ranging from a minimum of 0.60 euro to a maximum of 10 euro for savings shares and 15 euro for ordinary shares or the highest price allowed by the market general rules approved by Consob by resolution no. 16839 of 19 March 2009, in case these rules should be adopted by the company.

The maximum overall amount of purchase and total and/or partial exercise of the pre-emption right is 60,000,000 euro, to be withdrawn from the reserve Merger Surplus.

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

Moreover the company can avail itself of the procedure for the purchase of treasury shares provided by the market rules approved by Consob by resolution 16839 of 19 March 2009. The authorization to the purchase and/or the exercise of the pre-emption right lasts 18 months from the date of the shareholders' meeting resolution.

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

The board of directors, in the meeting held on the date of this report, resolved to ask the shareholders' general meeting to renew the aforesaid resolution for an additional length of 18 months, authorising the board of directors to purchase up to a maximum #4,000,000 ordinary shares and/or savings shares (in addition to those held at the date of the shareholders' meeting) for a purchasing price ranging from a minimum of 0.60 euro to a maximum of 8 euro for savings shares and 16 euro for ordinary shares, or at the highest price allowed by the market general rules approved by Consob by resolution no. 16839 of 19 March 2009, in case these rules should be adopted by the company, and however for an overall maximum amount of 64,000,000 euro. The authorization is asked also for the disposal of treasury shares at a minimum price not lower than the value corresponding to the official average of the trading prices recorded in the calendar month prior to the transaction minus 10%, or at the lowest price allowed by the market general rules approved by Consob by resolution no. 16839 of 19 March 2009, in case these rules should be adopted by the company, except for allocation, if any, of treasury shares to directors and employees of the company and its subsidiaries pursuant to art. 2359 of the civil code as well as for allocation, if any, to shareholders, in which cases they can be granted also without consideration, without prejudice to the other contents of the authorization.

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

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

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

**1. Board of directors**

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

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

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

Specifically, the board of directors inter alia shall:

- a) adopt the company's rules of corporate governance and lay down the guidelines for the group's corporate governance;
- b) establish the strategic, operational and financial plans of the company and the group, with special reference to the subsidiaries of strategic relevance, identified on the basis of book value of the equity investment compared to Buzzi Unicem SpA's assets;
- c) delegate and revoke powers to the Chairman, the Vice Chairmen, the Managing Directors and, where appointed, the executive committee, establishing limits and manner of exercising them;
- d) approve the transactions that, by virtue of the limits of the powers delegated as stated in paragraph 1.5. below, are the exclusive responsibility of the board of directors;
- e) resolve on the transactions having a significant impact on the company's profitability, assets and liabilities or financial position; as for transactions with related parties, please refer to article 4.1 below.
- f) examine the transactions having a significant impact on the group's profitability, assets and liabilities or financial position, which are considered to be those which Buzzi Unicem S.p.A. is required to disclose to the market according to the rules in force. However it is pointed out that the management activity on the subsidiaries is assigned to Buzzi Unicem SpA's executive directors, who sit on the major subsidiaries' board of directors and act within the directions established by Buzzi Unicem SpA's board of directors, to which they periodically refer.

- g) determine, after consulting the statutory auditors' committee, the remuneration of the directors appointed to special positions within the company and, should not the shareholders' meeting have already provided, allocate the total amount to which the single members of the board are entitled;
- h) supervise the general performance of the company with special reference to transactions involving related parties, paying special attention to the information received from the executive directors;
- i) report to shareholders at general meetings on the activity performed and scheduled, in observance of the rules on inside information.
- l) appoint and revoke the manager responsible for preparing the company's financial reports.

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

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

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

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

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

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

The board of directors presently in office, appointed by the ordinary shareholders' meeting of May 13, 2011, following the resignation of Prof. Fornero in November 2011 upon taking up government job and her replacement pursuant to art. 2386 of civil code by Prof. Ester Faia as per resolution of the board of directors of March 8, 2012 and confirmed by resolution of the ordinary shareholders' meeting of May 11, 2012, is made up of 13 members whose names and respective positions assigned are here below reported, together with the positions of director or member of the statutory auditors' committee held in Companies listed on regulated markets, including foreign markets, as well as those held in financial companies, banks, insurance companies and large companies not belonging to Buzzi Unicem group.

Alessandro BUZZI Chairman - executive

In office since 1999<sup>2</sup>

Positions held in other companies:

- Vice Chairman of Dyckerhoff AG Supervisory Board

Enrico BUZZI Vice Chairman – executive

In office since 1999<sup>2</sup>

Positions held in other companies:

- CEO of Fimedi S.p.A.
- CEO of Presa S.p.A.
- Member of Dyckerhoff AG Supervisory Board
- Director of Corporación Moctezuma S.A.B. de CV

Veronica BUZZI Vice Chairman – non-executive

In office since 2011

Michele BUZZI Managing Director – executive

In office since 2005

Positions held in other companies:

- Member of the Management Board of Dyckerhoff AG

Pietro BUZZI Managing Director – executive

In office since 2000

Positions held in other companies:

- Chairman of Fimedi S.p.A.
- Chairman of Presa S.p.A.

---

<sup>2</sup> As from Buzzi Unicem's admission to listing on the Stock Exchange

- Member of Dyckerhoff AG Supervisory Board
- Director of Corporación Moctezuma S.A.B. de CV
- Director of Banco Popolare

Wolfgang BAUER

Director - executive as such in his capacity of executive director of Dyckerhoff AG, subsidiary having a strategic importance

In office since 2008

Positions held in other companies:

- Chairman of the Management Board of Dyckerhoff AG
- Director of Sievert AG

Paolo BURLANDO

Director – non-executive

In office since 2008

Positions held in other companies:

- Director of Presa S.p.A.
- Regular Auditor of Mutui on Line S.p.A.
- Regular Auditor of Prysmian S.p.A.
- Regular Auditor of Yarpa Investimenti SGR S.p.A.
- Director of United Ventures S.p.A.

York DYCKERHOFF

Director – non-executive – independent

In office since 2008

- CEO of Green Aqua Farming GmbH & Co. KG
- CEO Garnelen Farm GVM GmbH & Co. KG

Ester FAIA

Director - non-executive – independent also pursuant to art. 147 ter, paragraph 4, T.U.F.

In office since 2012

Aldo FUMAGALLI ROMARIO

Director – non-executive – independent also pursuant to art. 147 ter, paragraph 4, T.U.F.

In office since 2011

Positions held in other companies:

- Chairman and CEO of SOL S.p.A.
- Director of Credito Valtellinese S.p.A.

Gianfelice ROCCA

Director – non-executive – independent also pursuant to art. 147 ter, paragraph 4, T.U.F.

In office since 2003

Positions held in other companies:

- Honorary Chairman of Techint Compagnia Tecnica Internazionale S.p.A.
- Chairman of Techint Industrial Corporation S.p.A.
- Chairman of Tenova S.p.A.
- Chairman of San Faustin S.A.
- Chairman of Humanitas S.p.A.
- Chairman of Humanitas Mirasole S.p.A.
- Director of Allianz S.p.A.
- Director of Brembo S.p.A.
- Director of Cliniche Gavazzeni S.p.A.
- Director of Tenaris S.A.
- Director of Ternium S.A.

Maurizio SELLA

Director– non-executive – independent

In office since 2000

Positions held in other companies:

- Chairman of Banca Sella Holding S.p.A.
- Chairman of Banca Sella S.p.A.
- Chairman of Banca Patrimoni Sella & C. S.p.A.
- Chairman of Maurizio Sella S.A.p.A.
- Chairman of Finanziaria 1900 S.p.A.
- Chairman of Finanziaria 2006 S.p.A.
- Chairman of Selban S.p.A.
- Director of Finind S.p.A.
- Director of Sofise S.p.A.
- Director of Compagnie Financière Martin-Maurel

Marco WEIGMANN

Director – non-executive

In office since 1999

Positions held in other companies:

- Director of Società Reale Mutua di Assicurazioni
- Director of Italiana Assicurazioni S.p.A.
- Director of Pernigotti S.p.A.
- Director of Reale Immobili S.p.A.
- Director of Auchan Italia S.p.A.
- Director of Banca Reale S.p.A.

Attached to this report are the curricula of the members of the board of directors, which report an exhaustive information on their personal and professional features.



The appointment of the board of directors took place by slate voting, introduced in art. 13 of the bylaws in the year 2007 in compliance with the provisions of the Savings Law.

Specifically, for the appointment purposes, only one list was deposited by the submittal deadline and under the terms provided by the bylaws which was the one submitted by the controlling shareholders Fimedi S.p.A. and Presa S.p.A, jointly holders, at the list's submittal date, of 58.392% of the voting stock.

The only list deposited, complete with the documents required by Consob Regulation no. 11971/99 was deposited at the registered office within the 25<sup>th</sup> day before the date fixed for the shareholders' meeting and was made available at the company's registered office, at Borsa Italiana SpA and on the company's website [www.buzziunicem.it](http://www.buzziunicem.it) in the 21 days before the date fixed for the shareholders' meeting called to appoint the board of directors. Since no minority lists were submitted, all the directors appointed by the shareholders' meeting of May 13, 2011 were elected from the list submitted and voted by the majority shareholders.

The shareholders' meeting which appointed the board of directors in office authorised in general and preventively derogations to the ban on competition provided by art. 2390 of the civil code; however, no situations exist of directors exercising activities in competition with the company as per the aforesaid art. 2390 of the civil code.

Moreover the directors have been advised to inform the board of directors in the event they should take up such activities, in order to enable the board of directors to properly assess the situation and, if need be, inform the first useful shareholders' meeting on possible critical aspects, if any.

The term of office of the members of the present board of directors will expire after the prescribed three years, at the date of the general meeting convened for the approval of the financial statements as at December 31, 2013.

The board of directors is usually made up of executive directors and non-executive directors.

At present in the board of directors there are 8 non-executive members (Veronica Buzzi, Paolo Burlando, York Dyckerhoff, Ester Faia, Aldo Fumagalli Romario, Gianfelice Rocca, Maurizio Sella, Marco Weigmann), whose high standing, independence and experience carry significant weight in taking board decisions.

The board of directors has not deemed to issue guidelines with regard to the maximum number of positions as director or member of the statutory auditors' committee which could be held in other Companies listed on regulated markets, including foreign markets, or in financial companies, banks, insurance companies and large companies, thinking that the single members of the board of directors would be the most fit to assess the

engagements deriving from their other assignments in the above companies and their respective time availability.

The board of directors has also provided to assess the size, the composition and the functioning of the board of directors and its committees.

The self-assessment process was carried out through a specific questionnaire, filled in by the members of the board of directors. The results were submitted to the board of directors in the meeting held on November 8, 2012. The process especially touched the aspects relating to the size of the board, the proportion of executive, non-executive and independent directors and the expertise of the members (especially with regard to the assessment of the directors' professional characteristics, expertise - also managerial and international - gender and length of office) as well as some issues regarding the works organisation and the analysis of the board's internal committees. Based on the outcome of the self-assessment process, the board of directors, taking into account also the comments and recommendations ensuing from the questionnaire has deemed proper the size, composition and functioning of the board of directors and its internal committees. As for the previous term of office of the board of directors, no need has arisen to designate a lead independent director since the Chairman, although granted major management powers, as indicated further below, is not the main responsible officer for the management, such responsibility being subdivided among the different legal representatives with management powers and he is not the person controlling the company. Moreover, as of now, the majority of independent directors has not requested the appointment of the lead independent director.

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

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

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

Following this assessment, 5 non-executive members (York Dyckerhoff, Ester Faia, Aldo Fumagalli Romario, Gianfelice Rocca, Maurizio Sella), have resulted to be classified as independent (and consequently in a higher number than 1/3 of the directors in office) in the meaning that they do not maintain, nor have recently maintained, directly or indirectly, any business relations with Buzzi Unicem or persons linked to Buzzi Unicem, of such a significance as to influence their autonomous judgement, and precisely but not limited to:

- a) they do not control, directly or indirectly the company also through subsidiaries, trustees or a third party, nor are able to exercise a considerable influence over it nor

participate in shareholders' agreements through which one or more persons may exercise the control or considerable influence over the company;

- b) they are not, nor were in the preceding three fiscal years, significant representatives of the company, of a subsidiary having strategic importance or of a company under common control with the company, or of a company or entity controlling it or able to exercise over the same a considerable influence, also jointly with others through a shareholders' agreement;
- c) they have not, nor had in the preceding fiscal year, directly or indirectly, (e.g. through subsidiaries or companies of which they are significant representatives, or in the capacity as partner of a professional firm or of a consulting company) a significant commercial, financial or professional relationship:
  - with the company, one of its subsidiaries, or any of its significant representatives;
  - with a subject who, jointly with others through a shareholders' agreement, controls the company or with the relevant significant representatives;nor are, nor were in the preceding three fiscal years, employees of the above mentioned subjects;
- d) they do not receive, nor received in the preceding three fiscal years, from the company or a subsidiary or holding company of it, a significant additional remuneration compared to the "fixed" remuneration of non-executive director of the company, including the participation in incentive plans linked to the company's performance, including stock options plans;
- e) they are not vested with the executive director office in another company in which an executive director of the company holds the office of director;
- f) they are not shareholders or quota holders or directors of a company or a legal entity belonging to the same network as the company appointed for the accounting audit;
- g) they are not close relatives of a person who is in any of the positions listed in the above paragraphs.

The Board of Directors declares that, among the criteria of independence, the one referring to the sitting on the board for nine years in the last twelve years does not apply. In fact the Board of Directors deems that the continuous holding the position of Director not only is not detrimental to the independence, but, on the contrary, favors a deeper acquaintance and experience with the company, which allows the director to perform his/her duties of independent director with more expertise and effectiveness.

For the purpose of the above, the president of the entity, the legal representative, the chairman of the board of directors, the executive directors and executives with strategic responsibilities of the relevant company or entity, shall be considered as "significant representatives".

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

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

Pursuant to the principles stated in the Code of Conduct, the independent directors met at least once in the year 2012 without the other directors.

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

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

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

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

In the year 2012, the board of directors met 6 times. The meetings had an average length of around 3 hours. Such length of time was deemed adequate and properly articulated with regard to the issues on the agenda, during the board of directors' self-assessment process.

In the year 2013 the board of directors is expected to meet 6 times, considering the meetings held till the date of this report.

In preparation of the meetings of the board of directors, the Chairman communicates the agenda and provides the directors with the documentation and information needed to enable them to make a knowledgeable and informed contribution to the board discussion. The related documents are sent by e-mail to the directors and the statutory auditors some days in advance. As a rule, the documents relating to the meetings of the board of directors held during the year 2012 were sent in the manner here above mentioned two or three days prior to the meetings, depending on the different items on the agenda. Such term was deemed adequate during the board of directors' self-assessment process. The information provided during the meetings of the board of directors and committees ensures that the directors and statutory auditors are brought up to date on the group's

sector of operation and on the corporate dynamics. In such a context, the directors and statutory auditors receive updates on the main changes in laws and regulations.

Moreover, the board of directors' meetings are also attended by the heads of the concerned corporate functions, when the Chairman deems it proper or on request of one or more directors for an in-depth analysis of specific issues on the agenda.

Pursuant to art. 15 of the bylaws, the board of directors is called by the Chairman or by one of the Vice Chairman, whensoever the same deems it proper or on request of a managing director or the majority of the board members.

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

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

The board of directors, in the meeting of May 13, 2011, following the appointments resolved by the ordinary shareholders' meeting of same date, provided to confirm Alessandro Buzzi as Chairman, Enrico Buzzi as Vice Chairman, Pietro Buzzi and Michele Buzzi as Managing Directors, as well as Veronica Buzzi as Vice Chairman. The same board of directors assigned to the Chairman, the Vice Chairman Enrico Buzzi and the two Managing Directors the same powers as granted by the previous mandate, as below listed:

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

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

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

Moreover, the board of directors in its meeting of May 13, 2011, assigned to the Chairman and to the Vice Chairman Enrico Buzzi, within the powers delegated to them, the following duties:

- to the Chairman, Alessandro Buzzi:
  - research and development of new technologies in the alternative fuels field;
  - supervision and control of the group's major investment projects, especially those for capacity expansion
  - group's foreign operations operational coordination;
- to the Vice Chairman, Enrico Buzzi:
  - operational coordination of ready-mix concrete operations;
  - executive supervision of group's Mexican operations;
  - group's foreign operations operational coordination;

The same board of directors of May 13, 2011 assigned to Director Paolo Burlando the following duties:

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

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

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

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

The decision to grant management powers to the Chairman stems from the special competence, standing and expertise of the same in relation to the group's activities. Specifically, as stated, the Chairman activity is performed mainly in the field of research and development of new technologies in the alternative fuels area, supervision and control of the group's major investment projects, especially those for capacity expansion and in the group's foreign operations coordination.

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

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

The board of directors, after proper evaluation, has deemed not to establish a nomination committee on the ground of the company highly concentrated shareholding and considering that both the role and high standing of the independent and non-executive directors and the board of directors' self-assessment process enable to fulfil the tasks the Code of Conduct assigns to the Nomination Committee.

The board of directors hopes that the proposed candidates will be identified for their professional experience and qualifications as well as for their independence of judgement and assessment.

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

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

The board of directors, in the meeting of November 11, 2011, approved the policy for the remuneration of the directors and managers with strategic duties, which policy was confirmed in the meeting of November 8, 2012.

Buzzi Unicem's remuneration policy aims at attracting, keeping and motivating qualified people having skills and expertise adequate to the management requirements of the company or the group to which the company belongs. This aim is pursued in a logic of cautious management and sustainability of costs and results over time and with a view to aligning the management interests with those of the company and the shareholders so as to create value over the medium-long term.

The guidelines of Buzzi Unicem's remuneration policies are reported here below. For further information, please refer to the information contained in the Remuneration report pursuant to art. 123 ter of T.U.F..

### **Board of Directors and non-executive Directors**

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

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

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

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

The two Buzzi Unicem SpA's Managing Directors are paid in their capacity of executives employed with the company and they also receive fees related to positions held in

subsidiaries. Overall, the Managing Directors' remuneration does not exceed the average market level for companies of similar size and structure.

The remuneration of the Managing Directors and of the other Managers with strategic duties (identified in the heads of the Corporate Managements who directly report to the Managing Directors and in the Manager responsible for the preparation of the financial reports) comprises a prevailing fixed portion and a variable portion linked to the achievement of single targets and company's financial results.

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

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

- the variable component is objective, not discretionary, and it depends on the achievement of single and corporate targets annually pre-fixed, each with a different weight, the measurable economic ones prevailing;
- for each of the single or corporate targets, a minimum threshold exists, under which the variable remuneration is not due and, similarly, a maximum threshold is set.

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

The variable portion of the Managing Directors and of the other Managers with strategic duties is regulated by monetary way, having the savings shares grant scheme approved by the General Shareholders' Meeting of April 28, 2009 for the years 2009-2011 come to an end.

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

No special indemnities are provided in the event of earlier termination of directorship or failure of renewing it or earlier termination of the employment relationship. Only the severance indemnity provided by the law and the collective agreements for permanent workers applies.

The board of directors has not established a remuneration committee since the role and high standing of the independent and non-executive Directors enable, during the board's meetings, a reliable and independent analysis about the policy for the remuneration of the Managing Directors and the other Managers with strategic duties. Moreover, as mentioned, the proposals for the remuneration of the executive Directors and Directors



entrusted with special duties are submitted to the board of directors by the independent directors.

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

The board of directors, in the meeting of May 13, 2011, following the renewal of the corporate bodies, renewed the appointments of the internal control committee, established in 2007, setting the number of members at 3, in the persons of the independent directors Maurizio Sella, chairman, and Elsa Fornero and of the non-executive director Paolo Burlando. Following the resignation of Director Elsa Fornero, the board of directors, in the meeting of February 8, 2012, appointed the independent Director Aldo Fumagalli Romario as member of the Committee for Internal Control. With such a composition the committee is guaranteed an adequate experience in accounting and finance.

The board of directors, in the meeting of August 3, 2012, as part of the updating of the internal control and risk management system to make it consistent with the new provisions of the Code of Conduct of December 2011, provided to change the name of the committee into Control and Risk Committee, keeping its composition unchanged, and to redefine the role and tasks assigned to it, adopting a new regulation.

The Control and Risk Committee is entrusted with the advisory and propositional duties provided by the Code of Conduct. As provided by the Regulation, the control and risk committee is charged with the task of supporting, through a proper preliminary investigation, the assessments and decisions of the board of directors regarding the internal control and risk management system as well as those concerning the approval of the periodical financial reports.

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

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

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

- assess, together with the manager responsible for preparing the company's financial reports and after consulting the auditing firm and the statutory auditors' committee, the proper application of the accounting principles and their consistency for the purpose of drawing up the consolidated financial statements;
- express opinion on specific aspects concerning the identification of the main corporate risks;

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

Moreover, the Committee shall:

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

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

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

The control and risk committee, during the year 2012, met 6 times. The meetings had an average length of around 2 hours. In the year 2013 the control and risk committee will meet 7 times. As at the date of this report, the committee has already met 3 times.

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

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

The board of directors, in the meeting of May 13, 2011, following the renewal of the corporate bodies, renewed the appointment of the Committee for related party transactions, confirming as regular members the independent directors Maurizio Sella, Chairman, Aldo Fumagalli Romario and Elsa Fornero. Following Elsa Fornero's resignation as Director, the board of directors, in the meeting of February 8, 2012, appointed independent director Gianfelice Rocca as regular member.

For additional information please refer to paragraph 4.1 below.

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

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

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

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

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

- 1st level: the operational functions perform "line" controls;

- 2nd level: the operational and administrative central functions perform also controls and risk assessments, apply methods and instruments to ensure the process regularity. They are responsible of and monitor the risks in their respective area of competence;
- 3rd level: the Internal Audit function verifies the structure and operability of the whole system.

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

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

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

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

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

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

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

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

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

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

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

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

#### ***3.2.1 Introduction***

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

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

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

As for financial reporting, the company has appointed the manager responsible for preparing the company's financial reports and has charged the Internal Audit function with the task of checking the compliance with the operating and administrative internal procedures, established in order to ensure a reliable, sound and timely financial reporting.

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

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

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

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

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

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

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

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

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

##### Identification of risks on financial reporting

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

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

Specifically, such parameters are set by:

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

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

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

instructions are sent every year to the CFO of the main subsidiaries indicating the procedures to submit to updating analysis and functioning test. Procedures and control matrices are filed in a single database with the parent Buzzi Unicem.

#### Risk assessment on financial reporting

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

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

#### Identification and assessment of controls against identified risks

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

In Dyckerhoff’s group, being a company listed on the German stock exchange, the internal control and risk management system have additional specific features. In compliance with the introduction in the German laws of the adjustments to the 8<sup>th</sup> EU Directive, in 2009 Dyckerhoff integrated its internal controls, the risk management system and its Internal Audit in a single IICS System, called integrated internal control system. As already reported for Buzzi Unicem, the IICS covers also the risk management and internal control in place in relation to financial reporting. A “scope definition” has been carried out through the identification, at first, of four groups of companies in relation to their relative importance. In 2010 such groups were brought down to three, due to the unification of companies having the same extent of internal controls. Subsequently, the significant processes are identified, which might have a material impact on financial reporting, such as Purchasing and Inventories, Production, Sales, Human Resources, Treasury, Tax Management, Fixed Assets, preparation of Statutory Financial Statements, preparation of Consolidated Financial Statements, Information Systems, Governance, Insurances. The internal control and risk management system, assisted by a specific software, provides that the same operating personnel of the specific process perform a set of partly automatic and partly manual tests. During this self-assessment, the operating personnel must test the completeness and effectiveness of internal controls, documenting the work done. When this work is over, Dyckerhoff’s Governance, risk, compliance checks the tests performed on the basis of its own sampling. The companies identified in the scope and the significant processes are every year checked, together with the parent Buzzi Unicem’s Internal Audit, to assess their consistency and compliance with the guidelines of law 262/05.



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

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

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

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

Moreover, on an annual basis, once the testing activity on the procedure "Financial Closing" has been completed, the parent company's Internal Audit prepares an additional report on the specific potential weaknesses related to financial reporting and send it to the Director in charge of the internal control and risk management system and to the Manager responsible for preparing the company's financial reports. The report outlines all the control activities performed throughout the year on the application of administrative and accounting procedures and the related test implemented. For the Italian and foreign companies, the same report certifies the reliability of the internal control and risk

management system or the existence of anomalies, if any, such as to require a broader sampling, or of significant weaknesses in the administrative and accounting procedures or in the financial statements. On an annual basis as well, once the updating and testing activities locally performed have been completed, the foreign sub-holdings (Dyckerhoff, RC Lonestar, Alamo Cement Company and Corporación Moctezuma) send to the Manager responsible for preparing the company's financial reports a statement, signed by the CEO and the CFO. In this statement they confirm that the procedures for the preparation of their financial statements are adequate and have been effectively applied. They also certify that the financial statements comply with the international financial reporting standards, they correspond to the results, documented in the books and the accounting records and they provide a true and correct representation of the financial conditions, results of operations and cash flows, highlighting the weaknesses identified, if any.

Similar statements are issued with reference to the half-year interim financial report.

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

- Russia: associated companies in Russia and Ukraine

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

These structures functionally refer to Buzzi Unicem's and Dyckerhoff's heads of Internal Audit. Thus, through tests directly performed at local level, an adequate geographical coverage in the countries where the group operates through sub-holdings is realized.

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

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

Pursuant to Consob Regulation no. 17221/2013 as amended, the Board of Directors of Buzzi Unicem SpA, in the meeting of November 11, 2010 - following the favorable opinion unanimously adopted by a Committee of independent directors especially formed to release such an opinion - adopted, effective as from January 1, 2011, the Procedures for related party transactions (hereinafter the "Procedures") aiming at ensuring substantial and procedural fairness of related party transactions, which replace the procedure for related party transactions already adopted by the company in March 2003 and amended in March 2006.

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

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

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

To this purpose, the Board of Directors appointed a single Committee for transactions with related parties, in charge for the release of the required opinions both on transactions

of greater importance and on transactions of lesser importance. The committee is made up of three independent directors, as regular members, and of two independent and/or non-executive directors, as alternate members. Procedures provide for a system of automatic replacement of the regular members by the alternate members, should one or more of the regular members be a “related director” in connection with the transaction on which the Committee is asked to express opinion, so as to ensure the proper composition of the committee in relation to the category of transactions on which the opinion is asked (presence of at least two independent directors and one non-executive director of the transaction of lesser importance and presence of three independent directors for the transactions of greater importance). Should the proper composition of the committee not be possible, the opinion on transactions of both greater importance and lesser importance shall be issued by the non-related independent board members or, failing that, by a non-related independent expert.

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

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

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

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

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

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

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

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

This procedure, specifically, identifies in the Managing Directors the entities responsible for managing and handling inside information concerning the company and the group. They shall be assisted by the Legal Affairs and Administration (Affari Legali e Amministrazione) and Investor Relations' functions in all activities of corporate communication.

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

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

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

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

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

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

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

An officer has been designated for the relations with institutional investors and shareholders (Investor Relator) in the person of Agostino Pieressa who, following the guidelines laid down by the executive directors, has the task of establishing a continuous dialogue with the institutional investors and the shareholders.

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

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

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

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

#### **6. *Shareholders’ meetings***

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

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

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

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

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

The board of directors of May 13, 2011 appointed the manager responsible for preparing the company's financial reports, in the person of Silvio Picca, provided with the statutory requirements, throughout the board of directors' term of office, i.e. till the date of the shareholders' meeting called to approve the financial statements as at December 31, 2013.

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

The statutory auditors' Committee presently in office, following the resolutions of the ordinary general meeting of May 13, 2011 is made up of three regular auditors and two alternates, who were confirmed in the persons of:

Mario PIA	-	Chairman
Gianfranco BARZAGHINI	-	regular auditor
Giorgio GIORGI	-	regular auditor
Roberto D'AMICO	-	alternate
Paola Lucia GIORDANO	-	alternate

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

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

The appointment of the statutory auditor's committee took place by slate voting, as already provided by art. 23 of the bylaws and updated for the first time in 2007 to make it consistent with the provisions of the Savings Law and subsequently in November 2010 to comply with the new deadline for filing slates as provided by Legislative Decree 27 January 2010 no. 27. Specifically, for the appointment purposes, only one list was deposited by the submittal deadline and under the terms provided by the bylaws, which was submitted by the controlling shareholders Fimedi S.p.A. and Presa S.p.A, jointly holders, at the list's submittal date, of 58.392% of the voting stock.

The only list deposited, submitted by the controlling shareholders and complete with the documents required by Consob Regulation no. 11971/99, was deposited at the registered office within the 25<sup>th</sup> day before the date fixed for the shareholders' meeting and was made available at the company's registered office, at Borsa Italiana SpA and on the

company's website [www.buzziunicem.it](http://www.buzziunicem.it) in the 21 days before the date fixed for the shareholders' meeting called to appoint the statutory auditors committee.

Since no minority lists were submitted, all the statutory auditors appointed and presently in office were elected from the list submitted and voted by the majority shareholders.

The statutory auditors' committee term of office will expire at the date of the shareholders' meeting convened for the approval of the financial statements as at December 31, 2013.

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

- a statutory auditors committee consisting of three regular auditors and two or three alternate auditors; minority shareholders can appoint one regular auditor and one or two alternate auditors.
- the possibility to submit lists by the holders of shares with voting rights representing at least the percentage required for the submission of lists of candidates for the appointment of the board of directors. Consob set this threshold at 1.5% for 2008 and at 2% for the subsequent years till 2012 and 1% for 2013 of the voting stock. If, by the submittal deadline as hereinafter indicated, only one list has been deposited or only lists submitted by shareholders linked among them pursuant to Consob Regulation no. 11971/99, the above threshold shall be reduced by 50% ;
- the obligation to deposit the lists within the 25th day prior to the date fixed for the shareholders' meeting in first call, (except when only one list is submitted or only lists from by shareholders linked among them pursuant to Consob Regulation no 11971/99, in which case lists can be submitted within the deadline set for the purpose by Consob Regulation no. 11971/99, i.e. up to three days after that date). The lists shall be complete with (i) information about the identity of the shareholder and the percentage of shareholding, (ii) a statement by the shareholders other than the majority ones declaring the absence of links with the latter ones and (iii) an exhaustive information about the personal and professional features of the candidates;
- a voting system such as to ensure the appointment of one regular auditor and one or two alternate auditors from the second list that has got the most votes after the majority list; in the case of a tied vote among more minority lists, the candidates are appointed from the list submitted by the shareholders having the greater equity interest or, subordinately, by the greatest number of shareholders.
- the chair of the statutory auditors committee to the regular auditor appointed by the minority;



- a replacement system for the minority auditor such as to ensure in any case the presence of a regular auditor from the minority;
- in case only one list should be submitted, the shareholders' meeting shall resolve by the simple majority of votes and should this list obtain the majority of the votes, the candidates shall all be elected and the chair shall be due to the first candidate on the list;
- should it not be possible in whole or in part to appoint the directors according to the above rules, the shareholders' meeting shall resolve by the simple majority of votes.

The board of directors, in the meeting held today, provided to convene the extraordinary shareholders' meeting in order to introduce in the bylaws mechanisms aimed at guaranteeing that the distribution of statutory auditors to be elected be effected according to criteria that ensure the gender balance pursuant to art. 148 of T.U.F.: In short, the proposal, inter alia, provides for:

- the obligation for the lists consisting of at least three candidates (computing both the section of candidates to the position of regular auditor and the section of candidates to the position of alternate) to include in each section, if consisting of at least two candidates, candidates belonging to different genders;
- the replacement within the majority list of the last elected candidates belonging to the gender more represented by others belonging to the gender less represented, in the event a gender should be less represented than what provided by the regulations in force as a consequence of slate vote;
- should it not be possible in whole or in part to appoint the directors through slate vote, the shareholders' meeting shall resolve by the simple majority of votes in compliance with the rules which guarantee the gender balance;
- in the event of termination during the term of office, the replacement in compliance with the regulations which ensure gender balance within the respective lists submitted and, failing that, the prompt call of the shareholders' meeting to restore the gender balance.

Such mechanism shall be applied starting from the next renewal of the statutory auditors' committee which will take place in the shareholders' meeting called to approve the financial statements as at December 31, 2013.

The result of the assessment made by the statutory auditors' committee on March 23, 2013 on the compliance with the independence requirements of its members is hereunder reported:

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

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

Finally, the statutory auditors' committee has complied with the principle by which an auditor who has an interest, either directly or on behalf of third parties, in a certain transaction of the company, he timely informs the other auditors and the chairman of the board of directors about the nature, the terms, origin and extent of his interests. To be pointed out that during the year 2012 no such situations occurred which would require the above reporting.

## **9. Auditing firm**

The auditing firm appointed to audit Buzzi Unicem financial statements is Deloitte & Touche S.p.A. The auditing appointment was conferred by resolution of the shareholders' meeting of April 29, 2005 for the three years 2005-2006-2007 and extended by resolution of the shareholders' meeting of May 11, 2007, pursuant to Savings Law, for the years from 2008 through 2013 and consequently it will expire with the shareholders' meeting convened for the approval of the financial statements as at December 31, 2013.

The structure of the board of directors and of the statutory auditors' committee as at December 31, 2012 is summarized in the two attached tables.

Casale Monferrato, March 28, 2013

For the Board of Directors  
The Chairman  
Alessandro Buzzi

**TABLE 1: BOARD AND COMMITTEES (as at December 31, 2012)**

Board of Directors											Internal Control Committee		Related party Committee	
Position	Incumbents	In office since	In office till	Slate (M/m) *	Esecutive	Non- esecutive	Indep. ex Code	Indep. ex T.U.F.	(%) **	No. of other positions held ***	****	**	****	**
Chairman	Alessandro BUZZI	13/05/2011	Appr. fin. stat. at 31/12/2013	M	X				100.00%	1				
Vice-Chairman	Enrico BUZZI	13/05/2011	Appr. fin. stat. at 31/12/2013	M	X				83.33%	4				
Vice-Chairman	Veronica BUZZI	13/05/2011	Appr. fin. stat. at 31/12/2013	M		X			83.33%	-				
Managing Director	Michele BUZZI	13/05/2011	Appr. fin. stat. at 31/12/2013	M	X				100.00%	1				
Managing Director	Pietro BUZZI	13/05/2011	Appr. fin. stat. at 31/12/2013	M	X				100.00%	5				
Director	Wolfgang BAUER	13/05/2011	Appr. fin. stat. at 31/12/2013	M	X				83.33%	2				
Director	Paolo BURLANDO	13/05/2011	Appr. fin. stat. at 31/12/2013	M		X			100.00%	5	X	100.00%		
Director	York DYCKERHOFF	13/05/2011	Appr. fin. stat. at 31/12/2013	M		X	X		100.00%	2				
Director	Ester FAIA	08/03/2012	Appr. fin. stat. at 31/12/2013	( <sup>1</sup> )		X	X	X	100.00%	-				
Director	Aldo FUMAGALLI ROMARIO	13/05/2011	Appr. fin. stat. at 31/12/2013	M		X	X		100.00%	2	X	100.00%	X	100.00%
Director	Gianfelice ROCCA	13/05/2011	Appr. fin. stat. at 31/12/2013	M		X	X	X	66.67 %	11			X	-
Director	Maurizio SELLA	13/05/2011	Appr. fin. stat. at 31/12/2013	M		X	X		50.00%	10	X	100.00%	X	100.00%
Director	Marco WEIGMANN	13/05/2011	Appr. fin. stat. at 31/12/2013	M		X			66.67%	6				
<b>DIRECTORS CEASED DURING THE YEAR UNDER REVIEW</b>														
<b>Quorum required to submit lists on the occasion of last appointment: 2% of the entire voting stock in the ordinary shareholders' meeting</b>														
<b>Number of meetings held during the year under review</b>							Board of Directors	6	Internal Control Committee: 6			Related party Committee :1		

**NOTE**

\* M/m indicates whether the director has been elected through the majority slate (M) or through a minority slate (m)

\*\* Director's attendance at meetings of the Board of Directors and the Internal Control Committee, in percentage of meeting held during the effective term of office

\*\*\* Number of other memberships in boards of directors or of statutory auditors' committee in other companies listed on regulated markets in Italy and abroad, in financial, banking and insurance companies or in large companies. The report provides details as to the positions held

\*\*\*\* Directors is member of this Committee

(1) since the appointment was due to the termination in advance of another director, pursuant to art. 13 of the bylaws, slate vote has not applied

**TABLE 2: STATUTORY AUDITORS' COMMITTEE (as at December 31, 2012)**

Position*	Incumbents	In office since	In office till	Slate (M/m) *	Independent ex Code	(%) **	Number of other positions held ***
<b>Chairman</b>	Mario PIA	13/05/2011	Appr. Fin. Stat. at 31/12/2013	M	x	100.00%	
<b>Regular Auditor</b>	Gianfranco BARZAGHINI	13/05/2011	Appr. Fin. Stat. at 31/12/2013	M	x	100.00%	
<b>Regular Auditor</b>	Giorgio GIORGI	13/05/2011	Appr. Fin. Stat. at 31/12/2013	M	x	100.00%	
<b>Alternate Auditor</b>	Paola Lucia GIORDANO	13/05/2011	Appr. Fin. Stat. at 31/12/2013	M	x		
<b>Alternate Auditor</b>	Roberto D'AMICO	13/05/2011	Appr. Fin. Stat. at 31/12/2013	M	x		
<b>Quorum required to submit lists on the occasion of last appointment: 2% of the entire voting stock in the ordinary shareholders' meeting</b>							
<b>Number of meetings held during the year under review:</b>				16			

**NOTE**

\* M/m indicates whether the auditor has been elected through the majority slate (M) or through a minority slate (m)

\*\* Auditors' attendance at meetings of Statutory Auditors' Committee , in percentage of meeting held

\*\*\* Number of other memberships in boards of directors or of statutory auditors' committee in other companies listed on regulated markets in Italy

## **Curricula of the members of the board of directors**

### **Alessandro BUZZI**

Born in Casale Monferrato, Italy, on July 4, 1933, graduated in Chemical Engineering from Polytechnic University of Turin in 1956.

In 1957 he entered Fratelli Buzzi Cementi, the family cement business, becoming its Technical Director in 1965, Chief Executive in 1971, then appointed in 1977 Chairman of the Group which in the '80s and '90s developed its operations in Italy, USA and Mexico.

Following the acquisitions of UNICEM Spa - Italy (1997). and Dyckerhoff - Germany (2002), in 1999 he became Chief Executive Officer and in 2003 Chairman and CEO of Buzzi Unicem Group, which presently operates 40 cement plants and 557 ready mix plants in 12 countries, with a turnover of approx. 3,500 million euro.

Since 2001 he has been Vice-Chairman of the Supervisory Board of Dyckerhoff AG.

In January 2006 he left the position of CEO of Buzzi Unicem Group, maintaining the position of Chairman.

#### Other positions held

1988 - 1998 Chairman of the Italian Cement Association (AITEC)

2004 - 2006 Chairman of Cembureau, the European Cement Association

In 1998 he was given by the President of the Italian Republic, On. Scalfaro, the honor of Cavaliere del Lavoro.

### **Enrico BUZZI**

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

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

On the Engineer Register of Cuneo Province under no 236

#### Positions held:

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

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

Managing Director of Presa S.p.A., Corso Vinzaglio n. 29 – Torino

Director of Corporation Moctezuma SAB de C.V., Mexico

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

Managing Director of Fimedi S.p.A., Corso Vinzaglio n. 29 - Torino

Member of Supervisory Board of Dyckerhoff AG, Wiesbaden

#### Other positions:

Member of the “Commission for the Development of Industrial Activities” of AITEC (Italian

Cement Association).

## **Veronica BUZZI**

Born in Albenga on August 16, 1971; 4 children

### **Education**

March 1996: Graduate in Business and Administration at Turin University with 110/110 “magna cum laude”.

1995: One semester at St.Mary’s University’s Business School in San Antonio, TX (USA).

### **Work experience**

Since 2011 Vice Chairman of Buzzi Unicem S.p.A.

Since 2011: Dynamo Camp Onlus Association – Corporate fundraising

2010: Cerved Group – Corporate valuations and sector analyses

2001 - 2002: Buzzi Unicem SpA (Casale Monf.) - Assistant to Investor Relations & Financial Planning Manager.

1998 – 2001: McKinsey & Co., Italy (Milan) – Research analyst in the Research & Information Dept.  
Research, market, company, annual report analysis; valuation. Area of expertise: financial institutions, corporate finance.

1996 – 1997: Arthur Andersen S.p.A. (Turin) - Audit, due diligence.

1995: Internship at Alamo Cement Co. (San Antonio, TX – USA).

## **Michele BUZZI**

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

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

Diploma Engineer in Industrial Production from Polytechnic University of Turin

### **Positions presently held:**

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

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

since 2004 Member of Management Board of Dyckerhoff AG, Wiesbaden, Germany

since 2007 Member of Liaison Committee and, from 2009, permanent substitute member of Board of Cembureau

Since 2011 Member of Aitec Executive Committee

### **Other positions:**

from 2002 to 2005 COO Cement Italy of Buzzi Unicem SpA

from 1998 to 2003 Member of Standing Committee 2 (Products and Marketing) of Cembureau

from 1998 to 2001 Marketing Manager of Buzzi Unicem SpA

from 1995 to 1997 Managing Director Concrete of Buzzi Group

since 1999 to 2010 Deputy President of AITEC (ITALIAN CEMENT ASSOCIATION)

Professional experiences:

April/June 1990 Cement international seminar (at Holderbank - Switzerland)

1989 Stages (6 +6 months) with Soges (Turin – Consultant) and Rugby Cement (UK, in the Distribution Department)

**Pietro BUZZI**

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

Education:

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

Work experiences:

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

Positions held:

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

**Wolfgang BAUER**

Born in Simmern/Hunsrück on 19 June 1959, married, one child.

- from 1979 to 1985 he studies Mechanical Engineering/Management at Darmstadt Technical University
- in 1985 he joins KPMG auditing firm

- in 1990 he qualifies as fiscal advisor and auditor
- in 2000 he joins Dyckerhoff AG and in 2004 he becomes Chairman of the Board of management.
- in 2008 he is appointed as a Director of Buzzi Unicem SpA.

### **Paolo BURLANDO**

Born in Turin on 3 November 1962,

He's a chartered accountant and auditor, founder of the corporate tax and legal advising firm "Burlando Zoppi D'Amico, Luzzati" (Studio BZDL) based in Turin since 1997.

He specializes in corporate finance extraordinary operations and he is in charge of several management and auditing offices within listed and non-listed companies. Among others, he is a member of the Board of Directors for Buzzi Unicem S.p.A. and a standing statutory auditor for Prysmian S.p.A., Gruppo Mutui On Line S.p.A., Yarpa Investimenti SGR S.p.A., Laterlite S.p.A. and other minor Italian Companies. Before founding BZDL, he owned working experiences as an analyst for UBS Private Equity (1992) and as the CEO assistant at Fratelli Buzzi S.p.A. (1997).

Mr. Burlando graduated with the highest grades in Economics from University of Turin in 1987 and earned the Certification of Chartered Accountant in 1992.

### **York DYCKERHOFF**

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

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

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

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

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

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

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

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

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

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

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



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

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

### **Ester FAIA**

Born in 1973. Her education includes a Laurea Degree (cum laude) in Economics from Bocconi University, a Ph.D. in Economics from New York University and a Doctorate jointly from Cattolica and Bocconi University. She held various academic positions, including in foreign institutions. She is full professor at Goethe University Frankfurt, senior fellow of the Center for Financial Studies and research professor at the Kiel Institute. She has numerous publications in top refereed academic journals on topics related to monetary and fiscal policy, financial markets and banking, labor markets. She held research, teaching and consultant positions in central banks (European Central Bank, Bank of England, Banque de France, Norges Bank), research centers (CEPREMAP Paris, Globalization center at Dallas Fed, Paris School of Economics) e universities (Universitat Pompeu Fabra, Università di Roma II, European University Institute, Bonn University). She received numerous research grants and awards: grants Marie Curie and FP7 from the European Union, from the Deutsche Forschungsgemeinschaft and the Foundation for Women Excellence in Research, from the Fondation Banque de France, the Klaus Liebscher Excellence award, the Pierre Werner fellowship and the Lamfalussy award

### **Aldo FUMAGALLI ROMARIO**

Born in Milan in 1958.

Degree cum laude in Chemical Engineering from Politecnico of Milan.

- Chairman and CEO of SOL Group (\*),
- Vice Chairman of Credito Valtellinese (CREVAL Group)
- Permanent guest in Confindustria’s Executive Boards and Committees.
- 
- Member of ASPEN Institute’s General Council - Italy

He has also been:

- Chairman of Credito Artigiano (CREVAL Group) (from 2010 to 2012)
- Member of the Board of Directors of CentroBanca - UBI Group (from 2005 to 2011)
- President (in 2006) and member of the board (from 2002 to 2007) of the BAC (Business Advisory Council) of the Stability Pact for South-Eastern Europe
- Chairman of IOMA - Industrial Oxygen Manufacturers Association (2011)

- Vice President for the Industrial Relations of Federchimica, the Italian Federation of Chemical Industry (from 1999 to 2007)
  - President of Assogastecnici ( Italian Association of industrial and medicinal gases Manufacturers)
  - President of H2IT – Italian Association for Hydrogen and Fuel Cells
  - Confindustria coordinator for Middle East, Africa and Eastern Europe area (from 2002 to 2004)
  - President of Confindustria Young Entrepreneurs – Vice President of Confindustria (from 1990 to 1994)
  - President of European Young Entrepreneurs – “YES” Group (from 1992 to 1993)
  - Member of the Presidency Council of Confindustria – in charge of Institutional Reforms (from 1994 to 1996)
  - Member of MURST (Commission for Scientific and Technological parks in Southern Italy and their extension to Central-Northern Italy) (from 1995 to 1997)
- (\*) Sol is an Italian based multinational group listed on the Milan Stock Exchange since 1998, with a turnover of €56 million and headcount of 2,200 units, operating in the production and distribution of industrial and medicinal gases (oxygen, nitrogen, argon, helium, hydrogen) and in home care in Italy and other 20 European countries (Albania, Austria, Belgium, Bosnia, Bulgaria, Croatia, France, Germany, Greece, Kosovo, Macedonia, the Netherlands, Romania, Serbia, Slovakia, Slovenia, Spain, Switzerland, Hungary, UK), Turkey and India.

### **Gianfelice ROCCA**

He is Chairman of Techint Group, which includes Tenaris, Ternium, Tenova, Techint E&C, Tecpetrol and Humanitas. Among the world leaders in the fields of steel, energy and infrastructures, the group, in the last year, generated revenues of over US\$25 billion with headcount of 59,000 units. In the '90ies he founded Humanitas Clinical Institute, a Polyclinic Hospital among the most recognized in Europe, international research and teaching center, Harvard University's case management.

He was Vice President for Education of Confindustria (leading association of Italian Industrialists) since May 2004, to May 2012.

Moreover he is Chairman of the Board of the IIT (Italian Institute of Technology) and a member of Executive Committee of EIT (European Institute of Innovation and Technology).

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

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

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

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

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

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

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

### **Maurizio SELLA**

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

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

He has been actively involved in banking trade associations,

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

He also holds the following positions: Director of "Compagnie Financière Martin-Mauriel of Marseilles" since 1993, Director of Buzzi Unicem since 2000, member of the Council for United States and Italy since 1990 and of its Board since 1999, member of the Italian group of the Trilateral Commission since 1999, member of Institut International d'Etudes Bancaires since 2000, member of the Chairmanship Committee of Associazione fra le Società Italiane per Azioni (Italian Association of Joint Stock Companies) since 2003 and Deputy Chairman since 2011, Chairman of AIDAF (Italian Association of Family Businesses) since 2007, Director of FBN – Family Business Network since 2010 and Chairman of the Nomination Committee since 2011,

member of the Fee and Nomination Committee and the European Family Businesses – GEEF since 2011, Director of Luigi Einaudi Foundation since May 2008 and Director of Luigi Einaudi Institute from 2009, Director of Banking, Insurance and Finance Federation since 2011, member of the Board of the Piedmont Group of the Italian Federation of Cavalieri del Lavoro since 2011.

Positions previously held:

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

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

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

### **Marco WEIGMANN**

Born in Turin on 20 May 1940, he graduated “cum laude” in Company Law from the Law Faculty of Turin University. He started his working career first as a pupil, then an associate, and ultimately as a leading partner of Tosetto, Weigmann and Associates, a law firm based in Turin with branch in Milan. The firm was established in 1847 and it is presently made up of more than forty professionals. It is a member of an EEIG which groups a law firm for each of the main Western European countries.

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

He was a member of the National and International Arbitration Chamber of Milan and is now a member of the Arbitration Chamber of Piedmont.

He was a member of the board of the Turin Law Society, of the Ethics Commission with the National Forensic Council, then the Italian member with the CCBE (Comité Consultif des Barreaux Européens) where he held the position of spokesman of the Company Law delegation.

He is a member of bodies of various nonprofit organizations (Fondazione Faustino Dalmazzo, Fondazione Filippo Burzio, Fondazione Sandretto Re Rebaudengo).

He holds a directorship in a number of companies, i.e.

- Società Reale Mutua di Assicurazioni – Turin since 14.11.1990

- Buzzi Unicem SpA – Casale Monferrato since 05.06.1998
- Italiana Assicurazioni S.p.A. – Milan since 23.04.2002
- Reale Immobili S.p.A. – Turin since 11.12.2002
- Banca Reale S.p.A. – Turin since 16.11.2006
- Auchan S.p.A. – Rozzano (MI) since 20.12.2004
- Pernigotti S.p.A. – Novi Ligure since 01.02.1995

## Curricula of the regular auditors

### **Mario PIA**

Born in Turin on 28 February 1936, married to Flavia DEL BELLO, no children.

Residing in Turin with office in Corso Matteotti 49.

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

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

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

Appointed as a Certified Public Accountant (CPA) by Ministerial Decree 14 January 1967, published in the Official Gazette no 26 of 30 January 1967, on the Auditors Register as per Ministerial Decree 12/04/1995 (published in the Official Gazette no 31 bis – 4<sup>th</sup> special series of 21.04.1995).

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

#### Profession

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

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

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

#### Register of Public Accountants

On Turin Register since 1961

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

#### *Former positions held in the Register*

Deputy President and Secretary of the Register

*Presently, director with tasks of:*

- Headmaster and teacher of the preparatory course to State Examination for the profession of Public Accountant organized by Turin Register
- President of the Discipline Commission
- Member of the Study Commission of the National Council of Public Accountants
- Lecturer in meeting and study sessions on tax and corporate reform

#### Service Clubs

Founding member of Rotary Club Torino Nord-Ovest (1976)

Past Chairman of Rotary Club Torino Nord-Ovest (1982-83)

Former Treasurer of Governor of Rotary 203<sup>rd</sup> District  
Member of Circolo Subalpino in Turin

**Gianfranco BARZAGHINI**

Place and date of birth: Saronno (VA) - 23.12.1941.

Address: Casalborgone (TO) corso Beltramo n° 9/1.

Qualification: GCE in Accounting from Istituto Gonzaga in Milano, 2 year attendance of Università Cattolica.

Languages: English, French

Buzzi Unicem Director since 1999.

He spent most of his career in SKF where, among others, he held the senior management position of Operating Division Manager and Chief Financial Officer of Italian operations.

He joined Unicem's top management in 1994 and following the merger into Buzzi Cementi he became General Manager of the new entity, position he held till February 8, 2007. He held also a Directorship in various Italian and foreign companies in the group.

**Giorgio GIORGI**

Born in Turin on 22 September 1933, residing in Turin, Via Cristoforo Colombo n.7, with office in Turin, Corso Giacomo Matteotti 29.

He has been on the Turin Law list since 1959

He has been qualified to teach Law and Economics in technical and commercial schools since 1959

Appointed as a Certified Public Accountant (CPA) by Ministerial Decree 10.3.1972, published in the Official Gazette no 76 of 21.3.1973, put on the Auditors's register as published in the Official Gazette no 31 bis – IV special series of 21.04.1995.

He works in the company affairs sector.

## **STATEMENT**

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

### **hereby declares**

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

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

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

March 4, 2013



## **STATEMENT**

The undersigned, GIANFRANCO BARZAGHINI, born in Saronno on 23 December 1941, residing in Casalborgone (TO), Corso Beltramo 9/1, tax code BRZ GFR 41T23 I441A, Italian citizen, Regular Auditor of Buzzi Unicem SpA (with registered office in Casale Monferrato, Via Luigi Buzzi 6, capital stock euro 123,636,658.80, Chamber of Commerce of Alessandria no 00930290044)

### **hereby declares**

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

- that against himself no causes of ineligibility, incompatibility and disqualification exist, as provided by art.148, paragraph 3 of Legislative Decree no 58/1998 and, in any case, by the regulations in force;
- that he had held for more than three years an administrative activity with a directive position in a company with a capital stock not lower than two millions euro;
- that he fulfils all conditions of professionalism and honorability as provided by the regulations in force and specifically by art. 1, paragraphs 4,5 and 6, and by art. 2 of the Ministry of Justice Decree no 162 of 30 March 2000, published in the Official Gazette of the Italian Republic no 141 of 19 June 2000;
- that he doesn't hold management and control positions in other companies.

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

March 7, 2013

## **STATEMENT**

The undersigned, GIORGIO GIORGI, born in Turin on 22 September 1933, residing in Turin, Via Colombo 7, tax code GRG GRG 33P22 L219V, Italian citizen, Regular Auditor of Buzzi Unicem SpA (with registered office in Casale Monferrato, Via Luigi Buzzi 6, capital stock euro 123,636,658.80, Chamber of Commerce of Alessandria no 00930290044)

### **hereby declares**

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

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

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

March 7, 2013