

“ANNEX” to the Management Report

REPORT
ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE
pursuant to Art. 123-bis of the Consolidated Law on Finance

(“Traditional” administration and control model)

SOCIETÀ INIZIATIVE AUTOSTRADALI E SERVIZI S.p.A. (“SIAS”)
(www: grupposias.it)

Report period: **2010**

Date of approval of the Report: **15 March 2011**

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CONTENTS

CONTENTS	3
GLOSSARY	5
1. ISSUER'S PROFILE	6
2. INFORMATION ON OWNERSHIP STRUCTURE (pursuant to art. 123-bis of the Consolidated Law on Finance)	7
a) <i>Share capital structure</i>	7
b) <i>Restrictions on the transfer of securities</i>	8
c) <i>Significant equity investments in the share capital</i>	8
d) <i>Securities granting special rights</i>	8
e) <i>Employee shareholding: procedure for the exercise of voting rights</i>	9
f) <i>Restrictions on voting right</i>	9
g) <i>Agreements between shareholders</i>	9
h) <i>Change of control clauses</i>	9
i) <i>Powers to increase share capital and authorisations to purchase treasury shares</i>	9
l) <i>Management and coordination activities</i>	9
3. COMPLIANCE	10
4. BOARD OF DIRECTORS	10
4.1. <i>APPOINTMENT AND REPLACEMENT</i>	10
4.2. <i>MEMBERS</i>	11
4.3. <i>ROLE OF THE BOARD OF DIRECTORS</i>	15
4.4. <i>DELEGATED BODIES</i>	18
4.5. <i>OTHER EXECUTIVE DIRECTORS</i>	19
4.6. <i>INDEPENDENT DIRECTORS</i>	20
4.7. <i>LEAD INDEPENDENT DIRECTOR</i>	21
5. HANDLING OF CORPORATE INFORMATION	21
6. BOARD OF DIRECTORS' INTERNAL COMMITTEES	22
7. APPOINTMENT COMMITTEE	22
8. REMUNERATION COMMITTEE	22
9. DIRECTORS' REMUNERATION	23
10. INTERNAL AUDIT COMMITTEE	24
11. INTERNAL AUDIT SYSTEM	25
11.1. <i>EXECUTIVE DIRECTOR RESPONSIBLE FOR THE INTERNAL AUDIT SYSTEM</i>	26
11.2. <i>INTERNAL AUDIT SUPERVISOR</i>	26
11.3. <i>ORGANISATIONAL MODEL pursuant to Legislative Decree 231/2001</i>	27
11.4. <i>INDEPENDENT AUDITORS</i>	28
11.5. <i>MANAGER IN CHARGE OF DRAWING UP THE CORPORATE</i>	

<i>ACCOUNTING DOCUMENTS</i>	28
12. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES	29
13. AUDITORS' APPOINTMENT	32
14. AUDITORS	33
15. RELATIONSHIPS WITH SHAREHOLDERS	35
16. SHAREHOLDERS' MEETINGS	36
17. FURTHER CORPORATE GOVERNANCE POLICIES	38
18. CHANGES OCCURED AFTER YEAR END	38

TABLES	39
Tab. 1: Information on ownership structure.....	40
Tab. 2: Structure of the Board of Directors and Committees.....	41
Tab. 3: Structure of the Board of Statutory Auditors.....	43

ANNEX

Paragraph on the “Main features of the existing risk management and internal audit systems with regard to the financial reporting process”, pursuant to Article 123-bis, paragraph 2, letter b) of the Consolidated Law on Finance	44
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GLOSSARY

Code/Code of Conduct: the Code of Conduct of listed companies, as approved in March 2006 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A..

Civ. cod./c.c.: the Italian Civil Code.

Board: the Issuer's Board of Directors.

Issuer/SIAS: the issuer of securities referred to in this Report.

Financial Year/year: the financial year referred to in this Report.

Consob Regulation on Issuers: the Regulation issued by Consob by Resolution no. 11971 of 1999 (and subsequent amendments) concerning issuers.

Consob Market Regulation: the Regulation issued by Consob by Resolution no. 16191 of 2007 (and subsequent amendments) concerning markets.

Report: the report on corporate governance and ownership structure that the companies have to prepare pursuant to Article 123-bis of the Consolidated Law on Finance.

Consolidated Law on Finance: the Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance).

1. ISSUER'S PROFILE

The Issuer was set up on 8 February 2002 as beneficiary of the partial proportional split of the listed company ASTM, which was approved on 27 September 2001 by the Extraordinary Shareholders' Meeting of ASTM.

On 11 February 2002 - following provision no. 2169 dated 8 February 2002 of Borsa Italiana - SIAS shares were first traded on the MTA (Italian Electronic Stock Market).

Pursuant to art. 4 of the Articles of Association, the duration of the Company is set at 31 December 2100 and may be extended in accordance with the law, excluding the right of withdrawal for those shareholders who did not take part in the resolution approval.

S.I.A.S. is an "industrial holding company" which mainly operates in the following sectors:

- i)* the motorway sector through the subsidiaries Società Autostrada Torino-Alessandria-Piacenza S.p.A., Autostrada Ligure Toscana S.p.A., Autocamionale della Cisa S.p.A., Società Autostrade Valdostane S.p.A., Autostrada dei Fiori S.p.A., Autostrada Asti-Cuneo S.p.A., Autostrada Torino-Ivrea-Valle d'Aosta S.p.A., which manage approximately 1,053 km of the Italian motorway network. The associated companies Autostrade Sud America s.r.l., Società Italiana per il Traforo Autostradale del Frejus S.p.A., Società Italiana per il Traforo del Gran San Bernardo S.p.A. and Road Link Holding Ltd. manage 358 km of the motorway network in Italy and abroad;
- ii)* the technology sector, through the subsidiaries SINELEC S.p.A. and Euroimpianti Electronic S.p.A.;
- iii)* the construction sector (maintenance and enhancement activities of the motorway infrastructure, mainly on behalf of Group licensees), through the subsidiary ABC Costruzioni S.p.A..

As prescribed by the "traditional" administration and control model, the Issuer is managed by the Board of Directors and supervised by the Board of Statutory Auditors. These boards have the powers and functions set out by the Italian Civil Code, special laws and the Articles of Association.

The Shareholders' Meeting represents the entirety of the shareholders and takes decisions - on an ordinary and extraordinary basis - on the issues that fall under its responsibilities in compliance with the law.

In November 2010 – upon proposal of the Board of Directors – the Extraordinary Shareholders' Meeting approved a new version of the Articles of Association, in order to implement the amendments introduced by Legislative Decree no. 27 dated 27 January 2010 concerning the exercise of some rights of listed companies' shareholders.

As shown in the Directors' Report (which is available on the corporate website, under section "corporate governance"), the amendments mainly meet the need to align with legislative provisions which govern i) the legitimation to intervene during the Meeting, ii) the terms and methods to convene the Meeting; iii) the representation at the Meeting and voting proxies; iv) the re-introduction of the term of 180 days as from the closure of the financial year in order to convene the Annual Meeting; and v) the terms to submit lists for the appointment of corporate offices.

Further amendments – yet not related to the above-mentioned Legislative Decree – involve i) a more

precise specification of the systems that can be used to attend the meetings of the Board of Directors at distance; and ii) the assignment to the Board of Directors – in compliance with the provisions set out in Article 2365, paragraph 2 of the Italian Civil Code – of the power to make changes to the Articles of Association in order to comply with any legal requirements in force.

Please refer to the following sections contained in this report for further details on operation, composition and powers of the above-mentioned corporate bodies.

Having said that, this Report aims at providing description of the corporate governance system and of compliance with the Code, by showing the recommendations that were implemented and those that were considered inapplicable, since they did not comply with the current management and organisational model.

This Report - that was prepared according to the “*Guidelines for drawing up the annual corporate governance report*” (issued by Borsa Italiana in February 2003) and the “*Guide to the compilation of the corporate governance report*” (issued by Assonime and Emittenti Titoli S.p.A. in February 2004) - takes into account the explanatory criteria and methods contained in the “*experimental format*” prepared by Borsa Italiana in February 2008 and subsequently updated in February 2010.

2. INFORMATION ON OWNERSHIP STRUCTURE (pursuant to art. 123-bis, paragraph 1 of the Consolidated Law on Finance)

As at 15/03/2011

a) Share capital structure (pursuant to art. 123-bis, paragraph 1, letter a) of the Consolidated Law on Finance)

The share capital, amounting to EUR 113,750,557.50 consists of 227,501,115 ordinary shares with a par value of EUR 0.50 each, traded on the MTA, in the FTSE Italia Mid Cap Index.

The Issuer meets the requirements set out in articles 36 and 37 of the Market Regulation concerning the trading of treasury shares on the Italian regulated market.

More specifically, the application requirements set out by the said art. 36 are not met, considering that the Issuer does not have foreign subsidiaries in its investment portfolio.

Similarly, the requirements set out in art. 37 are met, assuming that the Issuer i) which is subject – as is well known – to the management and coordination activities of Argo Finanziaria S.p.A., has sent to the Chamber of Commerce of Turin the notice required by art. 2497-bis of the Italian Civil Code, by the deadlines required by law; ii) has an independent negotiating ability with customers and suppliers; iii) does not have a centralised treasury service; iv) has 7 Directors who meet the independence requirements set out by the Code.

On 20 May 2005, the Issuer’s Board approved – based on the powers given to it by the Extraordinary Shareholders’ Meeting on 16 May 2005, pursuant to art. 2420-ter of the Italian Civil Code – a bond issue called “SIAS 2.625% 2005-2017 convertible in ordinary shares”, composed

of 31,875,000 bonds with a par value of EUR 10.50 each, fully underwritten for a total value of EUR 334,687,500.

The bonds – which are listed on the MTA and included in the FTSE Italia Mid Cap Index – have the following characteristics:

- duration: 12 years;
- interest rate: 2.625% per year, gross;
- conversion option: beginning from the end of the fifth year, one ordinary share of SIAS for each bond held;
- redemption: unconverted bonds upon maturity will be redeemed in a lump sum at par value.

The bond conversion option started as from 1 July 2010, through the brokers who have joined the centralised management system of Monte Titoli S.p.A..

In the period from 1/07/2010 to 28/02/2011, 1,115 bonds have been converted, with a corresponding increase in the shares that make up the share capital.

At present, outstanding bonds amount to 31,873,885.

On 27 January 2011, the Bondholders' Meeting re-appointed Mr. Roberto Petrignani as representative of bondholders for the financial years 2011, 2012 and 2013.

The Issuer did not approve share-based incentive plans (stock option, stock grant, etc.) that imply increases in share capital (as well as scrip issues).

b) Restrictions on the transfer of securities (pursuant to art. 123-bis, paragraph 1, letter b) of the Consolidated Law on Finance)

There are no restrictions on the transfer of securities, such as limits to the holding of securities or the need to obtain approval by the Issuer or other securities' holders.

Pursuant to art. 6 of the Articles of Association, shares are registered if required by law; otherwise, if fully paid, these can be registered shares or bearer shares, at the choice and expense of the shareholder.

c) Significant equity investments in the share capital (pursuant to art. 123-bis, paragraph 1, letter c) of the Consolidated Law on Finance)

The Persons who hold - directly or indirectly and for more than 2% - the share capital subscribed that is represented by shares with voting rights, according to the records contained in the shareholders' register, as supplemented by the communications received pursuant to art. 120 of the Consolidated Law on Finance and by other available information, are included in the summary of Table 1 contained in the Appendix.

d) Securities granting special rights (pursuant to art. 123-bis, paragraph 1, letter d) of the Consolidated Law on Finance)

The Issuer did not issue securities granting special control rights.

e) Employee shareholding: procedure for the exercise of voting rights (pursuant to art. 123-bis, paragraph 1, letter e) of the Consolidated Law on Finance)

The Issuer did not approve any employee shareholding scheme with regard to its share capital.

f) Restrictions on voting right (pursuant to art. 123-bis, paragraph 1, letter f) of the Consolidated Law on Finance)

There is no restriction on voting right.

The Issuer has only issued ordinary shares and there are no shares with voting rights other than ordinary shares.

g) Agreements between shareholders (pursuant to art. 123-bis, paragraph 1, letter g) of the Consolidated Law on Finance)

As of today, no agreement was signed between shareholders, pursuant to art. 122 of the Consolidated Law on Finance.

h) Change of control clauses (pursuant to art. 123-bis, paragraph 1, letter h) of the Consolidated Law on Finance)

The Issuer and its subsidiaries have never signed agreements which become effective, are amended or terminated in case of a change in the control of the contracting company.

i) Powers to increase share capital and authorisations to purchase treasury shares (pursuant to art. 123-bis, paragraph 1, letter m) of the Consolidated Law on Finance)

No powers to increase share capital were granted to the Board, pursuant to art. 2443 of the Italian Civil Code.

As already mentioned in paragraph 2, letter a), on 20 May 2005 the Board - in execution of the powers granted to it pursuant to art. 2420-ter of the Italian Civil Code by resolution of the extraordinary shareholders' meeting on 16 May 2005 - approved the issue of the convertible bond loan called "SIAS 2.625% 2005 – 2017 convertible into ordinary shares".

The meeting has never authorised the purchase of treasury shares, in compliance with art. 2357 and following of the Italian Civil Code.

l) Management and coordination activities (pursuant to art. 2497 ff. of the Italian Civil Code)

The Issuer is subject to the management and coordination activities of ARGO FINANZIARIA S.p.A..

It is specified that:

- the information required by Art. 123-bis, paragraph 1, letter i) ("*the agreements between the company and the directors [...] providing for indemnities in case of resignation or removal without*

just cause or termination following a take over bid") is detailed in the report section concerning Directors' remuneration (Section 9);

- the information required by Art. 123-bis, paragraph 1, letter l) ("*the rules for the appointment and replacement of Directors [...], as well as for the amendment of the Articles of Association, if different from the supplementary legal and regulatory rules*") is detailed in the report section concerning the Board of Directors (Section 4.1).

3. COMPLIANCE (pursuant to art. 123-bis, paragraph 2, letter a) of the Consolidated Law on Finance)

Since its incorporation, the Issuer has adopted a corporate governance model that is substantially in line with the Code of Conduct of listed companies, which was issued in 1999 and subsequently updated in July 2002.

On 14 March 2006, the Corporate Governance Committee – in the light of both the evolution in the national and international best practice and the change in the regulatory framework concerning corporate law and protection of savings – issued an updated version of the Code (available on Borsa Italiana's website: www.borsaitaliana.it), by reviewing the governance principles that should be adopted by listed issuers by the end of FY 2006.

In December 2006, the Issuer's Board approved to bring its own corporate model in line with the provisions of the new Code according to a gradual and flexible process that took into account both the structure of the SIAS Group following the corporate reorganisation project completed in July 2007 and the management and organisational models of each single business structure. As described in detail below, the said adjustment process was carried out in 2007 and in January 2008.

The Issuer's governance model takes into account the company size, the ownership structure, as well as the sector.

The Issuer and its subsidiaries with strategic importance are not subject to foreign law provisions that affect the Issuer's corporate governance structure.

4. BOARD OF DIRECTORS

4.1. APPOINTMENT AND REPLACEMENT (pursuant to art. 123-bis, paragraph 1, letter l) of the Consolidated Law on Finance)

Pursuant to art. 16 of the Articles of Association, the Issuer is managed by a Board composed of a number of members ranging between seven and fifteen, according to the decision taken by the Shareholders' Meeting, and of a number of independent directors as required by law.

The whole Board of Directors is appointed on the basis of the lists submitted by the Shareholders; the candidates – who are listed by a sequence number – have to comply with the requirements of integrity provided for by applicable law.

Lists can be submitted by the Shareholders who - alone or together with others - hold shares representing the shareholding in the share capital, as set out by law. The legal title to the above-mentioned shareholding shall be proved according to the methods and within the time limits set out by law.

Each Shareholder can draw up or submit only one list; each person entitled to vote may vote only one list.

The lists – which include i) information concerning personal and professional details of the candidates; ii) the written acceptance of the candidature and the declaration that the candidate does not belong to other lists; as well as iii) any other document provided for by applicable law – shall be filed with the registered office according to the terms set out by legal and regulatory provisions, which are stated in the notice of call of the meeting.

The list that does not comply with the above-mentioned provisions shall be considered as “not submitted”.

After having been filed, the lists are also published on the Issuer’s website, under section “corporate governance”, as well as on Borsa Italiana’s website.

The procedure for the appointment of the Board’s members is described below:

- a) four-fifths of the Directors to be appointed are chosen from the list that obtains the majority of votes expressed by the persons entitled to vote, in the order in which they are listed, rounding off in case of fractional number;
- b) the remaining Directors are chosen from other lists; to this purpose, the votes obtained by the lists are subsequently divided by one, two and three, according to the number of Directors who shall be elected. The ratios obtained are progressively assigned to the candidates of each list, according to their related order. The ratios assigned to the candidates of the lists are listed in a single ranking and those with the highest ratios are elected.

If more candidates obtain the same ratio, the one belonging to the list with no Directors - or with the smallest number of Directors - appointed, shall be elected. In the event of a tie in list votes - and therefore in ratios - the Meeting shall vote again and the candidate who obtains the simple majority of votes is elected.

If, for any reason, the appointment of one or more Directors may not be carried out according to the above-mentioned rules, law provisions on the subject shall apply.

If, during the year, one or more Directors resign from office, law provisions shall apply.

If, in case of resignation or other reasons, the majority of Directors appointed by the Meeting fails, the whole Board shall resign and its termination shall be effective from the moment when the Board will be re-established, following the appointments made by the Meeting that shall be convened as soon as possible.

The Directors are in office for the time agreed by the Meeting (in any case, not more than three years) and can be re-appointed; the persons appointed during this period shall fall from office together with those members who were already in office upon their appointment.

4.2 MEMBERS (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

The Board was appointed by the Shareholders’ Meeting on 12 May 2008 for the financial years 2008-2009-2010 (i.e. until the approval of the 2010 financial statements), according to the 2 filed lists:

- list no. 1 (representing the majority) submitted by the Shareholders Aurelia S.p.A., Autostrada Torino-Milano S.p.A., Sina S.p.A., jointly owning 73.975% of the share capital, which includes 10 candidates;
- list no. 2 (representing the minority) submitted by the Shareholder Assicurazioni Generali S.p.A., holding 2.088% of the share capital, which includes 4 candidates. Upon filing, this list also included the statement certifying that no relations existed with reference shareholders, as set out by the regulatory provisions issued by Consob, implementing art. 148 of the Consolidated Law on Finance.

The minimum shareholding in the share capital required in order to submit lists was set out by Consob by means of Resolution no. 16319 of 29 January 2008, and is equal to 2%.

Given that, prior to voting, the Shareholders' Meeting set out that the members of the Management Body to be elected were 14, all candidates of the 2 lists were elected. More specifically: Bruno Binasco (appointed as Chairman during the meeting), Enrico Arona, Paolo Pierantoni, Giovanni Angioni, Giulio Antonello, Gianfranco Boschetti, Beniamino Gavio, Daniela Gavio, Ferruccio Piantini, Alberto Sacchi (representatives of the majority), Alessandro Braja, Ernesto Maria Cattaneo, Sergio Corbello, Vincenzo Macchia (representatives of the minority).

With regard to voting, out of a total of 178,805,511 shares present at the meeting (equal to 78.595% of the share capital), the list representing the majority was voted by 169,915,720 shares (519,905 shares abstained), while the list representing the minority was voted by 8,369,886 shares. For each voting, the list with the names of the Shareholders and their votes is attached to the meeting's minutes of 12 May 2008, that have been published on the website under section "corporate governance".

During the meeting held on 15 May 2008, Enrico Arona and Paolo Pierantoni were appointed as Managing Directors, with assignment of their powers.

In order to strengthen the management body in view of the Company's development prospects and the increasing commitments of the Directors, the Ordinary Shareholders' Meeting held on 26 April 2010 decided to increase the number of Directors (from 14 to 15) by appointing Maria Teresa Bocchetti until the end of the current three-year period.

As at 30 April 2010, the Director Gianfranco Boschetti resigned from his office and Mr. Graziano Settime was coopted in his place on 13 May 2010; he was subsequently confirmed by the Ordinary Shareholders' Meeting held on 15 November 2010 until the end of the current administrative appointment.

On 13 May 2010, the Board of Directors – while redefining the corporate management of the Group's companies – appointed Mr Alberto Sacchi as Managing Director, given that Mr Enrico Arona refrained from exercising the management powers granted to him. However, Mr Enrico Arona still holds the office of Director.

Within the current administrative structure, the Directors G. Angioni, G. Antonello, A. Braja, E. M. Cattaneo, S. Corbello, V. Macchia, F. Piantini are independent, pursuant to application criterion

3.C.1 of the Code.

The Directors G. Antonello, A. Braja, E. M. Cattaneo, S. Corbello, V. Macchia, F. Piantini confirmed compliance with the independence requirements set out in art. 148, paragraph 3 of the Consolidated Law on Finance.

The Ordinary Shareholders' Meeting that will be convened to resolve upon the 2010 financial statements, shall appoint the new Board of Directors. The stake necessary to submit lists was set out by Consob, by means of Resolution no. 17633 dated 26 January 2011, and is equal to 2%.

As can be inferred from the short bibliographical notes detailed below, the Directors have adequate professional experience - with regard to legal, technical, economic and financial subjects - as well as specific skills through which they actively participate and contribute to the works and decisions of the Board:

Bruno Binasco: (born in Tortona - AL - on 06/08/1944) - He obtained a degree in Political Science and was mainly employed within the Gavio group where he holds, among other things, the position of Managing Director of Argo Finanziaria, a major reference holding for motorway, building and construction companies.

Enrico Arona: (born in Tortona - AL - on 23/01/1944) - After obtaining a diploma in Accountancy, he mainly worked within the Gavio group, where he follows and coordinates finance-related issues.

Paolo Pierantoni: (born in Genoa on 09/12/1956) - He obtained a degree in Civil Engineer (Hydraulics) and acquired expertise in corporate management matters within both major construction companies and the Gavio Group, with particular reference to the motorway concession and planning sectors.

Giovanni Angioni: (born in Cuneo on 31/01/1941) - He obtained a degree in Economics and Business; since 1967, he is a chartered accountant and holds the position of Director and Member of the Board of Statutory Auditors in several companies.

Giulio Antonello: (born in Bari on 12/04/1968) – He obtained a degree in Economics (Finance) at The Wharton School of Finance (University of Pennsylvania), as well as a Master of International Affairs. He also attended specialisation courses at the Columbia Business School. He acquired knowledge and expertise in corporate management matters by holding executive positions within major national and foreign companies which operate mainly in the banking, financial and industrial sectors.

Maria Teresa Bocchetti: (born in Rome on 01/01/1954) – She obtained a degree in Law at the University “La Sapienza” of Rome, she has been working with the Gavio Group since 1985 and is in charge of managing the institutional relationships of the SIAS Group. She is a member of AISCAT Executive Board (Italian association of motorway and tunnel licensees).

Alessandro Braja: (born in Caselle Torinese - TO - on 21/12/1934) - He obtained a degree in Economics and Business at the University of Turin. He is a chartered accountant, holds the position of Extraordinary Director for extraordinary administration companies (“Prodi Law”) and exercises other public and trade union functions for industrial and financial companies.

Ernesto Maria Cattaneo: (born in Magnago - MI - on 23/09/1949) - He obtained a degree in Economics and Business at the University Cattolica del Sacro Cuore of Milan. He is a chartered accountant, focusing in particular on corporate, tax and accounting matters.

Sergio Corbello: (born in Asti on 8/07/1951) – He obtained a degree in Law at the University of Turin and has been responsible for the social security policies of the San Paolo Group for many years. Moreover, he held top-level positions at organisations and boards for welfare and supplementary pension schemes.

Beniamino Gavio: (born in Alessandria on 13/10/1965) - After obtaining a diploma in Economics at the Kensington University in Glendale (California), he acquired expertise in corporate management matters mainly within the Gavio Group, with particular reference to the motorway concession, building and construction sectors.

Daniela Gavio: (born in Alessandria on 16/02/1958) - She obtained a degree in Medicine at the University of Genoa. She acquired expertise in corporate management matters mainly within the Gavio Group, with particular reference to the motorway concession, logistics and road transport sectors.

Vincenzo Macchia: (born in Naples on 21/09/1973) - He obtained a degree in Law at the University of Salerno. He carries out forensic activities with particular reference to the financial markets reform, corporate and insolvency law.

Ferruccio Piantini: (born in Venice on 28/01/1953) - He obtained a degree in Economics and Business at the Bocconi University of Milan. He held major positions within the banking and brokerage sectors, with particular reference to corporate acquisitions and disposals, as well as project finance within the corporate finance area.

Alberto Sacchi: (born in Tortona - AL - on 14/03/1960) - He obtained a degree in Economics and Business at the University of Pavia and acquired expertise in corporate management matters mainly within the Gavio Group - where he has been working since 1984 - with increasing responsibilities in the strategic planning and corporate sectors.

Graziano Settime: (born in Turin on 17/09/1960) – He obtained a degree in Economics and Business at the University of Turin. He is enrolled in the Auditors' Register and is a technical adviser at the Court of Turin. He has been working with the Gavio Group since 1997, focusing in particular on the administrative and financial fields.

The *curricula* of the members of the Board are available on the Issuer's website (under section "corporate governance").

Maximum number of offices held in other companies

During the meeting held on 29 January 2008, and pursuant to the application criterion 1.C.3. of the Code, the Board adopted the procedure aimed at identifying the maximum number of offices as director or auditor in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises. This procedure – available on the website under section "corporate governance – takes into consideration the level of commitment implied in each

position, also with regard to the nature and size of the companies in which offices are held, as well as whether or not these belong to the Group.

With reference to the above-mentioned aspects, the definition of large enterprises is provided below:

- a. Italian companies with shares listed on Italian regulated markets or on markets of other European Union countries;
- b. banks, financial brokers pursuant to art. 107 of Legislative Decree no. 385 of 1 September 1993, securities companies (SIM) pursuant to art. 1, paragraph 1, letter e) of the Consolidation Act, investment companies with variable capital (SICAV) pursuant to art. 1, paragraph 1, letter i) of the Consolidation Act, asset-management companies pursuant to art. 1, paragraph 1, letter o) of the Consolidation Act, insurance companies pursuant to art. 1, paragraph 1, letters s), t) and u) of Legislative Decree no. 209 of 7 September 2005, incorporated as companies pursuant to Book V, Title V, Chapters V, VI, and VII of the Italian Civil Code, with shares that are not listed on Italian regulated markets or on markets of other European Union countries;
- c. companies pursuant to Book V, Title V, Chapters V, VI and VII of the Italian Civil Code which - individually or at group level in case they draw up the consolidated financial statements - show i) revenue from sales and services higher than EUR 500 million; and ii) balance sheet assets higher than EUR 800 million, with shares that are not listed on Italian regulated markets or on markets of other European Union countries.

Having taken into account the commitment implied in each single position, the following maximum limits on administration or control offices that can be held in other large enterprises were defined:

1. Executive Directors with management powers: 4
2. Executive Directors without management powers: 6
3. Non-executive directors: 8

With regard to the calculation of offices:

- those positions held in companies directly and/or indirectly controlled by the Issuer, as well as in its Parents are not taken into account;
- substitute auditor offices are not taken into account;
- in case of offices held in large enterprises belonging to the same group, the “weight” given to each of the offices - except for the first one - is reduced by half and, in any case, the fact of holding several positions within the same group shall not imply a total “weight” higher than 2.

However, the Board is allowed to grant derogations (including temporary ones) for exceeding of the above-mentioned limits.

The list attached to Table 2 – that includes a summary of the Board’s data – shows the offices held by some Directors, in view of the above-mentioned parameters and criteria.

4.3. ROLE OF THE BOARD OF DIRECTORS (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

In 2010, the Board held 11 meetings that were attended on average by 93.33% of its members. The attendance of Independent Directors was on average equal to 92.21%. The average duration of

each meeting was approximately 1 hour.

With regard to FY 2011 - as detailed in the annual schedule of corporate events sent to Borsa Italiana S.p.A. in January 2011 - at least 4 meetings have been forecasted to approve the financial statements, the first and third intermediate management report, as well as the half-yearly financial report.

Moreover, since the beginning of FY 2011 three meetings have already been held, although two of them are not included in the above-mentioned schedule.

In compliance with confidentiality principles, in order to allow the Directors to adequately express their opinions, as well as to carry out all necessary assessments and analyses, they are provided – well in advance of each single meeting – with all documents and information on the subjects that shall be approved.

The manager in charge of drawing up the corporate accounting documents takes part, *ad audiendum*, in the Board's meetings for the analysis and approval of accounting documents.

Powers and authorities of the Board

Pursuant to art. 21 of the Articles of Association, the Board is endowed with broad and unrestricted powers for the ordinary and extraordinary administration of the company and has the authority to carry out all actions (including acts of disposal) that it deems necessary to achieve the corporate purpose, with the sole exception of those which the law expressly reserves to the Shareholders' Meeting.

The Management Body is responsible for the examination and approval of strategic, industrial and financial plans of SIAS and its Group; having taken into account the information provided by the Managing Directors - also with regard to the exercise of their management powers - the Management Body constantly assesses the general results of operations.

With reference to the specific powers set out by the Code, the Board monitors the adequacy of the organisational, administrative and accounting structure of the Issuer and subsidiaries with strategic importance, which were mainly identified among motorway companies and represent the main strategic asset with regard to the core business of the Issuer (ATIVA S.p.A., Autocamionale della Cisa S.p.A., Autostrada Asti-Cuneo S.p.A., Autostrada dei Fiori S.p.A., HPVdA S.p.A., SALT S.p.A., SATAP S.p.A., SAV S.p.A.).

Moreover, in compliance with the application criterion 9.C.1. of the Code, the Board approved that the examination of the following significant transactions carried out by the Issuer or its subsidiaries and that have an impact on the company's strategic, economic and financial position and results, shall fall under its responsibilities:

- 1) the issuance of financial instruments, for a total value higher than EUR 10 million;
- 2) the granting of guarantees, for amounts higher than EUR 10 million;
- 3) merger and split-off transactions, where at least one of the involved companies is not a subsidiary of the SIAS Group;
- 4) acquisition or disposal of real estate whose value is equal or higher than EUR 5 million;

- 5) acquisition or disposal of equity investments (in one or more tranches), companies or business units, fixed assets and other assets, whose transaction value is equal or higher than EUR 30 million;
- 6) the subscription of concession agreements, and new agreements, related to subsidiaries operating in the “motorway sector”;
- 7) any other transaction that, according to the competent Bodies of a subsidiary, has an impact on the strategic, economic and financial position and results of SIAS S.p.A..

For a correct implementation of the procedure within the SIAS Group, the Board immediately notified its subsidiaries of any relevant information.

With regard to the above, on 6 October 2010 the Board approved the Euro Medium Term Note Programme for a total maximum amount of EUR 2 billion at the Irish Stock Exchange, with the issue of both secured and unsecured notes.

Having taken into account the favourable market conditions, on 19 October 2010 a senior secured bond loan for a total amount of EUR 500 million was placed (10-year maturity and Moody’s rating of Baa2).

Bonds have a minimum unit of EUR 50 thousand and maturity on 26 October 2020; they are characterised by the payment of an annual gross coupon of 4.5% and were placed at an issue price of 99.134 and only with qualified investors. The bonds are governed by English law and are negotiated at the Irish Stock Exchange.

As regards the decisions taken by the Board on the identification of significant transactions with related parties and implementing procedures, reference should be made to the specific information contained in the following paragraph 12 “Directors’ interests and transactions with related parties”.

Assessment on the size, composition and functioning of the Board

In February 2011, pursuant to criterion 1.C.1, letter g) of the Code, the Directors carried out the usual annual assessment of the size, composition and functioning of the Board.

The Directors - with specific reference to corporate operations and the objectives achieved in 2010 - underlined that they took part in corporate activities and actively contributed to the works and decisions, as confirmed by their continued participation in the meetings.

With regard to the “industrial holding” activity carried out by the Issuer, they confirmed to have adequate professional experience - with regard to legal, technical, economic and financial subjects - through which they ensure all necessary skills and knowledge required to achieve the strategies and purposes of both SIAS and its Group.

The Board – that is constantly updated on the ordinary and extraordinary operations of the Company, on significant events, as well as on initiatives under assessment and those carried out by Managing Directors in the exercise of their management powers – was assisted by the Internal Audit Committee and the Remuneration Committee. Please refer to the following sections contained in this report for further details on operation.

With regard to the above, the Directors underlined their favourable opinion on the functioning of the Board and its internal Committees, in line with the assessments for 2007, 2008 and 2009.

Non-competition clause pursuant to art. 2390 of the Italian Civil Code

The Meeting did not grant derogations with regard to the non-competition clause pursuant to art. 2390 of the Italian Civil Code.

4.4. DELEGATED BODIES

Managing Directors

As already pointed out above, during the meeting held on 15 May 2008, two Managing Directors were appointed, i.e. Mr Paolo Pierantoni and Mr Enrico Arona. As at 13 May 2010, the latter refrained from exercising the management powers granted to him, but he still holds the office of Director. In his place, the Director Alberto Sacchi was appointed as new Managing Director and he was granted the following powers, to be exercised with separate signature:

- 1) carry out all actions included in the corporate purpose, subject to the limitations set out by law, Articles of Association and Code of Conduct, except for the following actions that shall be previously authorised by the Board of Directors:
 - sell, exchange and transfer real estate in incorporated companies or under incorporation;
 - transfer, sell, award and generally dispose of the equity investments held in subsidiaries, so as to reduce the investments below 50.1% of the share capital;
 - allow mortgage registrations, cancellations or annotations;
 - waive legal mortgages;
 - take out secured loans.

Moreover, he has the power to appoint and revoke appointment of proxies and attorneys, as well as to file lawsuits, requests and complaints, promote and support legal actions on behalf of the company – acting as both claimant or defendant – at any court (civil, penal or administrative) and at any level of jurisdiction, both in Italy and abroad.

In order to standardise operational and management activities, the same powers (with separate signature) have been granted also to the Managing Director Paolo Pierantoni, while the previous powers granted to him have been repealed.

Chairman of the Board of Directors

The Chairman - who has not been granted management powers on a permanent basis - legally represents the Company before third parties and in court, pursuant to art. 24 of the Articles of Association.

Executive Committee (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

The current organisational and operating structure of the Issuer does not include the Executive Committee.

Information to the Board

In compliance with art. 24 of the Articles of Association, the Managing Directors report directly to the Board of Directors and the Board of Statutory Auditors on the activities carried out in the exercise of their powers, as well as on the overall performance and the outlook, during single meetings or directly, in due time and at least on a quarterly basis.

4.5. OTHER EXECUTIVE DIRECTORS

In addition to the Managing Directors, and in the light of the definition contained in the application criterion 2.C.1. of the Code, also the Directors B. Binasco, E. Arona and B. Gavio are executive directors on the basis of the following corporate offices held in parent companies (Aurelia S.p.A., Argo Finanziaria S.p.A., ASTM S.p.A.) or in the subsidiary with “strategic importance” (HPVdA S.p.A., SALT S.p.A.):

B. Binasco: Chairman of HPVdA S.p.A. and Managing Director of Argo Finanziaria S.p.A.;

B. Gavio: Chairman of Argo Finanziaria S.p.A. and Managing Director of Aurelia S.p.A.;

E. Arona: Managing Director of ASTM S.p.A., Vice-Chairman (vicarious), Managing Director and member of the Executive Committee of SALT S.p.A., as well as Group’s financial officer based on the office held in the parent company Argo Finanziaria S.p.A..

As stated above, with regard to their roles and powers, the Chairman and the Managing Directors ensure that - in order to allow the Directors to increase their knowledge of corporate facts and dynamics - the Directors and Auditors are provided - well in advance of the meetings (except for those cases of explicit confidentiality, necessity and urgency) - with any document and information necessary to allow them to express on the subjects under assessment.

The Directors and Auditors are constantly and duly informed of the main legal and regulatory developments concerning the Issuer, the Group and corporate bodies.

Moreover, during the meetings the Managing Directors report on the operations carried out in the exercise of their powers.

The Board is also notified of both purchase and disposal transactions of corporate equity investments and the Group’s motorway segment, with specific reference to the discussions with the Granting Body ANAS S.p.A. and the agreements.

So that the greatest number of Directors can participate in the corporate activities pursuant to art. 19 of the Articles of Association, it is possible to take part in the meetings by attending at distance, using conference call or videoconference systems that ensure promptness and efficiency of the flow of information.

4.6. INDEPENDENT DIRECTORS

As already mentioned above, 7 out of 15 members of the Board of Directors comply with the independence requirements set out by the Code.

Compliance with these requirements – that was stated upon presentation of the lists, together with the acceptance of the candidature – was subsequently confirmed during the annual periodic assessments made by the Board (the last one was carried out in February 2011).

In the framework of its specific powers and authorities, the Board of Statutory Auditors favourably examined and verified the correct application of the assessment criteria and procedures adopted by the Board to assess the independence of its members.

Independent Directors' Meeting

Pursuant to application criterion 3.C.6. of the Code, the meeting of the Independent Directors was held in November 2010. Following the assessment, they confirmed the favourable opinion – that had already been given for the previous financial years – with regard to the composition and operations of the whole Management Body.

In this context, they expressed their favourable opinion on the existing information flow that enable them to monitor corporate activities and the internal audit system of SIAS and its main subsidiaries, also thanks to the cooperation of the corporate management and the responsible staff.

This was possible also thanks to the timely and periodic update on the extraordinary and ordinary management of the Company, on significant events, as well as on the initiatives under assessment and those carried out by Managing Directors in the exercise of their management powers. To this regard, reference was made to the importance of carrying out operations according to the usual prudence and careful assessment criteria that have been applied up until now.

Reference was also made to the precious contribution given by the Internal Audit Committee, the Remuneration Committee and the Supervisory Body, which have periodically reported on the results of their activities, in the framework of their powers and authorities.

It was acknowledged that corporate operations are carried out according to transparency criteria. More specifically, intragroup transactions have been carried out if requirements were met, pursuant to the procedures “major economic and financial transactions” and “transactions with related parties” adopted by the Company in compliance with the Code.

So to better comply with the transparency and efficiency criteria, the Independent Directors underlined the importance that the Issuer - in view of each single meeting - provides any information well in advance so as to acquire a better knowledge of the issues that shall be examined and approved.

During the year, the Independent Directors - by implementing the Board's resolution of 4 August 2010 - supported the Managing Director A. Sacchi in the finalisation/definition of the new “procedure for transactions with related parties”. This procedure was adopted on 26 November 2010 by the Issuer's Board - having obtained their favourable opinion - in compliance with Consob regulations (see the following paragraph 12 “*Directors' interests and transactions with related parties*”).

In order to carry out the said activities, the Independent Directors met two times.

4.7. LEAD INDEPENDENT DIRECTOR

The current organisational structure of the Board, with regard to the distribution and allocation of management powers, complies with the principles contained in the Code. For this reason, there is no need to appoint a lead independent director among independent directors.

5. HANDLING OF CORPORATE INFORMATION

The Chairman and the Managing Directors, in cooperation with the Administration Manager, are in charge of the management of corporate information, with particular reference to price-sensitive information.

The external disclosure of documents and information on the Issuer and its subsidiaries is carried out - in agreement with the Chairman and the Managing Directors - by the Board's and General Secretariats with regard to communications to the relevant Authorities and the Shareholders and by the investor relations' supervisor for press releases and information to institutional investors.

With the implementation of the "organisational, management and control models pursuant to Legislative Decree no. 231/01", the Board adopted the procedure for the "handling of confidential information", whose disclosure is carried out by means of a network connection with Borsa Italiana S.p.A. (NIS - Network Information System) and whose access is protected by passwords which are only known to the Board's Secretariat.

With regard to the hypothesis of "insider trading", as from 1 April 2006 the Issuer and its relevant subsidiaries created a register of individuals who have access to inside information, in accordance with the terms and conditions set out by Consob regulation.

The said register is managed according to a specific IT procedure prepared for that purpose.

With regard to the Internal Dealing procedure - with effect from the above-mentioned date - the internal audit supervisor is responsible for the receipt, management and diffusion on the market of those transactions - equal or higher than EUR 5,000 - carried out with regard to the Issuer's security and the related financial instruments by "significant parties", as identified by the current legal requirements.

In order to promptly comply with disclosure requirements, a document entitled "*Transactions carried out by significant parties and persons closely related to them*" was drawn up and given to significant parties. This document contains all legal and regulatory provisions that constitute the regulatory framework, as well as the terms and conditions for communications to Consob, Issuer and market.

During 2010, the Issuer transmitted via the NIS system 3 internal dealing notices concerning transactions carried out by the Members of the Board of Directors with regard to the SIAS security (2 for A. Sacchi and 1 for B. Gavio). The said notices are also published on the website under section "financial information".

6. BOARD OF DIRECTORS' INTERNAL COMMITTEES (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

Following renewal of Corporate Bodies, during the meeting held on 15 May 2008 the Board reappointed the Remuneration Committee and the Internal Audit Committee, which are composed of independent non-executive directors, pursuant to the provisions contained in the Code.

The Board decided not to appoint the Appointment Committee, for the reasons described below.

7. APPOINTMENT COMMITTEE

In line with the assessments made in the past - and with reference to the Code in force - the Board does not deem it necessary to create an internal Appointment Committee, assuming that the appointment of Directors is carried out by means of list voting, in compliance with the terms and conditions set out in art. 16 of the Articles of Association.

8. REMUNERATION COMMITTEE

Composition and functioning (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

The Remuneration Committee is composed of the independent non-executive Directors G. Antonello, F. Piantini and A. Braja, the latter appointed on 13 May 2010 in place of the outgoing director G. Boschetti.

The Committee is convened - upon request of its members - by the Board's Secretariat, that also prepares the minutes of each single meeting. As for previous years, no meeting schedule was prepared also for 2011.

Pursuant to the application criterion 7.C.4 of the Code, the Directors do not attend the Committee's meetings during which proposals are made to the Board with regard to their remuneration.

Remuneration Committee functions

In compliance with the application criterion 7.C.3. of the Code, the Committee has to i) submit proposals to the Board concerning the remuneration of Managing Directors and other directors holding specific offices, by monitoring compliance with the decisions taken by the board; ii) periodically assess the criteria adopted for the remuneration of key management personnel, by monitoring compliance on the basis of the information provided by the Managing Directors; iii) draw up general recommendations on the subject for the Board.

In order to carry out its activities, the Committee - that, to date, has decided not to make use of the advice of external consultants - has access to corporate information and functions, as considered necessary.

The Remuneration Committee does not have a specific spending budget to fulfil its tasks.

Following the Board's resolutions adopted on 13 May 2010, in August 2010 the said Committee held one meeting during which the remuneration issue for corporate offices was analysed. After the Directors in question left the room, the said proposals were approved by the Board, with the favourable opinion of the Board of Statutory Auditors.

9. DIRECTORS' REMUNERATION

The Issuer does not provide for remuneration to executive directors linked to the economic results achieved and/or to the achievement of specific objectives, since its adoption is not envisaged by the current corporate policy.

No share-based incentive plans are envisaged for executive directors.

With reference to the above-mentioned reasons, neither remuneration linked to the economic results achieved by the Issuer, nor share-based incentive plans are expected for non-executive directors.

Directors' indemnity in case of resignation, dismissal or termination of the employment relationship following a take over bid (pursuant to art. 123-bis, paragraph 1, letter i) of the Consolidated Law on Finance)

The Issuer and the Directors did not sign agreements for indemnities in case of resignation, dismissal or termination of the employment following a take over bid.

The Shareholders' Meeting approves the annual fee payable to the members of the Board; this fee is valid also for the financial years following the one for which it was approved, until a new decision is taken by the meeting.

Except for the Chairman – whose annual fee and appointment have been so far approved by the Shareholders' Meeting – the remunerations for those persons holding corporate offices are established by the Board upon proposal of the Committee and having consulted the Board of Statutory Auditors, pursuant to art. 2389 of the Italian Civil Code.

The members of the Board of Directors are entitled to reimbursement of the costs incurred to carry out their duties.

10. INTERNAL AUDIT COMMITTEE

Composition and functioning (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

The Internal Audit Committee is composed of the independent non-executive Directors A. Braja, E. M. Cattaneo, V. Macchia, two of which have deep knowledge of accounting and financial issues.

In 2010, the Committee held 6 meetings (whose duration was proportionate to the issues examined) that were attended by the Chairman of the Board of Statutory Auditors and by all members, and during which the "internal audit supervisor" reported on his work.

Having taken into account that the Committee reports to the Board on the results of its quarterly assessments (during the meetings held in order to approve the annual and interim accounting documents), at least 4 meetings have been planned for 2011 (the first one has already been held in March 2011), except for further meetings for any preliminary assessment of transactions with related parties.

The Committee is convened - upon request of its members - by the Board's Secretariat, that also transcribes the minutes of each single meeting.

Tasks assigned to the Internal Audit Committee

As set out in the Code, the Committee does not only support the Board in carrying out its tasks concerning internal audit matters, but it also supervises the following functions, for which it has access to all necessary corporate information and functions:

- a) together with the manager in charge of drawing up the corporate accounting documents and the auditors, it assesses the correct use of accounting policies and, in case of groups, their uniformity with regard to the preparation of the consolidated financial statements;
- b) on request of the appointed executive director, if any, it expresses opinions on specific aspects concerning the identification of the main corporate risks, as well as the planning, realisation and management of the internal audit committee;
- c) it assesses the action plan prepared by the internal audit supervisors, as well as the periodic reports drawn up by them;
- d) it assesses the proposals made by the Independent Auditors for the audit assignment, as well as the audit plan and the results contained in the report and management letter, if any;
- e) it supervises the effectiveness of the audit process;
- f) it carries out the other tasks assigned by the board of directors.

More specifically, the Committee supports the Board in those activities aimed at periodically assessing the adequacy and the functioning of the internal audit system of SIAS and its main subsidiaries.

To this end, the Committee makes use – based on the related action plan – of the reports which are drawn up on a quarterly basis by the Issuer and the subsidiaries and contain the data and information concerning the most representative corporate areas and business segments.

This working method allows to monitor the main significant events of the period under review, the changes in the organisational structures and the sector legislation of each single company, the activities carried out by the independent auditors, the Boards of Statutory Auditors and the Supervisory Bodies. Particular attention is paid to the identification and management of corporate risks, with specific reference to financial and tax risks.

This activity is supported by the powers and authorities of the internal audit supervisor, as well as the results of the assessments made by the Independent Auditors.

Finally, the Committee supported the Board's assessment and decision-making activities by analysing in advance any intragroup transaction that (until 31 December 2010 and according to the criteria contained in the procedure "transactions with related parties", that was adopted in 2008 in compliance with the Code) were approved by the Board. The Committee will be carrying out these supporting activities also based on the new procedure that has been adopted in compliance with Consob regulations.

To this date, the Committee has decided not to make use of the advice of external consultants to carry out its activities and does not have a specific spending budget.

11. INTERNAL AUDIT SYSTEM

The Board is responsible for the internal audit system; thanks to the support given by the Committee, it identifies its policies and regularly assesses its suitability and effectiveness, ensuring that the main corporate risks are identified and managed in a suitable manner.

Taking into account its character of industrial holding, the Company currently has an adequate organisational structure, since it carries out its activities through its subsidiaries, which enjoy full management autonomy. This structure - which is composed of a limited number of persons with operational functions in the administration and General Secretary areas - reports directly to the Managing Directors.

In order to monitor the achievement of the Group's strategies and purposes, the Boards of Directors of the main investee companies alternatively include the Chairman, the Managing Directors and some Issuer's Directors who are expert in specific sectors and functions.

Moreover, the "internal audit supervisor" and the "manager in charge of drawing up the corporate accounting documents", as well as the implementation of the "Project 231" and the "Control model 262" aim at safeguarding the principles of proper and efficient management. Please refer to the following sections contained in this report for further details on these functions and projects.

With reference to the above-mentioned aspects and as part of the assessment made in February 2011, the Board believes that the internal audit system of both the company and the Group is structured and organised so to ensure effectiveness of corporate transactions, reliability of financial information, compliance with current law and safeguard of corporate assets.

With specific regard to the main features of the existing risk management and internal audit systems concerning the (consolidated) financial reporting process, if applicable, reference is made to Annex 1.

11.1. EXECUTIVE DIRECTOR RESPONSIBLE FOR THE INTERNAL AUDIT SYSTEM

As a result of the restructuring of corporate management carried out in May 2010 – and with the favourable opinion of the Internal Audit Committee – the Board decided to entrust the Managing Director A. Sacchi with the task of monitoring the functions of the internal audit system, based on his specific professional skills acquired in the financial sector. Up until now, this task has been carried out by Enrico Arona, according to the resolution of 29 January 2008.

As regards the tasks to be carried out, in compliance with the guidelines given by the Board, the Managing Director carries out monitoring activities with regard to the identification of corporate risks, taking into account the operating and organisational conditions of both the Issuer and the Group, as well as the legislative and regulatory provisions.

11.2. INTERNAL AUDIT SUPERVISOR

In December 2002, the Issuer set up the internal audit supervisor function.

As from November 2006, Mr. Roberto Sanino was appointed to this function by the Board. Mr. Sanino works for the Issuer, has extensive knowledge of the administrative and management sectors and, in line with the independence principles set out in application criterion 8.C.6., letter b) of the Code, he is

not subordinate to any of the heads of the operating divisions, including the administration and finance departments.

While carrying out his duties, the supervisor has direct access to information which are deemed necessary and can make use of the reports that are drawn up by the Group's companies, on the basis of the action plan that was implemented by the internal audit Committee.

As already mentioned before, the supervisor reports directly to the Board of Directors, the Internal Audit Committee and the Auditors. Finally, he is not equipped with financial resources.

As part of the timely and correct application/management of the "procedure for transactions with related parties", as from 1 January 2011 the supervisor has to identify – with regard to the information received and available and within the dedicated database – SIAS' related parties. In case of problems or difficulties, he can refer to the opinion of the Internal Audit Committee.

Internal Audit function

Taking into account the structure of the SIAS Group and the activities carried out by its main companies – which mainly operate within a regulated sector – to this date, the Issuer did not set up the internal audit function.

As already mentioned in paragraph 11, the Board believes that the functions and organisations that form the current internal audit system (described in this report) are able, among other things, to guarantee compliance with proper management objectives, as well as to ensure any monitoring and recognition purpose set out for the internal audit function.

11.3. ORGANISATIONAL MODEL PURSUANT to Legislative Decree 231/2001

With regard to the "Administrative responsibility of Companies", the "Project 231" - which was carried out during 2004 - aimed at analysing and adapting the organisational, management and control instruments of the Company and its significant subsidiaries to the requirements set out in Legislative Decree no. 231/2001.

With regard to the above-mentioned aspects, both SIAS and its main subsidiaries approved - following specific resolutions - the "Organisational, management and control models pursuant to Legislative Decree 231/01" and the related "Code of Ethics and Code of conduct". Moreover, a disciplinary system was created to punish failure to comply with the provisions and principles contained in the said documents.

The Models adopted comply with the principles set out in the "Confindustria Guidelines" - which were approved in March 2002 and are considered by the Ministry of Justice as being adequate to achieve the purpose set out in art. 6, paragraph 3 of Legislative Decree 231/01 - and were considered compatible, by the related management bodies, with the achievement of the objectives set out in the regulations on the subject.

The Supervisory Bodies were appointed upon the implementation of the said "Project 231" and are responsible for monitoring the function, effectiveness and observance of the "Models" and updating them.

The Supervisory Bodies are composed of three members (one of whom is the Chairman) who, according to independent judgement principles, report directly to the Board.

Each Body – whose members remain in office for a period similar to that approved for the Management Body – sets the rules for its own operations and prepares proper regulations.

In carrying out their duties, the Supervisory Bodies work with a major consulting firm that supports them in the periodic assessment procedures established by them.

In 2009, following the analysis carried out in 2008 by the Supervisory Body, the organisational model and the Code of Ethics were updated in order to comply with the progressive expansion of the scope of application of Legislative Decree no. 231/2001.

The analysis mainly focused on some specific cases, such as i) market abuse, i.e. “*insider trading*” and “*market manipulation*”; ii) crimes of receiving stolen goods, recycling, use of criminal money or stolen goods; iii) cyber attacks and unlawful processing of data; iv) transnational crime; and v) offences connected with the breach of rules concerning accident prevention, hygiene at work and safety of workers.

Following the risk assessment, the adequacy of the current organisational model with regard to the risks described in points i), ii) and iii) above was confirmed. As regards transnational crime (point iv), it was acknowledged that the activities carried out by the Issuer are not characterised by risk profiles, for which there are valid reasons to expect that such crimes are committed in the interest, or to the benefit, of the company.

The adjustment process – which took into account the provisions contained in the new “Confindustria Guidelines” published in March 2008 and approved by the Ministry of Justice – focused on the implementation of the measures concerning safety and hygiene at work.

During the meeting held on 6 March 2009, the Board – having agreed to the integration and adjustment proposals made by the Supervisory Body at the end of its assessments – approved the adoption of both the new “Organisational, management and control model” and the new “Code of Ethics and Code of conduct”.

In February 2011, the Board approved a further update of the above-mentioned documents with regard to the offence of “*soliciting not to make statements or to make untrue statements to the judicial authority*”, since the other types were considered as being less probable (“organised crime offences”, “offences against the industrial and commercial sectors”, “copyright infringement offences”).

The Issuer’s Body (which was appointed on 15 May 2008) is composed of Alessandro Braja (Director), Alfredo Cavanenghi (Standing Auditor) and Roberto Sanino (internal audit supervisor), who were all re-appointed.

In 2010, the Body held 4 meetings – that were attended by all members – which focused, as usual, on the assessment of corporate procedures, with particular reference to the most representative ones. Following the assessment, no observations or comments were made with regard to failure or error in their application.

11.4. INDEPENDENT AUDITORS

Deloitte & Touche S.p.A. – with registered office in Milan, Via Tortona 25, enrolled in the Independent Auditors' Register pursuant to art. 161 of the Consolidated Law on Finance – carries out audit activities for the Issuer, as mandated by the Shareholders' Meeting on 12 May 2008 for the financial years 2008 to 2016, upon justified proposal of the Board of Statutory Auditors.

11.5. MANAGER IN CHARGE OF DRAWING UP THE CORPORATE ACCOUNTING DOCUMENTS

In compliance with art. 21, paragraph 6 of the Articles of Association, on 15 May 2008 the Board – having consulted the Board of Statutory Auditors – re-appointed Mr. Sergio Prati (Administration Manager of the Issuer) as “manager in charge of drawing up the corporate accounting documents”.

Mr. Prati – who has extensive professional experience in administrative and financial matters and complies with the requirements of integrity required for the position of director – was appointed for the same term of office of the Management Body (i.e. until approval of the 2010 financial statements).

The manager has the power to obtain from the Heads of each corporate department any information relevant to carry out his duties, as well as the power to i) structure and organise - within his own activities - the human resources available; ii) talk to the board of directors and statutory auditors, including the participation *ad audiendum* in the Board's meetings held for the examination and approval of accounting documents; iii) talk to the Internal Audit Committee and the Supervisory Body; iv) take part in the planning of information systems that have an impact on the economic and financial situation.

Moreover, the Board approved funds which can be integrated by the Chairman and/or the Managing Directors upon the manager's request, with subsequent ratification by the Board.

With regard to the above, during 2010 the manager monitored the functioning of the “control model 262”, which was implemented in 2007 – according to a “top-down” approach – within SIAS and its main subsidiaries, in order to achieve compliance with administrative-accounting procedures concerning the tasks governed by art. 154-bis of the Consolidated Law on Finance. Moreover, the implementation of the said model also entailed the appointment of specific managers by all Group companies involved.

With a view to the optimisation of controls within the funds made available to each Manager, the assessment of the correct application of the said procedures was carried out, like in previous years, with the help of the consulting firm Protiviti s.r.l., based on the plan drawn up by each single Company, according to which tests shall concentrate in the periods dedicated to the preparation of the financial statements and the half-yearly financial report. The results of these controls mainly confirmed the correct application of the administrative-accounting procedures under review.

The support provided by Protiviti s.r.l. was equal to 215 man/days (10 of which for the activities carried out within SIAS) – in addition to the commitment of Companies' employees – in line with the estimates made at the beginning of the project.

As part of the procedures concerning the “control model 262”, the Managers of all Group Companies transmitted any related “statement” and “certification” concerning annual and interim accounting documents.

12. DIRECTORS’ INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

Any Director who has an interest - potential or indirect - in corporate transactions shall promptly and fully inform the Board, showing willingness to withdraw from the meeting or refrain from any discussion and related resolution, in case such interest is considered “relevant” by the other Directors. However, the Board has the power to take the most appropriate decisions in case transactions are carried out at normal market conditions - on the basis of independent experts’ appraisals - or if the withdrawal from the meeting of the Directors upon resolution gives reason to believe that the necessary constituent quorum may not be reached.

With regard to transactions with related parties, until 31 December 2010 the Issuer has applied the procedure that was adopted in January 2008, in compliance with the application criterion 9.C.1 of the Code, after having consulted the Internal Audit Committee.

Based on this procedure (that referred to IAS 24 accounting standard “*Related Party Disclosures*” for the definition of “related party”), after having heard the opinion of the Internal Audit Committee, the Board was the sole responsible for transactions that, regardless of their value, showed atypical or unusual characteristics or that were carried out at non-standardised conditions; “typical” or “usual” transactions were those that, due to their purpose or nature, fell within the normal course of the Company’s business and/or did not contain particularly critical elements in relation to the nature of the counterpart, while “standardised” transactions were those concluded under equal conditions with any other party.

In addition to the above-mentioned transactions, the following were also recorded:

- 1) the granting of guarantees, for amounts higher than EUR 2 million;
- 2) transactions dealing with the provision of works and services, collaboration agreements for the exercise and development of corporate activities, for amounts higher than EUR 10 million;
- 3) acquisition or disposal of real estate, equity investments (in one or more tranches), companies or business units, fixed assets and other assets, whose transaction value was higher than EUR 10 million.

The amounts indicated at points 2) and 3) – which were originally equal to EUR 1 million – were increased to EUR 10 million in November 2008, having consulted the Internal Audit Committee.

With specific regard to the assumptions detailed in point 2), the new amounts were more compliant with the total amount of investments carried out by the Group’s motorway segment, also taking into account that these operations are a simple implementation of licensing commitments and are in any case constrained by law and agreement provisions, with regard to their implementing procedures and prices.

In any case, those transactions (carried out by Companies whose financial statements are fully consolidated within those of the SIAS Group) that - although they fell into the above-mentioned

category with regard to purpose or value - did not require prior examination by the Board, showed the following additional characteristics:

- are carried out at market conditions and supported by specific assessment and/or opinions of independent experts;
- are “typical” or “usual” or carried out at “standardised” conditions.

As regards the said transactions, the Managing Director reported to the Board at least on a quarterly basis.

With regard to the above, during the year also the Issuer’s Board gave its favourable opinion i) on the merger by acquisition project of the consorzio stabile L.A.S. scarl into the consorzio stabile A.C.I. scpa (based on the Shareholders’ Equity of the two companies as at 31/12/2009); and ii) on the acquisition by SIAS of the equity investment (equal to 39% of the share capital) held by the parent company Argo Finanziaria S.p.A. in Sinelec S.p.A. (based on the economic appraisal made by an independent expert).

With regard to the latter transaction, the Directors B. Binasco, P. Pierantoni, A. Sacchi and E. Arona notified the corporate offices held in the Companies involved, showing their willingness to withdraw from the meeting or refrain from any discussion and related resolution.

While waiting for the methods in order to calculate the contractual amount, the other Directors gave their consent so that the said Directors could take part in the resolution.

As already mentioned, as from 1 January 2011 the procedure approved by the Board held on 26 November 2010 – given the favourable opinion of a dedicated Committee, which is made up of all Independent Directors in office, and in compliance with Consob Resolution no. 17221 of 12 March 2010, as amended by Consob Resolution no. 17389 of 23 June 2010 – has become effective.

The Board of Statutory Auditors ascertained that the procedure is compliant with the said Resolution and acknowledged that it is adequate in order to ensure substantial and procedural transparency and correctness.

The procedure – which is available on the website under section “corporate governance”, as well as on the Borsa Italiana’s website – sets out i) the amounts that, based on specific materiality indexes, allow to identify small transactions or transactions of lesser or higher importance; ii) the transactions that have been excluded and are not subject to the procedure set out for their approval, except for communication obligations towards Consob, if of greater importance and if typological requirements are met; iii) the transactions carried out by subsidiaries, that will be subject to approval of the SIAS Board, having heard the opinion of the Internal Audit Committee.

This category includes:

- a) acquisition or disposal of real estate whose value is higher than EUR 1 million;
- b) merger transactions, spin-off by incorporation or strictly non-proportional spin-off, if a company (which represents related parties’ interests that can be defined as *significant*, as set out in the procedure) takes part in the transaction;

c) transactions other than those mentioned above, which have a single value higher than EUR 10 million (such as, by way of example only, acquisitions or disposals of equity investments, companies or business units, or granting of guarantees).

For a correct implementation of the procedure within the SIAS Group, any relevant information and operating instructions have been immediately notified to the subsidiaries.

Moreover, for a proper management of the procedure, SIAS' related parties are recorded in a specific database created on the basis of the register of equity investments and statements made by the related parties.

The Internal Audit Committee will give an opinion on the transactions with related parties. For a proper functioning, a replacement system by age has been set out if some members are involved in specific transactions.

13. AUDITORS' APPOINTMENT

Pursuant to art. 26 of the Articles of Association, the Board of Statutory Auditors is composed of three Standing Auditors - two of whom were appointed by the majority of the Meeting and one by the minority - and of two Substitute Auditors appointed by the Meeting.

In order to appoint a Standing and a Substitute Auditor from the minority group - pursuant to art. 27 of the Articles of Association - the Board of Statutory Auditors is appointed on the basis of the lists submitted by the Shareholders who, alone or together with others, hold shares representing the shareholding in the share capital, as set out by Consob regulations. The legal title to the above-mentioned stake shall be proved within the time limits set out by law.

Each shareholder - as well as those belonging to the same group and those who adhere to a shareholders' agreement concerning Company's shares - cannot submit or vote more than one list, neither through a trust company nor a third party. Each candidate may be included in one list only or is declared ineligible.

Those lists in which candidates are listed by name and marked by a sequence number are composed of two sections: one for the candidates for the office of Standing Auditor and the other for the office of Substitute Auditor.

After having been filed, the lists are also published on the Issuer's website, under section "corporate governance", as well as on Borsa Italiana's website.

The declarations by which candidates accept their candidacy and state that there are no reasons for their ineligibility and incompatibility, together with any document required by law, must be deposited with the lists within the prescribed period, that is also indicated in the notice of call; they also confirm they comply with legislative and statutory requirements.

Those candidates who do not comply with the requirements of integrity and professionalism established by law may not be included in the lists.

At least one Standing Auditor and one Substitute Auditor are chosen among those enrolled in the auditors' register and shall have exercised legal audit activities for not less than three years.

Those Auditors who do not comply with the said requirement are chosen among those who have three year's experience in:

- a) administration and control activities and executive duties for corporations with a share capital no lower than EUR 2 million; and
- b) professional or tenured university teaching activities in legal, economic, financial and technical- scientific subjects, with regard to the industrial, commercial, banking, transport services, logistics, technology and IT sectors; and
- c) management functions at public institutions or administrations operating in the credit, financial, insurance, industrial, commercial, transport services, logistics, technology and IT sectors.

The list that does not comply with the above-mentioned provisions shall be considered as “not submitted”.

The procedure for the appointment of Auditors is described below:

1. two standing auditors and one substitute auditor are chosen from the list that obtained the highest number of votes at the meeting, according to the order in which they are listed in the sections;
2. the other standing auditor and substitute auditor are chosen from the second list that obtained the highest number of votes at the Meeting, according to the order in which they are listed in the sections.

In the event of a tie between two or more lists, the eldest Auditors shall be elected until the maximum number of places available is achieved.

The Board of Statutory Auditors shall be chaired by the candidate proposed by the second list (as representative of “minorities”), who obtained the highest number of votes at the meeting; in the event of a tie between two or more lists, the provisions contained in the previous paragraph shall apply.

In case of replacement of an Auditor, the substitute belonging to the same list shall be appointed.

If the appointment cannot be made according to the system detailed above, the Meeting shall resolve according to the simple majority principle.

The Auditor falls from office if he/she does not comply with legislative and statutory requirements.

In case of integration of the Board of Statutory Auditors following termination of office of one of its members for any reason, the Meeting shall resolve according to the simple majority principle and ensure representation on the Board to the minority.

14. AUDITORS (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

The Board of Statutory Auditors was appointed by the Shareholders’ Meeting on 12 May 2008 for the financial years 2008-2009-2010 (i.e. until the approval of the 2010 financial statements), based on the 2 filed lists:

- list no. 1 (representing the majority) submitted by the Shareholders Aurelia S.p.A., Autostrada Torino-Milano S.p.A., Sina S.p.A., jointly owning 73.975% of the share capital, which includes 2 candidates for the office of Standing Auditor (Alfredo Cavanenghi, Giorgio Cavalitto) and 1 candidate for the office of Substitute Auditor (Pietro Mandirola);
- list no. 2 (representing the minority) submitted by the Shareholder Assicurazioni Generali S.p.A., holding 2.088% of the share capital, which includes 1 candidate for the office of Standing

Auditor (Luca Galassi) and 1 candidate for the office of Substitute Auditor (Nazareno Tiburzi). Upon filing, this list also included the statement certifying that no relations existed with reference shareholders, as set out by the regulatory provisions issued by Consob, implementing art. 148 of the Consolidated Law on Finance.

Similarly to the reappointment of the Board, the minimum shareholding in the share capital required in order to submit lists was equal to 2%, according to Consob resolution.

Given that – according to art. 26 of the Articles of Association – the Board of Statutory Auditors is made up of 3 Standing Auditors and 2 Substitute Auditors, all candidates of the 2 lists were elected, provided that they complied with the independence requirements set out in the application criterion 10.C.2 of the Code.

Pursuant to art. 148, paragraph 2 of the Consolidated Law on Finance, the Board of Statutory Auditors is chaired by the Auditor Luca Galassi.

With regard to voting, out of a total of 178,805,511 shares present at the meeting (equal to 78.595% of the share capital), the list representing the majority was voted by 169,915,720 shares (519,905 shares abstained), while the list representing the minority was voted by 8,369,886 shares. For each voting, the list with the names of the Shareholders and their votes is attached to the meeting's minutes of 12 May 2008, that have been published on the website under section "corporate governance".

At the next Shareholders' Meeting that has been convened for the 2010 financial statements, the Board of Statutory Auditors will be reappointed. As it happens for the board of directors, the shareholding necessary to submit lists is equal to 2%, as set out by Consob Resolution no. 17633 of 26 January 2011.

Some short bibliographical notes on the members of the Board of Statutory Auditors are detailed below. The related curricula, together with the lists, are available on the Issuer's website (under section "corporate governance"):

Luca Galassi: (born in Modena on 28/12/1962) - He obtained a degree in Economics and Business at the Università Statale of Genoa. He is a chartered accountant specialised in corporate tax consulting and holds the position of Director and member of the Board of Statutory Auditors in companies which mainly operate in the real estate and insurance sectors.

Giorgio Cavalitto: (born in Turin on 12/05/1960) – He obtained a degree in Economic Science (Economics and Business division) at the Guglielmo Marconi University in Rome. He is a chartered accountant and technical adviser at the Court of Turin and exercises trade union functions for industrial, transport and logistics companies. He acquired particular expertise in corporate, contractual, accounting and tax matters, as well as in the corporate reorganisation of company groups.

Alfredo Cavanenghi: (born in Genoa on 13/03/1935) - He obtained a degree in Law at the University of Genoa. He carries out forensic activities - he is also lawyer for the Supreme Court - and has extensive knowledge of company and insolvency matters.

Pietro Mandirola: (born in Tortona – AL – on 26/02/1939) - He obtained a degree in Economics and Business at the University Cattolica del Sacro Cuore of Milan. Since 1971, he is a chartered accountant and auditor and holds the position of member of the Board of Statutory Auditors for some Companies

(one of which is listed).

Nazareno Tiburzi: (born in Latera - VT - on 09/03/1958) – He obtained a diploma in Accountancy. He holds the position of trustee in bankruptcy, auditor for Local Bodies and Standing Auditor. He acquired expertise in tax and planning matters, both at national and international level.

The Board of Statutory Auditors held 8 meetings (their duration varied according to the issues dealt with). The attendance to the meetings was, on average, equal to 91.67% of the members. All members took part in the 11 meetings of the Board of Directors held in 2010.

With regard to its institutional tasks and the frequency of its assessments, in 2011 the Board of Statutory Auditors forecasts to meet at least on a quarterly basis. One meeting has been already held since the beginning of the year.

The members of the Board of Statutory Auditors confirmed compliance with the independence requirements set out in the Code, with regard to both the filing of lists upon acceptance of the candidature and in conjunction with the annual periodic assessments (the last one was in February 2011).

If requirements are met, the Auditors shall promptly provide information on the transactions in which - on own account or on behalf of third parties - they have an interest, as provided for by criterion 10.C.4. of the Code.

As set out in the application criterion 10.C.5. of the Code, the Board of Statutory Auditors supervised the independence of the Independent Auditors, by assessing the nature and entity of the services, other than the audit, provided to the Issuer and its subsidiaries. The results of these controls were published in the annual report to the Shareholders' Meeting on 26 April 2010, pursuant to art. 153 of the Consolidated Law on Finance.

Within their functions, the Auditors acquire information also through constant and frequent meetings with the Independent Auditors' representatives, the internal audit supervisor and the members of the Board of Statutory Auditors of the subsidiaries.

As provided for by the application criterion 8.C.4. of the Code, the Chairman of the Board of Statutory Auditors takes part in the meetings of the Internal Audit Committee, by reporting to the other Auditors on the works carried out and their results.

With regard to the above, Table 3 (included in the Appendix) provides a summary of the data concerning the Board of Statutory Auditors.

15. RELATIONSHIPS WITH SHAREHOLDERS

In order to make the access to information quicker and easier, the Issuer pays particular attention to the creation and updating of its website, with particular reference to “financial information” and “corporate governance”. Moreover, the website contains a descriptive profile of the Group and its

investee companies, as well as the financial statements, the half-yearly financial report, the intermediate management reports of the Issuer, the Articles of Association, the Regulations for Shareholders' Meetings, press releases and the reports on the issues discussed at the Shareholders' Meetings, including notice of call and related minutes, if required.

Upon the appointment of Corporate Bodies, the lists of candidates, together with personal and professional details, are made available on the website.

In any case, the Chairman and the Managing Directors - in compliance with the procedure concerning the disclosure of documents and information on the Issuer - take any necessary action so to create and promote dialogue with the Shareholders and Institutional Investors, based on the comprehension of reciprocal roles and functions.

So to make sure that these relationships are professionally handled and managed, an investor relations' supervisor was appointed, who - also taking into account the principles contained in the "*Guidelines for disclosure of information to the market*" - carries out intense and constant information activities with regard to the results, as well as the growth and development prospects of SIAS and the Group, by means of both personal meetings and institutional meetings with investors and analysts, both in Italy and abroad.

The investor relations' supervisor, Mr. Graziano Settime, may be contacted on the following numbers: (tel: +39 (0)11-4392102 – fax: +39 (0)11-4731691).

With regard to their roles, the Chairman, the Managing Directors and the investor relations' supervisor avail themselves of the Board's and General Secretariats, especially as regards communications to the relevant Authorities and Shareholders.

16. SHAREHOLDERS' MEETINGS (pursuant to art. 123-bis, paragraph 2, letter c) of the Consolidated Law on Finance)

In the light of the Articles of Association and the reference legal and regulatory provisions, those persons who sent the company the legitimation notice of the qualified broker – based on the records obtained at the end of the accounting day of the seventh open market day before the date of the Meeting – can take part in the Meeting and express their vote.

The current provisions contained in the Articles of Association do not envisage that shares are unavailable until the meeting is held.

Those who are entitled to vote can be represented at the Meeting by written proxy or proxy sent electronically, in compliance with current regulations.

The Chairman shall ascertain the validity of proxies.

The electronic notification of the proxy shall be made by using the dedicated section of the Company's website or the dedicated e-mail address, according to the methods described in the notice of call.

For each Shareholders' Meeting, the Company can appoint – by specifying it in the notice of call – a person to whom the shareholders can give a proxy with voting instructions on one or all issues on the agenda, according to the methods and terms set out by law and regulations. The proxy is valid only with regard to those issues for which voting instructions have been given.

The Meeting is chaired by the Chairman of the Board of Directors. In case of absence or impediment, it is chaired by a Vice-Chairman or, if both are absent, by another person appointed by the Meeting.

The Chairman appoints the Secretary with the approval of the Meeting and, if necessary, two scrutineers, by choosing them among the shareholders with voting right or their representatives.

In the cases provided for by law, or if deemed appropriate by the Chairman of the Meeting, the minutes are prepared by a Notary Public appointed by the Chairman. In this case, it is not necessary to appoint a Secretary.

The (ordinary and extraordinary) Shareholders' Meeting is duly convened and takes resolutions according to the majorities set out by current regulations.

As of today, the Issuer does not provide for the possibility of taking part in the Meetings by means of audiovisual connection systems, electronic vote or voting by correspondence.

Regulations for Shareholders' Meetings

In June 2002, the Issuer adopted the Regulations for Shareholders' Meetings - in line with the model issued by ABI and Assonime - to enable the orderly and proper functioning of meetings.

On 15 November 2010, upon proposal of the Board, the Ordinary Shareholders' Meeting approved to update the regulations on its functioning, in line with the provisions set out in Legislative Decree no. 27 of 27/01/2010, as it happened for the Articles of Association.

More specifically, the said Regulations govern the operating methods for the Meeting's activities and the exercise of participants' rights. In this regard, the Chairman opens the discussion and calls those members who requested to speak according to a priority order; if necessary, the Chairman may decide that speeches shall be booked in writing, with indication of the subject.

After having provided any personal detail and the number of votes represented - each person who can take part in the meeting has the right to report on each of the issues on the agenda, make observations as well as proposals.

Taking into account the subject and relevance of each single issue - as well as the questions received before the Meeting and the number of persons who want to speak - the Chairman may predetermine the duration of speeches and answers by notifying the participants, so to make sure that works are completed within one single meeting.

For further information on the rules governing the Issuer's meetings, reference should be made to Regulations' provisions published on the website (under section "corporate governance").

Information to the Shareholders

At the meetings, the Board provides the Shareholders with information on the Issuer, in compliance with the regulations on insider trading information.

During the meetings, the Chairman and the Managing Directors ensure that the Shareholders are provided with all information necessary or useful for the adoption of resolutions.

More specifically - on the basis of the documents, concerning the points on the agenda, that are given to all participants - he explains the main features of any transaction and resolution that shall be

examined and approved by the Shareholders; the Chairman is available to talk and discuss on the requests made by the participants.

Changes in shareholding structure

The Directors believe that the provisions contained in the Articles of Association concerning percentages for the exercise of the actions and rights for the safeguard of minorities are in line with the current market capitalisation of the SIAS security.

No significant changes in the shareholding structure of the Issuer occurred during the year.

17. FURTHER CORPORATE GOVERNANCE POLICIES (pursuant to art. 123-bis, paragraph 2, letter a) of the Consolidated Law on Finance)

No further corporate governance policies are reported than those detailed in previous paragraphs and currently applied by the Issuer, except for the obligations set out by legal and regulatory provisions.

18. CHANGES OCCURED AFTER YEAR END

After the end of FY 2010, no changes occurred in the Issuer's governance structure.

Tortona, 15 March 2011

TABLES

TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE

As at 15/03/2011

SHARE CAPITAL STRUCTURE				
	No. of shares	% compared to s.c.	Listed	Rights and obligations
Ordinary shares	227,501,115	100	MTA (FTSE Italia Mid Cap Index)	
Shares with limited voting right	=	=	=	=
Shares without voting right	=	=	=	=

OTHER FINANCIAL INSTRUMENTS (which give the right to subscribe newly-issued shares)				
	Listed	No. of outstanding instruments	Category of shares for conversion	No. of shares for conversion
Convertible bonds	MTA (FTSE Italia Mid Cap Index)	31,873,885	Ordinary	31,873,885

SIGNIFICANT EQUITY INVESTMENTS IN THE SHARE CAPITAL			
Declarant	Direct shareholder	% share of ordinary share capital	% share of voting share capital
Aurelia S.p.A.	Aurelia S.p.A.	9.350	9.350
	Argo Finanziaria S.p.A.	0.350	0.350
	Astm S.p.A. (listed company)	61.705	61.705
	Sina S.p.A. ⁽¹⁾	1.718	1.718
	Total Group	73.123	73.123
Lazard Asset Management LCC	Lazard Asset Management LCC	5.005	5.005
	Assicurazioni Generali S.p.A.		
Assicurazioni Generali S.p.A.	Assicurazioni Generali S.p.A.	1.868	1.868
	Generalie Vie SA	1.407	1.407
	Augusta Vita S.p.A.	0.049	0.049
	Augusta Assicurazioni S.p.A.	0.090	0.090
	Alleanza Toro S.p.A.	0.220	0.220
	Total Group	3.634	3.634

⁽¹⁾ Subsidiary of ASTM S.p.A.

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES

Board of Directors											Internal Audit Committee		Remuneration Committee	
Office held	Members	In office since	In office until	List (M/m) *	Exec.	Non-exec.	Independent, pursuant to the Code	Independent pursuant to the Consolidated Law on Finance	(%) **	No. of other offices ***	****	(%) **	****	(%) **
01) Chairman	BINASCO Bruno	12/05/2008	Approval of 2010 financial statements	M	x				90.91	5				
02) Managing Dir.	PIERANTONI Paolo	12/05/2008	Approval of 2010 financial statements	M	x				100	2				
03) Managing Dir.	SACCHI Alberto ⁽¹⁾	12/05/2008	Approval of 2010 financial statements	M	x				100	5				
04) Director	ANGIONI Giovanni	12/05/2008	Approval of 2010 financial statements	M		x	x		100	=				
05) Director	ANTONELLO Giulio	12/05/2008	Approval of 2010 financial statements	M		x	x	x	100	2			x	100
06) Director	ARONA Enrico	12/05/2008	Approval of 2010 financial statements	M	x				100	4				
07) Director	BOCCHETTI M. Teresa ⁽²⁾	26/04/2010	Approval of 2010 financial statements	M		x			100	=				
08) Director	BRAJA Alessandro	12/05/2008	Approval of 2010 financial statements	M		x	x	x	90.91	3	x	100	x ⁽⁴⁾	100
09) Director	CATTANEO E. Maria	12/05/2008	Approval of 2010 financial statements	M		x	x	x	100	=	x	100		
10) Director	CORBELLO Sergio	12/05/2008	Approval of 2010 financial statements	M		x	x	x	100	3				
11) Director	GAVIO Beniamino	12/05/2008	Approval of 2010 financial statements	M	x				72.73	3				
12) Director	GAVIO Daniela	12/05/2008	Approval of 2010 financial statements	M		x			90.91	4				
13) Director	MACCHIA Vincenzo	12/05/2008	Approval of 2010 financial statements	M		x	x	x	100	=	x	100		
14) Director	PIANTINI Ferruccio	12/05/2008	Approval of 2010 financial statements	M		x	x	x	54.55	=			x	=
15) Director	SETTIME Graziano ⁽³⁾	13/05/2010	Approval of 2010 financial statements	M		x			100	=				
DIRECTOR WHO CEASED TO HOLD OFFICE DURING THE FINANCIAL YEAR UNDER REVIEW														
Director	BOSCHETTI Gianfranco	12/05/2008	30/04/2010	M		x	x	x	66.67	=			x	=

Quorum required in order to submit lists during the last appointment: 2%			
No. of meetings held during FY 2010		Board of Directors: 11	Internal Audit Committee: 6
			Remuneration Committee: 1

NOTES

- * "M/m" indicates if the member has been elected by the list voted by the majority (M) or by a minority (m).
- ** This column shows the percentage of directors' attendance to the meetings of the Board of Directors and the Committees, respectively (no. of attendances/no. of meetings held during the term of office).
- *** This column shows the number of offices held as director or auditor in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises. The following list shows these companies and indicates whether these belong to the group that is under the Issuer's control or of which the Issuer forms part.
- **** In this column, the "X" indicates if the member of the Board of Directors belongs to the Committee.
- (1) Appointed as Managing Director by means of Board's resolution dated 13/05/2010, after that Mr. Enrico Arona refrained from exercising the management powers.
- (2) Appointed by the Ordinary Shareholders' Meeting held on 26/04/2010, following the increase in the number of Directors (from 14 to 15).
- (3) Coopted during the Board's meeting held on 13/05/2010 (in place of Gianfranco Boschetti) and confirmed during the Ordinary Shareholders' Meeting held on 15/11/2010.
- (4) Member of the Remuneration Committee as from 13/05/2010 (in place of Gianfranco Boschetti, who resigned from office on 30/04/2010).

Offices as director or auditor held by some Directors in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises.

Director	Company	Office held
Antonello G.	Alerion Clean Power S.p.A. Industria e Innovazione S.p.A.	Managing Director Director
Arona E.	Autostrada Torino-Milano S.p.A. ⁽¹⁾ Società Autostrada Torino-Alessandria-Piacenza S.p.A. ⁽²⁾ Società Autostrada Ligure Toscana S.p.A. ⁽²⁾ Industria e Innovazione S.p.A.	Managing Director Director Vice-Chairman (vicarious) - Managing Director & E.C. member Director and E.C. member
Binasco B.	Aurelia s.r.l. ⁽¹⁾ Autostrade Sud America s.r.l. Società Italiana Traforo Autostradale del Frejus S.p.A. Società Autostrada Ligure Toscana S.p.A. ⁽²⁾ Milano Serravalle-Milano Tangenziali S.p.A.	Chairman Chairman Director Director and E.C. member Director
Braja A.	Fondaco SGR S.p.A. Santander Consumer Bank S.p.A. Santander Private Banking S.p.A.	Standing auditor Chairman of the Board of Statutory Auditors Standing auditor
Corbello S.	B.N.T. Banca della Nuova Terra S.p.A. FIMIT – Fondi Immobiliari Italiani SGR S.p.A. BNT Consulting S.p.A.	Director Director Vice-Chairman
Gavio B.	Aurelia s.r.l. ⁽¹⁾ Autostrade Sud America s.r.l. Impregilo S.p.A.	Managing Director Director Director and E.C. member
Gavio D.	Aurelia s.r.l. ⁽¹⁾ Autostrada Torino-Milano S.p.A. ⁽¹⁾ Società Autostrada Torino-Alessandria-Piacenza S.p.A. ⁽²⁾ Società Autostrada Ligure Toscana S.p.A. ⁽²⁾	Director Vice-Chairman Vice-Chairman Director and E.C. member
Pierantoni P.	Società Autostrada Ligure Toscana S.p.A. ⁽²⁾ Cassa di Risparmio della Spezia S.p.A.	Managing Director & E.C. member Director
Sacchi A.	Autostrada Torino-Milano S.p.A. ⁽¹⁾ Impregilo S.p.A. Autostrade Sud America s.r.l. Milano Serravalle-Milano Tangenziali S.p.A. Società Autostrada Ligure Toscana S.p.A. ⁽²⁾	Director Director Director Standing auditor Director and E.C. member

⁽¹⁾ Issuer's parent company.

⁽²⁾ Issuer's subsidiary.

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Board of Statutory Auditors							
Office held	Members	In office since	In office until	List (M/m) *	Independent, pursuant to the Code	(%) **	No. of other offices ***
Chairman	GALASSI Luca	12/05/2008	Approval of 2010 financial statements	m	X	100	2
Standing auditor	CAVALITTO Giorgio	12/05/2008	Approval of 2010 financial statements	M	X	87.5	19
Standing auditor	CAVANENGHI Alfredo	12/05/2008	Approval of 2010 financial statements	M	X	87.5	13
Substitute Auditor	MANDIROLA Pietro	12/05/2008	Approval of 2010 financial statements	M	X		21
Substitute Auditor	TIBURZI Nazareno	12/05/2008	Approval of 2010 financial statements	m	X		= ⁽¹⁾
Quorum required in order to submit lists during the last appointment: 2%							
No. of meetings held during FY 2010: 8							

NOTES

* "M/m" indicates if the member has been elected by the list voted by the majority (M) or by a minority (m).

** This column shows the percentage of auditors' attendance to the meetings of the Board of Statutory Auditors (no. of attendances/no. of meetings held during the term of office).

*** This column shows the number of offices as director or auditor held by the person in question and relevant pursuant to Art. 148-bis of the Consolidated Law on Finance, based on the data recorded in February 2011.

⁽¹⁾ He does not hold any position as member of the boards of statutory auditors in Issuer Companies.

Paragraph on the “Main features of the existing risk management and internal audit systems with regard to the financial reporting process”, pursuant to Article 123-bis, paragraph 2, letter b) of the Consolidated Law on Finance.

1) Foreword

As already pointed out in the “Report on corporate governance and ownership structure”, the internal audit system of SIAS is made up of functions and organisations that – according to their roles and institutional tasks – allow to achieve the strategic objectives of the Issuer and the SIAS Group, through the constant monitoring and identification of the main corporate risks.

With regard to the financial reporting process, these objectives may be the reliability, accuracy and timeliness of reporting.

Based on the system used – which includes rules, procedures and guidelines – SIAS ensures a suitable information flow and data exchange with its subsidiaries, through constant and timely coordination and update activities.

In this context, reference is made to both the regulation on the application of reference accounting standards (i.e. the Group accounting manual) and the procedures governing the preparation of the Consolidated Financial Statements and the periodic accounting statements, which include those for the management of the consolidation system and intragroup transactions. Any related document is distributed by the Parent Company so that subsidiaries can implement it.

2) Description of the main features of the existing risk management and internal audit system with regard to the financial reporting process

The assessment, monitoring and update of the Internal Audit System with regard to financial reporting includes an analysis (at Group level) of organisational and operating structures according to a risk identification/assessment procedure based on the use of the so-called “risk scoring” method.

Thanks to this activity, assessments can be carried out focusing on those areas characterised by higher risks and/or relevance, or on the risks of major errors (also as a consequence of frauds) in the items of financial statements and any related information document. To this end, the activity aims at:

- identifying and assessing the origin and possibility of major errors in the items of the economic-financial reporting;
- assessing if key controls are adequately defined, so that it is possible to identify – in advance or afterwards – any possible error in the items of the economic-financial reporting;
- assessing control operations based on the assessment of error risks of the financial reporting, focusing testing on higher risk areas.

The risk assessment process adopted allows to identify the organisational structures, processes and any related accounting item, as well as any specific activity that can give rise to major potential errors.

For each administrative-accounting process, testing activities are carried out with regard to the so-called “key controls” that, according to international best practices, can be mainly divided into the following categories:

- controls at Group level or for each single subsidiary, such as the assignment of responsibilities, powers and proxies, the separation of duties and rights to access IT applications;
- controls at process level, such as the issue of authorisations, the implementation of reconciliations and assessments of coherence, etc.. This category includes the controls concerning operational and accounting closure processes. These controls can be *preventive*, with the aim of preventing any anomaly or fraud that could give rise to errors in the financial reporting, or *detective*, aiming at identifying existing anomalies or frauds. These controls can be “manual” or “automatic” (e.g. application controls that refer to the technical and setting features of the information systems supporting business activities).

Testing activities are carried out by a major consulting firm, with the help of the employees of each single subsidiary, by using sampling techniques recognised by international best practices.

The assessment of controls, if deemed appropriate, may involve the identification of compensating controls, corrective actions or improvement plans.