



**AUTOGRILL GROUP**

**CODE OF CONDUCT**

**(CORPORATE GOVERNANCE REPORT)**

**2006**

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## Foreword

Autogrill SpA adheres to and works within the Code of Conduct for Listed Italian Companies issued by Borsa Italiana SpA (hereafter the “Code of Conduct”).

On an annual basis Autogrill SpA provides information on its system of corporate governance and its adherence to the Code of Conduct by preparing a report that highlights the level of compliance with the principles and recommendations contained in the Code of Conduct and with international best practice.

The annual reports are sent to the stock market management company, which makes them available to the public, and then published by Autogrill SpA on its website.

In the Company’s annual and half-yearly financial statements there is a chapter devoted to the corporate governance system in force and its development.

The system in operation today, which is in line with the principles of the Code of Conduct as revised by the Corporate Governance Committee for Listed Companies in July 2002 and with the Guidelines for Preparing the Corporate Governance Report issued by Borsa Italiana SpA in February 2003, as well as the observations contained in the Guide to Preparing the Corporate Governance Report, produced in February 2004 by Assonime together with Emittenti Titoli SpA, in consultation with Borsa Italiana SpA, is organized as follows.

### 1. Code of Ethics

Autogrill Group’s Code of Ethics (hereafter the “Code of Ethics”) was approved by the Board of Directors meeting on 6 November 2002 and subsequently modified in its meeting on 12 November 2003.

The Code of Ethics defines the founding principles and values that all members of the corporate organization are asked to adhere to.

The Code of Ethics, progressively adopted with the appropriate adjustments by all parts of the Group, sets out the objectives and values with respect to the main stakeholders with whom the Group’s companies operate.

The principles contained in the Code of Ethics bring together for its addressees the general duties of trust, integrity, and execution of employment contracts.

Observance of the rules of conduct set out by the Code of Ethics fulfils the obligations deriving from the employment relationship, with the due contractual and legal consequences.

To make it effective and binding, the Code of Ethics appears on the Company’s website ([www.autogrill.com](http://www.autogrill.com)) and on Company notice boards; a copy is also given to all new employees of the company, as soon as they start working, and is handed out to all those who deal with Autogrill Group.

**In 2005, the Company published its first sustainability report (on 2004) in order to make dialogue with stakeholders systematic also on the themes of corporate social responsibility and sustainable development, as well as to promote a culture of sustainability at every possible level within the organization.**

**The 2004 sustainability report appears on the Company’s website ([www.autogrill.com](http://www.autogrill.com)) and can also be obtained in hardcopy version from:**

**Autogrill S.p.A - Direzione Comunicazione e Affari Istituzionali - Centro Direzionale Milanofiori**  
**Strada 5 Palazzo Z -20089 Rozzano – Milano – Telefono: 024826.1.**

## **2. Board of Directors**

The Board of Directors, at its meeting on 25 February 2004, while carrying out the annual review of its own corporate governance system and adherence to the Code of Conduct, redefined its own role more broadly.

### **2.1 Role of the Board of Directors**

The activity of the Board of Directors and of the company, also related to the companies of the Group, is based on the principles of correct corporate and business governance and on the principles envisaged by the Code of Conduct, as well as on the principles and values established in the Code of Ethics.

The Board of Directors has a general role covering the strategy and control of the company's business and of the exercise of its social commitment; it is in this regard that it takes the decisions necessary to implement the company's business purpose.

Beside those functions that cannot be delegated by law or by the By-Laws, the Board of Directors has the exclusive responsibility for the following activities:

1. examination of the strategic, business and financial plans of the company and of the Group;
2. examination of the budget and of the investment plan of the company and of the Group's consolidation;
3. operations of the companies with a major economic, corporate and financial impact.  
In particular:
  - capital expenditure, acquisitions, disposals, disposal of corporate equity investments, companies, company branches, the establishment of joint ventures and participation in tenders for refreshment services and markets worth over 3 million euro;
  - loan transactions with lending institutes over the mid to long term;
  - issue of guarantees and bonds for amounts over 3 million euro;
4. early presentation of the operations set out at point (3) above regarding the Group's companies;
5. it examines and assesses the essential elements of the corporate and organizational structure of the Group, as well as the adequacy of the organizational and administrative arrangements of the company;
6. it defines the fundamental rules for the company's corporate governance and the fundamental principles of the Group's corporate governance guidelines;
7. it sets strategy and periodically checks the proper and effective functioning of the internal control system, ensuring that the company's main risks are adequately identified and managed;
8. it sets up the "Organismo di Vigilanza" in accordance with Legislative Decree no. 231 of 8 June 2001;
9. it bestows and withdraws delegated functions and powers to the directors and the Executive Committee, when established, setting the limits, operational methods and timing, at least every 6 (six) months, according to which the delegated bodies are to report to the Board and Statutory Auditors regarding business undertaken in exercise of delegated and conferred powers;
10. it examines the proposals of the Managing Director regarding identification of the criteria to cover directorial positions in the main subsidiary companies;

11. after examining the proposals of the Remuneration Committee and hearing the Board of Statutory Auditors, it sets the salary and remuneration for the Managing Director, the Vice-Chairman and for those other directors with particular duties, as well as, if necessary, it sets the division of the global sum due to individual members of the Board of Directors and of Committees;
12. at the proposal of the Managing Director and the Remuneration Committee, it examines and assesses the criteria for paying managers and the long-term and/or annual incentive plans for the management of the company and Group;
13. it watches over the general business performance, with particular reference to those situations where a conflict of interest arises, infra-Group operations and dealings with related parties, particularly taking into account information received from the Managing Director, the Executive Committee if established, and the Internal Control Committee;
14. it examines, assesses, and approves the periodic accounting documentation envisaged by the regulations in force.

## **2.2 The composition of the Board of Directors**

The Board of Directors is composed of one or more executive directors (ie. the Managing Director and the Chairman, if operating powers are invested in them, and directors performing management functions) and non-executive directors.

The members of the Board of Directors are considered independent if they meet the requirements set out by article 3 of the Code of Conduct.

Every year the Board of Directors, also on the basis of information supplied by the directors themselves, assesses if each member have the requirements for independent status indicated above and then informs the market.

The Board of Directors has not considered it necessary to establish a Committee for the nomination of Directors since the shareholders have always proposed appointments without difficulty.

**The current Board of Directors was appointed by the Shareholders' Meeting on 27 April 2005 by list voting in accordance with art. 10 of the Company's by-laws.**

**Two lists were put forward: one by the majority shareholder Edizione Holding S.p.A., which nominated eight directors, and the other by a grouping of minority shareholders, which proposed three directors; the Shareholders' Meeting appointed all the directors thus nominated.**

The current Board of Directors, whose term of office ends upon approval of the financial statements for 2007, consists of 11 members, of whom one is executive (Gianmario Tondato da Ruos – Managing Director) and ten are non-executive directors: Gilberto Benetton (Chairman), Alessandro Benetton, Giorgio Brunetti, Antonio Bulgheroni, Marco Desiderato, **Sergio De Simoi**, Sergio Erede, Gianni Mion, Gaetano Morazzoni and Alfredo Malguzzi. Candidates' CVs and indications of eligibility for independent status<sup>1</sup> are made available to shareholders at the Company's registered office 15 days before the Shareholders' Meeting called for the nomination.

The Board of Directors last reviewed the independence requisites of its member at its meeting on **27 April 2005** and found that Giorgio Brunetti, Antonio Bulgheroni, Marco Desiderato, Gaetano

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<sup>1</sup> This phrase was introduced on 5 August 2004 by the Board of Directors pursuant to art. 7 of the Corporate Governance Code for the Listed Companies issued by Borsa Italiana S.p.A.

Morazzoni and Alfredo Malguzzi were independent on the basis of information provided by each of the directors concerned.

Further, in its annual report the Board of Directors names the directors and statutory auditors who hold similar offices other listed companies, finance companies, banks, insurance companies or large companies generally. The number of other offices held by directors and statutory auditors and the companies in which they are held are detailed in the annexes.

### 2.3. Powers

The Board of Directors is a single, united body that balances the executive power invested in the Managing Director, Gianmario Tondato da Ruos<sup>2</sup>, with executive and non-executive directors having the experience and competencies required for effective dialogue and decision making in the corporate interest.

At every Board of Directors' meeting and, in any case, at least within the terms established by law, the Managing Director or the other Directors vested with particular delegated powers provide to the Board of Directors itself and the Board of Statutory Auditors with adequate information.

### 2.4 The Chairman

The Chairman, who has powers conferred by law and by the By-Laws, without the attribution of executive delegated powers, is responsible for the functioning of the Board of Directors, the information for Directors and co-ordination of the activities of the Board itself.

It is the Chairman's duty, with the agreement of the other Directors, to invite to Board meetings managers of the company or subsidiary companies or consultants to illustrate operations or technical aspects of the Company or Group to the Board.

### 2.5 Meetings of the Board of Directors

Thanks to the regularity of its meetings (twelve meetings in 2005 and ten already planned for 2006) the Board of Directors of the company can act in timely and effective fashion and its composition is such as to ensure that, in its decisions, the company's interests are paramount.

In accordance with the provisions of article 2.6.2, paragraph 1c, of the Regulation of Borsa Italiana SpA, on 20 January 2006 the Company informed the stock market management company of the annual calendar of corporate events for 2006.

At its meeting on 27 April 2004 the Board of Directors ascertained that the Company is not subject to management and co-ordination by its controlling company for the intents and purposes of art. 2497 bis of the Italian Civil Code.

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<sup>2</sup> The Managing Director has general executive powers; some must be used within the following limits: a) capital expenditure: up to €3m; b) sale and exchange contracts for machinery, plant, equipment, materials and transport up to €3.1m per contract; c) consultancy contracts and intellectual and professional services in general up to €1m per fixed-term contract; d) acquisition and/or sale of company or company division: up to €1m all charges and liabilities included; e) leasing and sub-leasing contracts for building and similar units of property, renting and sub-renting of companies provided the initial leasing, renting, sub-leasing or sub-renting period doesn't exceed 9 years or any longer period fixed by the board of directors; said 9 year limit doesn't apply to leasing/sub-leasing or renting/sub-renting contracts involving shopping centres; f) acquisition, disposal and subscription of shares and company or consortium quotas up to €100,000 per operation; g) contracting of credit facilities, loans and credit mandates, also for subsidiaries: up to €3.1m; h) application, also on behalf of subsidiaries, for bank and/or insurance guarantees, letters guarantee and endorsement in general, issue of letters of indemnity and/or guarantee, endorsements, letters of comfort: up to €3.1m per operation; i) appointment of arbitrators: up to €1m per case but without limits if the Company is involved only passively in arbitration proceedings.

Operations over these limits are put to the Board of Directors.

### **3. Operations with related parties**

At every meeting the Board of Directors is provided with adequate information about operations with related parties, even when arising in the exercise of delegated powers. Operations undertaken by the Company with Related parties [as defined by international accounting standard (IAS) 24, which was assimilated into Italian law by CONSOB resolution 14990/2005] and infra-Group operations are at arms length, i.e. under terms and conditions that would have been applied between two independent parties respecting the principles of correctness in substance and procedure.

**In this connection, the Board of Directors approved the procedure for operations with Related Parties in its meeting on 24 January 2006. The procedure disciplines both the transactions with related parties that are included in the ordinary operations of Autogrill and do not present any related criticality (Usual Transactions) and the transactions with related parties which are not included in the ordinary operations of Autogrill (Significant Transactions or Significant and Relevant Transactions).**

**The Usual Transactions, including intra-group transactions, must be notified to the Board of Directors of Autogrill S.p.A. in order to properly inform it.**

**The Significant Transactions and the Significant and Relevant Transactions must be previously examined by the Board of Directors of Autogrill S.p.A..**

**In the event that any director of Autogrill S.p.A. has even a potential or indirect interest in the transaction then he/she must either inform the Board of Directors of such interest in due time and disclose all relevant circumstances and leave once deliberations start or, in case his/her presence is required for the necessary quorum, he/she must refrain from participating in the discussion and abstain from voting.**

**Depending on the nature, value and other characteristics of the transaction, to prevent transactions being carried out in different conditions to those that would have been negotiated with non-related parties, the Board of Directors may be assisted by independent experts to obtain technical, financial or legal advice and in the more important cases it could be assisted by a different expert for each related party.**

**The Significant and Relevant Transactions, that are those which have a relevant impact on the company's assets or on the completeness or fairness of the information - including accounting information - relating to Autogrill S.p.A, must be disclosed to the market by means of proper notice or press release once approved by the Board of Directors.**

Operations with Related Parties are outlined in a specific section of the Directors' annual report.

To date, neither Autogrill SpA nor its subsidiaries have carried out any operations with Related parties involving amounts or methods or periods of time requiring disclosure to the market pursuant to art. 71-bis, CONSOB resolution 11971, 14 May 1999, and subsequent changes.

**Further, it should be pointed out that contractual relationships involved in the assignment of food & beverage and retail services located along motorways operated by Autostrade Group SpA. are based on competitive and transparent procedures managed by an independent advisor in accordance with the provisions adopted by the Antitrust Authorities.**

#### **4. The Remuneration Committee**

On 15 May 2001 the Board of Directors passed a resolution setting up the Remuneration Committee and linking the remuneration system to the creation of value.

Without prejudice to the Board of Directors' mandatory powers, in accordance with article 2389 of the Civil Code, the Remuneration Committee has been delegated the task of preparing proposals for the Board regarding the remuneration of the Managing Director and Directors should they cover particular roles as well as in relation to both long-term and annual monetary incentive plans linked to the achievement of set results and specific objectives. Furthermore, in order to evaluate how coherent the remuneration systems are compared to the market, at the suggestion of the Managing Director, the Committee is informed of the remuneration criteria and the long-term and annual monetary incentive plans reserved for the company's and the Group's management, which are subject to resolutions of the Board of Directors itself.

The Remuneration Committee, as recommended by the Code of Conduct, is composed of non-executive directors; the current members are the directors Gianni Mion (chair), Antonio Bulgheroni and Sergio Erede, who were appointed on **27 April 2005**.

**In 2004, the Board of Directors approved the following proposals, among others, by the Remuneration Committee: (i) a 3-year incentive plan (2004-2006) tied to accumulated ROI 2004-2006 and to the value of the contract portfolio at year-end 2006 for the deputy chairman (an office not filled by the Board appointed on 27 April 2005), the CEO and the management team.**

In **2005**, the Remuneration Committee met 7 times to examine and make proposals to the Board of Directors, which duly approved (i) the Managing Director's emoluments (as detailed in the notes to the financial statements for **2005**); **(ii) guidelines for management remuneration and incentives for 2005 and 2006**, tied to economic/financial parameters and role objectives of individual managers, and **(iii) inclusion of two managers in the 2004-2006 cash bonus plan**.

#### **5. Internal Control System**

Responsibility for the internal control system lies with the Board of Directors. The Board of Directors establishes the guidelines for internal control and for corporate risk management. The Board occasionally checks the functioning of the internal control system with the support of the Internal Control Committee and the Internal Auditing Department.

The internal control system, implemented in all Group companies in order to guarantee appropriate management, has as its objective:

- a) verifying the adequacy of company processes in terms of efficiency and effectiveness;
- b) ensuring the reliability and accuracy of the accounting records and protecting the company's assets;
- c) ensuring the compliance of operational activities with internal and external regulations.

The system works through:

- "front line controls" entrusted to the individual operating units or companies in the Group and carried out on their own processes; responsibility for these controls is delegated to operational management and is an integral part of every company process.

- the Internal Auditing function, in the person of the “Internal Control Manager” (hierarchically independent from operating managers and reporting direct to the Managing Director, the Internal Control Committee and the Board of Statutory Auditors), who supervises the functioning of the front-line controls on the basis of a risk analysis of all the activities and processes in all Group companies.

The results of the audits are promptly reported to the Managing Director and to the Top Management, and quarterly also to the members of the Internal Control Committee and the Board of Statutory Auditors, which supervises the internal control system in accordance with art. 149, decree law 58 (TUF – Consolidated Finance Acts) of 24 February 1998).

## **6. The Internal Control Committee**

On 24 April 2002 the Board of Directors set up the Internal Control Committee, consisting of independent non-executive directors with powers to consult and make proposals and with the task of analyzing problems and assisting in decision making relevant to control of the Company’s activities.

The tasks currently entrusted to the Committee are:

- (a) helping the Board of Directors, with the support of the Internal Auditing Department, to carry out periodic checks on the adequacy and effective operation of the internal control system, thus ensuring that the Company’s main risks are identified and properly managed;
- (b) assessing the audit plan provided by the internal audit manager, from whom the Committee receives periodic reports;
- (c) assessing, together with Company administration managers and external auditors, the adequacy of the accounting principles used and their uniform application in preparing the consolidated financial statements;
- (d) assessing bids from external auditors;
- (e) referring to the Board of Directors on work done and on the adequacy of the internal control system; this happens at least on a six-monthly basis (when the draft financial statements and half-year report are submitted for approval).

**On April 27, 2005, the Board appointed directors Giorgio Brunetti (chair), Marco Desiderato and Alfredo Malguzzi as members of the internal control committee.**

In **2005**, the Internal Control Committee met **eight** times, the main items under examination being:

- the method used to define the **2006** audit plan prepared on the basis of risk analysis of all the Group’s activities;
- reports issued by Internal Auditing in **2005**;
- the adequacy of accounting principles in agreement with the Group Director of Administration, Finance and Tax, the Board of Statutory Auditors and the external auditors;
- **a plan to integrate internal auditing structures in North American subsidiaries;**
- **Group procedure for engaging accounting firms;**
- **a project to upgrade the Company’s business functions and the organization model created pursuant to decree law 231/01 and law 62/2005 (“2004 European Community law”) and the “Market Abuse” law 262/05 (safeguarding investors and financial markets”);**
- **a Group procedure for operations with related parties.**

**On 29 July 2005, the Board of Directors approved the Internal Control Committee Regulations, which discipline the appointment, make up and operation of the Committee.**

## **7. Treatment of confidential information and relations with Shareholders**

### **7.1 Treatment of confidential information**

The distribution of company information, including price sensitive information, is handled with the necessary confidentiality. In particular, on 23 January 2001 the Board of Directors approved the Confidential Information Management Procedure, an internal procedure applicable to all the companies in the Autogrill Group. The procedure provides for prompt communication of events which could influence the value of the Company's financial instruments.

The procedure in question identifies the Investor Relations and External Relations functions as being in charge of communicating, subject to approval by the Managing Director, information given outside the Company in accordance with primary and secondary regulations and entrusts the External Relations division with managing and updating the Company website.

The Company, which is acutely sensitive to the continuing evolution of the markets and means of communication and to safeguarding its integrity towards the market, has appropriated the ten principles contained in the "Guide to Market Disclosures" by Borsa Italiana SpA, which includes the existing legal and regulatory arrangements.

**A procedure disciplining the management of price-sensitive information and the setting up of registers of persons with access to such information is in progress in compliance with law 62/2005 ("Community Law 2004") on the subject of "Market Abuse".**

### **7.2 Internal Dealing Code**

At its meeting on 23 February 2005 the Board of Directors deemed it advisable to amend the Internal Dealing Code (the "Code") adopted on 6 November 2002 pursuant to the relevant regulation issued by Borsa Italiana SpA.

According to this regulation, the Code identifies as Relevant Persons, besides the Directors, Statutory Auditors and General Managers, the heads of the main departments of the Company: in particular, Administration, Finance, Control, Legal and Corporate Affairs, Communication and Investor Relations, the Directors, the Statutory Auditors, the General Managers and the heads of the aforementioned departments of the main subsidiaries, who will be identified by the Managing Director. This reflects their being in a position to access price and/or business sensitive information as a result of the role they cover.

The Code arranges for the timely transmission of information by Relevant Persons to the Company, in the person of the head of the Legal and Corporate Affairs department, who is responsible for implementing the Code, concerning operations undertaken within the limits set by the Code involving the Company's financial instruments by a Relevant Person and/or by their spouse, unless legally separated, by their non-adult children or by third parties, fiduciaries or subsidiary companies.

The Company, in turn, will inform the market immediately of operations involving amounts, individual or aggregate, equal to or higher than €50,000. In the case of operations involving over

€100,000, either individually or aggregated with other operations transacted in the current calendar quarter (and therefore not yet communicated to the Company or the market), market disclosure will be on a quarterly basis. No account will be taken of operations carried out in the context of an individual's investment portfolio management if the Relevant Person has waived their right to provide instructions.

Relevant Persons may not carry out transactions involving financial instruments of the Company during the periods prior to the approval of financial reports.

The regulations of the Code, to which Relevant Persons are subject, are to be considered as cogent and binding provisions issued by the Board of Directors, failure to comply with which will lead to the application of sanctions.

**To communicate the contents of the Code within the Group, the Company has adopted a Group procedure for identifying Relevant Persons in Autogrill S.p.A. and its subsidiaries.**

**Modifications to the Code are being made to bring it into line with law 62/2005 (“Community Law 2004”) on market abuse.**

### **7.3 Dealings with Institutional investors, analysts and other Shareholders**

The Company's interest in establishing and maintaining a continual dialogue with the Shareholders in general and with institutional investors and analysts, in particular, resulted in the establishment in 1997 of the Investor Relations department, which, duly equipped with the necessary means and professional skills, carries out its functions in keeping with the decisions made by the Company's senior management partly by meeting the requests of the public and also by the timely communication of important events, as well as organizing **continual phone contact** and periodical meetings with analysts and investors.

In 2005, Investor Relations activities included:

- **over 100** meetings with investors (one to one);
- **seven** road shows;
- **two** analysts meetings: one at the presentation of the 2004 financial statements and the other on the occasion of the Aldeasa SA acquisition;
- **three** conference calls for the quarterly and 1<sup>st</sup> half reports.

The key events in terms of communication between shareholders and the Board of Directors are the publication of quarterly reports and the annual general meeting.

<b>15.03.2006</b>	<b>Board meeting to examine and approve the consolidated financial statements of Autogrill Group and the draft statements of Autogrill S.p.A. at 31 December 2005.</b>
<b>27.04-02/05 2006</b>	<b>Shareholders' meeting to approve the financial statements for 2005 (1<sup>st</sup> and 2<sup>nd</sup> calls).</b>
<b>10.05.2006</b>	<b>Board meeting to examine and approve the report for the quarter to 31 March 2006.</b>
<b>26.07.2006</b>	<b>Board meeting to examine and approve the provisional results as of 30 June 2006.</b>
<b>06.09.2006</b>	<b>Board meeting to examine and approve the 1<sup>st</sup> half report as of 30 June 2006.</b>
<b>08.11.2006</b>	<b>Board meeting to examine and approve the report for the quarter to 30 September 2006.</b>

## **8. Board of Statutory Auditors**

In accordance with decree law 58 (TUF – Consolidated Finance Acts) of 24 February 1998, the Company has written into its by-laws provisions allowing a member of the Board of Statutory Auditors to be elected from a voting list.

In accordance with art. 3, Ministry of Justice/Treasury decree 162, 30 March 2000, the Board of Directors has verified that the members of the current Board of Statutory Auditors meet the requirements set out in art. 1 and 2 of said decree.

In particular, standing Auditors must be registered auditors and must have been practising their profession for at least three years. CVs of candidates for the post of statutory auditor are made available before the Shareholders' Meeting called upon to appoint the Board of Statutory Auditors.

**The term of office of the current statutory auditors will expire at the next Shareholders' Meeting, which will appoint a new board of auditors.**

## **9. Appointment of accounting firm**

**Meeting on 29 July 2005, the Board of Directors adopted the Group procedure for engaging external accountants for Autogrill and its subsidiaries. The procedure ensures that the accounting firm retained by the Group parent company is also engaged to audit Autogrill S.p.A.'s subsidiaries. Engagement of accounting firms other than the one indicated by the Group parent company must be fully justified and agreed to in advance with Autogrill's internal control committee.**

**The procedure is also designed to guarantee the independence of the accounting firm with respect to its client. To this end, the accounting firm in question may not be engaged to provide any other services that are incompatible with their auditing work under current law. This procedure will be applied for the first time at the next shareholders' meeting, which will have to appoint new accountants.**

## **10. Organizational and Management System in accordance with decree law 231/2001**

In accordance with the provisions of decree law 231/01, Autogrill has adopted the System approved by the Board of Directors on 9 July 2003 in order to ensure correctness and transparency in its operations.

The Company formed an overview of the activities of the various organizational structures, identified the business functions most exposed to the risks set out in decree law 231, 8 June 2001 and created an archive of "sensitive" activities. For each sensitive activity identified a risk assessment sheet has been prepared containing:

- (i) identification of the various types of offence and circumstances that may lead to them;
- (ii) identification of the existing prevention system;
- (iii) an assessment of the adequacy of the prevention system.

In light of the above, the System provides appropriate policies and measures to guarantee conduct of business in conformity with the law and to identify and eliminate situations of risk, as well as providing for penalties in the case of infringement.

The System is reviewed periodically and may be modified if there is a risk of infringement of its provisions or when there are changes in the Company's organization or business or in the relevant laws and regulations.

On 23 February 2005, the Board of Directors updated the System to provide for new offences contemplated in guidelines issued by Confindustria and turned the "Supervisory Body" into a committee consisting of Gianluca Ponzellini (a statutory auditor and member of the Internal Control Committee), Alfredo Malguzzi and Silvio De Girolamo (head of Internal Auditing). **The aforesaid members of the supervisory committee were all confirmed by the Board meeting held on 27 April 2005.**

**In 2005, the supervisory committee met three times and reviewed:**

- **actual implementation of the System and its various updates;**
- **the employee training programme focusing in particular on the Code of Conduct and the Organizational System;**
- **the Internal Auditing department's control of the compliance of the Company's business operations and processes with the System.**

**Company procedures and codes of conduct are currently under review in light of new legislation on market abuse (law 62/2005) and safeguarding of investors and financial markets (law 262/05).**

## **11. Shareholders' Meetings**

To facilitate shareholder participation in Shareholders' Meetings, the Company makes adequate information available in the prescribed time frame.

**The one Shareholders' Meeting in 2005, held on 27 April, voted, among other things, the appointment of new directors and authorized the purchase and subsequent disposal of Autogrill S.p.A. shares under the terms and conditions set forth by the directors.**

The rules and procedures for Shareholders' Meetings are publicly available on the Company's website ([www.autogrill.com](http://www.autogrill.com)).

## **12. Annexes**

The following tables are attached to this report as annexes:

- Board of Directors and Committees
- Other offices held by directors
- Board of Statutory Auditors
- Other offices held by Statutory Auditors
- Other provisions of the Code of Conduct

**Rozzano, 15 March 2006**

**TABLE 1: THE BOARD OF DIRECTORS AND ITS COMMITTEES**

Board of Directors							Internal Control Committee		Remuneration Committee	
<u>Office</u>	Members	Exec-utive	Non-exec-utive	Indepen-dent	%	Number of other offices**		%		%
<b>Chairman</b>	Gilberto Benetton		X		91.6%	11				
<b>Managing Director</b>	Gianmario Tondato Da Ruos	X			100%	3				
<b>Director</b>	Alessandro Benetton		X		83.3%	14				
<b>Director</b>	Giorgio Brunetti*		X	X	91.6%	5	X	100%		
<b>Director</b>	Antonio Bulgheroni		X	X	75%	6			X	100%
<b>Director</b>	Marco Desiderato*		X	X	91,6%	7	X	87.5%		
<b>Director</b>	Sergio De Simoi		X		100%	6				
<b>Director</b>	Sergio Erede		X		83.3%	8			X	100%
<b>Director</b>	Gianni Mion		X		91.6%	15			X	100%
<b>Director</b>	Alfredo Malguzzi*		X	X	100%	5	X	100%		
<b>Director</b>	Gaetano Morazzoni		X	X	83.3%	3				

• Reasons why there is no Committee or why its composition is not as recommended by the Code:

◆ Reasons why there is no Committee or why its composition is not as recommended by the Code:

Number of meetings held during 2005	Board: 12	Internal Control Committee: 8	Remuneration Committee: 7
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**NOTES**

\* The asterisk means the Director was appointed from a minority shareholders list.

\*\*This column shows the number of offices (director/statutory auditor) held in other companies listed on regulated markets, including foreign ones, in finance companies, banks, insurance companies or large companies.

## LIST OF DIRECTORS' OTHER OFFICES

Director	Offices	Company
<b>Gilberto Benetton</b>	Chairman Vice-Chairman Vice-Chairman Director Director Director Director Director Director Director Director	Edizione Holding SpA Olimpia S.p.A. Telecom Italia SpA Autostrade SpA Benetton Group SpA Infrastrutture e Sviluppo SpA Lloyd Adriatico SpA Mediobanca SpA Pirelli e C. SpA Schemaventotto S.p.A. Aldeasa S.A.
<b>Gianmaria Tondato</b>	Director Director Director	Aldeasa S.A. Autogrill Group Inc. Guala Closures SpA
<b>Alessandro Benetton</b>	Director Managing Director Director Chairman Director and Vice Chairman Partner and Sole Director Vice Chairman and Member of executive committee Director Director and Chairman Member of Supervisory Body Chairman Director Chairman and Managing Director Director	Industrie Zignano Santa Margherita SpA Ricerca SpA Ricerca Finanziaria SpA 21 Network Srl NordEst Merchant S.p.A. Saibort Srl Società Unipersonale Benetton Group SpA  Permasteelisa SpA 21 Partners SGR SpA 21 Centrale Partners SA 21, Investimenti Partners SpA Sirti SpA 21, Investimenti SpA Edizione Holding SpA
<b>Giorgio Brunetti</b>	Director Director Director Director Auditor	Carraro SpA Messaggerie Libri SpA Messaggerie Italiane SpA Benetton Group SpA Autorità Energia e Gas
<b>Antonio Bulgheroni</b>	Chairman and Managing Director Chairman Chairman Vice-Chairman Director and Executive Committee Director	Lindt & Sprungli SpA Caffarel SpA Ferro Tubi Lamiere Rossi SpA Banca Popolare Commercio e Industria Chocoladefabriken Lindt & Sprungli AG Banche Popolari Unite Srl
<b>Marco Desiderato</b>	Chairman Director Director Director Director Director Director Director	Millennium Sim SpA Lames SpA Istituto Ligure Mobiliare SpA Capitalimpresa SpA Ligurcapital SpA Fidimpresa Liguria Srl Lertora & Partners Insurance Brokers Srl
<b>Sergio De Simoi</b>	Director Director Director Director Director Statutory Auditor	Autostrade S.p.A. 21, Investimenti S.p.A. 21, Investimenti Partners S.p.A. Schemaventotto S.p.A. Edizione Finance International SA Olimpia S.p.A.
<b>Sergio Erede</b>	Director Director	Gruppo Galbani SpA Manifatture Lane Gaetano Marzotto & Figli SpA

	Chairman Director Director Director  Director Director  Director	Interpump Group SpA Manuli Rubber Industries SpA Carraro SpA Società Italo Britannica L. Manetti – H. Roberts SpA Luxottica Group SpA Valentino Fashion Group SpA
<b>Gianni Mion</b>	Director Director Director Managing Director Director Director Director and Vice-Chairman Director Director General Director Director Director Director Director Director	21, Investimenti SpA Autostrade SpA Benetton Group SpA Edizione Holding SpA Olimpia SpA Schemaventotto SpA Tim Italia SpA Telecom Italia SpA Fondazione Cassa di Risparmio di Venezia Luxottica Group SpA Aldeasa S.A. Autogrill Group Inc. Cartiere Burgo SpA Igli SpA Infrastrutture e Sviluppo SpA
<b>Alfredo Malguzzi</b>	Director Director Statutory Auditor Statutory Auditor Statutory Auditor	Ditta Michele Ratti S.p.A. Locman S.p.A. Egidio Galbani S.p.A. Gruppo Galbani S.p.A.. BiG Srl
<b>Gaetano Morazzoni</b>	Chairman Director Vice Chairman	Spea Ingegneria Europea SpA Autostrada Autocamionale della Cisa SpA Fondazione Fiera Milano S.p.A.

## **TABLE 2: BOARD OF STATUTORY AUDITORS**

Office	Members	Percentage of participation at meetings of the Board	Number of other positions**
<b>Chairman</b>	Ponzellini Gianluca	100%	2
<b>Standing Auditor</b>	Reboa Marco	100%	4
<b>Standing Auditor</b>	Tosi Ettore Maria	100%	1
<b>Substitute Auditor</b>	Cunial Giovanni Pietro	=	
<b>Substitute Auditor</b>	Visentin Graziano Gianmichele	=	
<b>Number of meetings held during 2005: 13</b>			
<b>Indicate the quorum required for the presentation of lists by minority shareholders for the elections of one or more Standing auditors (in accordance with art. 148 TUF – Consolidated Finance Acts): 3%</b>			

### NOTE

\*The asterisk means the Auditor was appointed from a minority shareholders list.

\*\*This column shows the number of offices (director/statutory auditor) held in other companies listed on regulated Italian markets. Such offices are detailed in full in the corporate governance report.

## LIST OF STATUTORY AUDITORS' OTHER OFFICES

Auditor	Office	Company
<b>Gianluca Ponzellini</b>	Standing Auditor Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors Standing Auditor Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors Standing Auditor Standing Auditor Standing Auditor Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors Director	Banca Caboto SpA Banca Intesa SpA Intesa Private banking SpA Casa Editrice Universo SpA De Longhi SpA Di per di Srl GS Spa ECS International Italia SpA Euromobiliare Asset Management SGR SpA Lonza SpA Luisa Spagnoli SpA Paravia Bruno Mondadori Edit. SpA Autogrill International Srl Schemaventotto SpA
<b>Marco Reboa</b>	Director Director Director Director Standing Auditor Standing Auditor Director Director Director Director Director Standing Auditor	ENI SpA Seat Pagine Gialle SpA Interpump Group SpA IMMSI SpA Galbani SpA bIG Srl Intesa Private Banking Intesa Lease Sec Srl Intesa 2 Sec. Srl Intesa Sec NPL 2 Srl Autogrill International S.r.l.
<b>Ettore Maria Tosi</b>	Standing Auditor Standing Auditor Auditor	Aermacchi SpA Assoc. Amici del Centro Dino Ferrari Autogrill International S.r.l. Banca Popolare di Milano S.p.A. Dasit S.p.A. Draba Srl Edilmarket SpA Ferag Italia SpA Fidecos SpA Finanziaria Tre Gigli Srl Hay Group S.r.l. IBT SpA Logic SpA Santanna S.r.l. Xilon Srl Zaira Srl Fondazione Ing. Foresto

**TABLE 3: OTHER PROVISIONS OF THE CODE OF CONDUCT**

	YES	NO	Summary of the reasons for any change from the recommendations of the Code
<b>System of delegated powers and operations with related parties</b>			
Has the Board assigned delegated powers by defining their:			
a) limits	X		
b) ways of use	X		
c) and time periods for information?	X		
Has the Board reserved for itself the examination and approval of operations with a certain economic, corporate and financial importance (including operations with related parties)?	X		
Has the Board defined guidelines and criteria to identify “significant” operations?	X		
Are the guidelines and criteria set out above described in the report?	X		
Has the Board defined specific procedures for the examination and approval of operations with related parties?	X		To date, neither Autogrill SpA nor its subsidiaries have carried out operations with Related parties involving amounts or methods or periods of time requiring disclosure to the market pursuant to art. 71-bis, CONSOB resolution 11971, 14 May 1999, and subsequent changes.
Are the procedures for the approval of operations with related parties described in the report?	X		
<b>Procedures for the most recent nomination of directors and statutory auditors</b>			
Did the deposit of the candidacies for the post of director happen at least ten days before the nomination?	X		
Were the candidacies for the post of director accompanied by exhaustive information?	X		
Were the candidacies for the post of director accompanied by an indication of the suitability to stand as independents?	X		
Did the deposit of the candidacies for the post of auditor happen at least ten days before the nomination?	X		
Were the candidacies for the post of auditor accompanied by exhaustive information?	X		
<b>Shareholders’ meetings</b>			
Has the company approved a shareholders’ meeting regulation?	X		
Is the regulation attached to the report (or is it indicated where it can be obtained/downloaded)?	X		
<b>Internal control</b>			
Has the company nominated internal control managers?	X		
Are the managers hierarchically independent from the managers of operational areas?	X		
Organizational division set up for internal control (in accordance with art. 9.3 of the Code)			INTERNAL AUDITING and CSR
<b>Investor relations</b>			
Has the company nominated an investor relations manager?	X		
Organizational division and details (address/telephone/fax/e-mail) of the investor relations manager			INVESTOR RELATIONS OFFICE – Elisabetta Cugnasca – Company Headquarters Milanofiori – Building Z, Road 5 tel: 02-48263246 fax: 02-48266246 – <a href="mailto:elisabetta.cugnasca@autogrill.net">elisabetta.cugnasca@autogrill.net</a>

# Autogrill S.p.A.

**Registered office: 28100 Novara NO, Italy**

***Via Luigi Giulietti, 9***

**Share capital: €132,288,000 fully paid-up**

**Tax code - Novara Companies Register: 03091940266**

**Novara Chamber of Commerce: 188902 (REA)**

**VAT number: 01630730032**

**Secondary headquarters: 20089 Rozzano MI, Italy**

***Centro Direzionale Milanofiori, Palazzo Z, Strada 5***

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***Fax (+39)0248263614***

**Investor relations: Telephone (+39)0248263246**

***Fax (+39)0248263444***

**Secretariat (for copy requests): Telephone (+39)0248263393**

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