



AUTOGRILL S.P.A.

CORPORATE GOVERNANCE AND OWNERSHIP REPORT

pursuant to art. 123 bis TUF

(traditional administration and control model)

Issuer: Autogrill S.p.A.

Website: www.autogrill.com

Year referred to in Report: 2011

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CORPORATE GOVERNANCE AND OWNERSHIP REPORT

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GLOSSARY

2010-2014 Stock Option Plan: the stock option plan approved by the Shareholders' Meeting (in extraordinary session) on 20 April 2010.

2011 Corporate Governance Code or **2011 Code:** the corporate governance code for listed companies approved in December 2011 by the *Corporate Governance Committee* of Borsa Italiana S.p.A. and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

Autogrill: Autogrill S.p.A.

Autogrill Group or **Group:** Autogrill and its subsidiaries and associates pursuant to art. 2359, Civil Code and art. 93, TUF.

Board of Directors: Autogrill's Board of Directors.

Board of Statutory Auditors: Autogrill's Board of Statutory Auditors.

By-Laws: Autogrill's by-laws as approved on 24 April 2007 and subsequently amended, most recently on 21 April 2011.

civ. cod. or **c.c.:** Italian Civil Code

Code of Ethics: the Code of Ethics adopted by Autogrill and Group companies since 2002.

CONSOB: *Commissione Nazionale per le Società e la Borsa* [equivalent to the SEC].

Corporate Governance Code or **Code:** the corporate governance code for listed companies approved in March 2006 (and modified in March 2010) by the Corporate Governance Committee of Borsa Italiana S.p.A. and promulgated by the latter. Unless otherwise specified, references to Standards, Criteria and Comments mean standards, criteria and comments of the 2006 Code, as amended in 2010.

Human Resources Committee: an Autogrill Board committee set up on 21 April 2011.

Internal Control and Corporate Governance Committee: an Autogrill Board committee set up on 21 April 2011.

Internal Control Manager: the internal control manager provided for in application criterion 8.C.1 of the Code.

Issuer or **Group parent company** or **the Company:** Autogrill.

Issuers' Regulations: rules for issuers promulgated by CONSOB under resolution 11971/14 May 1999 (as subsequently amended).

L-LTIP: Autogrill's new Leadership Team Long Term Incentive Plan approved by the Shareholders' Meeting on 21 April 2011.

Market Regulations: regulations on markets issued by CONSOB under resolution 16191/29 October 2007 (as subsequently amended).

Meeting or **Shareholders' Meeting:** the meeting of Autogrill shareholders.

Model: the organisation, management and control model required by legislative decree 231/8 June 2001 ("Legal liability of legal entities, companies and associations including those without legal personality, pursuant to art. 11, Law 300, 29 September 2000"),

adopted by Autogrill's Board of Directors on 9 July 2003, as subsequently amended and supplemented, most recently in December 2011.

Manager charged with preparing the Company's accounting documents: the manager charged with preparing the Company's accounting documents appointed by the Board of Directors as required by art. 154-*bis*, TUF, introduced by the Investor Protection Law, and by art. 18 of the By-Laws.

O.D.V.: the Surveillance Body charged with exercising control over the functioning of and compliance with the Model, set up by Autogrill's Board of Directors pursuant to legislative decree 231/8 June 2001.

Related-Party Transactions Committee: an Autogrill Board committee set up on 21 April 2011.

Related-Party Transaction Regulations: the regulation issued by CONSOB under resolution 17221/12 March 2010 (as subsequently amended) on related party transactions.

Report: this report on corporate governance and ownership structures, which issuers are required to draw up pursuant to art. 123-*bis*, TUF.

Investor Protection Law: Law 262/28 December 2005 ("Provisions for the protection of investors and the disciplining of financial markets").

Strategy and Investments Committee: the Autogrill Board committee set up on 21 April 2011.

Sustainability Report: Autogrill's annual sustainability report subject to limited accounting audit.

TUF.: legislative decree 58/24 February 1998 ("Consolidated Finance Act").

Year: the financial year 2011 referred to in the Report

1. PROFILE OF ISSUER

Introduction

Mission

Autogrill Group is the world's leading provider of travel catering and retail services and one of Italy's most internationalized companies. Autogrill S.p.a. is the parent of a complex business operating in 35 countries across five continents and has around 62,800 employees¹. The corporate mission is to offer quality restaurant and retail services to people on the move with the aim of generating value for all stakeholders while showing due respect for cultural diversity and the natural environment. Extremely rapid growth has made it all the more necessary to evolve common rules of conduct and values to be shared by all Group staff: "loyalty, legality and fairness". These principles are explained in the Code of Ethics adopted by the Company since 2002 and are the three principles on which Autogrill bases all its relations and its operating performance, inside and outside the business.

The Code of Ethics can be consulted on the Company's website (www.autogrill.com - Governance Section).

Corporate Organization

Autogrill's corporate organization is the traditional one:

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- (i) General Meeting of the Shareholders;
- (ii) Board of Directors, which elects a chairman and a CEO;
- (iii) Board of Statutory Auditors.

Alongside these corporate bodies are the Manager charged with preparing the Company's accounting documents, the Internal Control and Corporate Governance Committee, the Human Resources Committee, the Strategy and Investments Committee, the Related-Party Transactions Committee, the Internal Control Manager and the O.D.V. Statutory auditing of Autogrill's accounts is provided by KPMG S.p.A.

Operational Organization

Autogrill Group's operational organization reflects the multinational and multi-sector character of the Group.

Reporting to the CEO of the Group holding company is the Leadership team, composed of the Business Leaders responsible for the two business sectors (Food & Beverage and Travel Retail), and the Staff Leaders, ie. the people heading the

¹ The data in the profile are as of 31st December 2011.

Group's policy making and control functions (Corporate Functions). Responsibility for the Group's businesses may be summarized as follows:

1. Food & Beverage North America & Far East, operated through HMSHost division (Autogrill Group Inc. and subsidiaries); in this context, geographical responsibilities were revised by creating a business unit specifically responsible for *Food & Beverage Far East, Middle East and North Europe*;
2. Food & Beverage Italy, operated by Autogrill SpA and Italian subsidiaries;
3. Food & Beverage Europe, operated by companies or company groups in each European country of presence;
4. Travel Retail & Duty Free, operated by the subsidiaries of World Duty Free Group SA (under the trade names of Aldeasa, World Duty Free and Alpha Retail).

In support of the two business sectors, the Corporate Functions provide guidance and control in various fields, thus facilitating the definition of Group standards and policy and diffusion of best practices, and guaranteeing financial co-ordination and co-ordination of Group-wide projects.

Sustainability Report

Autogrill yearly posts on its website (www.autogrill.com) its Sustainability Report (hereafter the "Sustainability Report"), which is subject to limited audit by the firm retained to provide statutory auditing for the Company. The Sustainability Report aims to facilitate systematic dialogue with stakeholders on corporate social responsibility and sustainable development, and to share and spread a sustainability culture throughout the enterprise.

2. INFORMATION ON OWNERSHIP AT 7 MARCH 2012

a) Structure of share capital

Share capital, subscribed and paid-in: euro 132,288,000.

Categories of shares comprising the share capital:

STRUCTURE OF SHARE CAPITAL				
	# shares	%	Listed / non listed	Rights and obligations

Ordinary shares	254,400,000	100%	Telematic Stock Exchange	As per law and By-Laws
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All ordinary shares have the same unrestricted rights and are freely transferable.

The extraordinary shareholders' meeting held on 20 April 2010 decided on a paid capital increase to be carried out no later than 30 May 2015 by issuing up to 2,000,000 ordinary shares to serve a stock option plan for executive directors and employees of the Company in strategically important management positions (the "2010-2014 Stock Option Plan").

The draft rules of the 2010-2014 Stock Option Plan were approved by the Board of Directors on 4 March 2010 and submitted to the approval of the shareholders' meeting on 20 April 2010. As required by art. 7, Corporate Governance Code, as amended on 24 March 2010, which had to be adopted by the end of financial year 2010 (art. 6, 2011 Code), the Human Resources Committee delivered a report to the Board of Directors on 30 July 2010. With reference to application criterion 7.C.2 (c) of the Code (renumbered 6.C.2 (c) in the 2011 Code) in particular, the report confirmed that the 2010-2014 Stock Option Plan does not currently require participants to retain a portion of shares matured to the end of their term of office in that the vesting period (4 years) and exercise period (1 year) as well as the type of plan, which assumes shares will be acquired by the participant, are in line with the principle of creating value in the medium- and long-term. The stock option vesting period is in line with the provisions of application criterion 7.C.2 (b) of the Code. Vesting is also tied to "pre-established measurable performance objectives" as contemplated in criterion 7.C.2 (b) of the Code.

On 10 November 2010, the Board of Directors began to implement the 2010-2014 Stock Option Plan by allocating 1,261,000 options in favour of executive directors and employees of the Company or Group in strategically important management positions and fixed the exercise price of the allocated options at euro 9.34, which was the arithmetical average of the official prices of the Company's ordinary stock on the Telematic Stock Exchange operated by Borsa Italiana S.p.A. on trading days between 9 October 2010 and 9 November 2010.

In 2011, 120,000 options were cancelled, while on 29 July 2011 the Board of Directors allocated under the aforesaid 2010-2014 Stock Option Plan a further 188,000 options to Company employees performing functions of strategic importance and direction in the Company and Group and fixed the unit exercise price of the allocated options at Euro 8.91, the arithmetical average of the official prices of the Company's ordinary shares on the Telematic Stock Market organized and operated by Borsa Italiana S.p.A. on the trading days between 28 June 2011 and 28 July 2011.

Lastly, on 16 February 2012 the Board of Directors allocated under the aforesaid 2010-2014 Stock Option Plan a further 120,000 options to a Group employee

performing functions of strategic importance and fixed the unit exercise price of the allocated options at Euro 8.19, the arithmetical average of the official prices of the Company's ordinary shares on the Telematic Stock Market organized and operated by Borsa Italiana S.p.A. on the trading days between 15 January 2012 and 15 February 2012.

Each of the beneficiaries of the 2010-2014 Stock Option Plan will be entitled, subject to the conditions indicated in the Plan's rules, to subscribe one ordinary Autogrill share per option allocated within the date of assessment of conditions for maturity of rights (April 2014).

On the date of this Report, the maximum overall number of assignable shares is 1,449,000. The terms and conditions of the 2010-2014 Stock Option Plan, participants and relevant values are set forth in (i) an information document issued pursuant to art. 114-bis, TUF, and art. 84-bis, clause 1, Issuers' Regulations and in compliance with Schedule 7, Annex 3A of said Issuers' Regulations, and available on the Company's website (www.autogrill.com), and (ii) in the Remuneration Report drawn up pursuant to art. 123-ter, TUF, and art. 84-quarter, Issuers' Regulations and in compliance with Schedule 7-bis, Annex 3A of said Issuers' Regulations, available at the Company's registered office and on its website (www.autogrill.com).

Meeting in ordinary session on 21 April 2011, the Shareholders approved the replacement of the LTIP Leadership Plan by Autogrill's New Leadership Team Long Term Incentive Plan ("**New L-LTIP**"), an incentive scheme for the Group's top management involving the unpaid allocation ("grant") of Autogrill shares served, if necessary, by a reserved capital increase. The New L-LTIP contemplates, in addition to a cash incentive, the grant of up to 3,500,000 ordinary Autogrill shares to executive directors, executives with strategic responsibilities and top managers in the Group. Such allocation is to be subject to ascertainment of certain pre-defined conditions, including the achievement of specific performance levels by the Group.

The shares to be granted to the beneficiaries of the New L-LTIP Plan will be treasury shares held by the Company or new shares issued under an unpaid capital increase reserved for the beneficiaries of the Plan. To this end, the Shareholders' Meeting on 21 April 2011, in ordinary session, authorized the Board of Directors, pursuant to art. 2357-ter civ. cod., to dispose in whole or part of the treasury shares held by the Company to serve, among other things, the New L-LTIP. In the extraordinary session of the Meeting on the same day, the Shareholders also authorized the Board of Directors for a period of five years from the date of the resolution to increase the share capital in one or more operations not to exceed an overall nominal amount of Euro 1,820,000 by issuing on an unpaid basis pursuant to art. 2349 civ. cod. up to 3,500,000 ordinary shares at par value to allocate to the beneficiaries of the New L-LTIP.

The beneficiaries of the New L-LTIP Plan are selected from time to time by Autogrill's Board of Directors acting on reasoned proposals by the CEO and having heard the Human Resources Committee.

The reference period over which achievement of objectives and thus recognition of entitlement to incentives under the New L-LTIP are ascertained is three years starting

from 2011 for the first component of the plan (“**Wave 1**”) and from 2012 for the second component (“**Wave 2**”). On 29 July 2011, the Board of Directors decided to allocate 1,920,000 rights (“**units**”) to receive Autogrill S.p.A. shares on an unpaid basis relative to the 2011-2013 sub-plan 1 (Wave1) on the basis of the level of achievement of the performance objectives (as provided for in the rules). On 16 February 2012, the Board of Directors voted to allocate 1,930,000 units relative to the 2012-2014 sub-plan 2 (Wave2).

The terms and conditions of the New L-LTIP Plan are set forth in (i) an information document issued pursuant to art. 114-bis, TUF, and art. 84-bis, clause 1, Issuers’ Regulations and in compliance with Schedule 7, Annex 3A of said Issuers’ Regulations, and available on the Company’s website (www.autogrill.com), and (ii) in the Remuneration Report drawn up pursuant to art. 123-ter, TUF, and art. 84-quarter, Issuers’ Regulations and in compliance with Schedule 7-bis, Annex 3A of said Issuers’ Regulations, available at the Company’s registered office and on its website (www.autogrill.com).

For the purposes of application criterion 7.C.2 of the Code (criterion 6.C.2, Code 2011, substantially unchanged with respect to the previous version), the following should be noted:

- i) rights to grant of Autogrill shares have an average vesting period of three years;
- ii) the vesting in (i) above is subject to pre-defined measurable performance objectives;
- iii) a lock-up mechanism is applied to shares allocated to the beneficiaries of the new L-LTIP Plan whereby assignment of the shares effectively matured is in three stages: 50% on maturity, 30% one year after and 20% three years after. Such mechanism is in line with both the principle of creating value in the medium-long term and the need to retain executives with strategic responsibilities and top managers. Regarding the CEO, a portion of any shares allocated to him is subject to a non-disposal restriction till the end of his term (minimum holding commitment).

There are no other financial instruments conferring the right to subscribe new rights issues.

b) Restrictions on transfer of securities

There are no restrictions on transfer of securities nor limits on possession of them. There are no clauses requiring approval of access to share ownership.

c) Main shareholdings

Main shareholdings, direct or indirect, on the basis of disclosures made pursuant to art. 120 TUF, are detailed in the table below:

MAIN SHAREHOLDINGS			
Declarer	Direct shareholder	% of ordinary stock	% of voting stock
Edizione S.r.l.	Schematrentaquattro S.r.l.	59.283	59.283
Blackrock Inc.	Blackrock Asset Management Ireland Limited	0.074	0.074
	Blackrock (Netherlands) BV	0.009	0.009
	Blackrock Institutional Trust Company NA	1.107	1.107
	Blackrock Advisors (UK) Limited	0.339	0.339
	Blackrock Investment Management LLC	0.052	0.052
	Blackrock Financial Management INC.	0.015	0.015
	Blackrock Asset Management Japan Limited	0.076	0.076
	Blackrock Fund Advisors	0.241	0.241
	Blackrock Investment Management (UK) Limited	0.059	0.059
	Blackrock Fund Managers Limited	0.015	0.015
	Blackrock Investment Management (Australia) Limited	0.003	0.003
	Blackrock Asset Management Australia LTD	0.004	0.004
	Blackrock Asset Management Canada Limited	0.012	0.012
	Blackrock Advisors LLC	0.004	0.004
Invesco LTD	Invesco LTD	2.044	2.044

d) Securities conferring special rights

No securities conferring special rights of control have been issued and there are no holders of special powers as defined in current law or the By-Laws.

e) Employee shareholders: mechanism for exercising voting rights

There are no mechanisms excluding or limiting the exercise of voting rights of beneficiaries of the 2010-2014 Stock Option Plan and of beneficiaries of the New L-LTIP Plan under a) above.

f) Restrictions on voting rights

There are no restrictions on shareholder's voting rights save for the terms and conditions disciplining exercise of the right to participate and vote in Shareholders' Meetings set forth in section 16 hereunder.

g) Shareholder agreements

The Company has not been notified of any shareholder agreements as defined in art. 122, TUF.

h) Change of control clauses and provisions in the By-Laws regarding takeover bids

Commercial contracts

As a sub-concessionaire, Autogrill is party to a lot of motorway service area f&b concessions. Such concessions forbid changes in control (“entry of new controlling shareholders in the sub-concessionaire’s ownership structure”) without prior authorization of the sub-concession granting motorway company. Such authorization, however, may only be denied if the change in control compromises the technical, management, commercial or economic provisions in the concession agreements.

Bank loan contracts

Autogrill is also party to loan contracts with banks worth around euro 1.7 billion (of which Euro 1,050 million for the Food & Beverage sector and Euro 650 million for Travel Retail sector) and which provide, as is customary in such contracts, for the bank’s power to terminate loans in the event of a change in the control of the company, with the resulting obligation for the borrower to early repay all funds drawn down.

For the purposes of such contracts, “change of control” occurs when the interests controlled by the current main shareholders may be less than contractually stipulated percentages. Such thresholds were negotiated by Autogrill on the basis of financial advantage or flexibility and may vary with the type of loan stipulated (no lower than 25%) and/or on the occurrence of certain contractually defined events.

Bonds

Further, Autogrill is the guarantor of bonds issued by Autogrill Group Inc., its wholly owned subsidiary, under debenture loans totalling US\$ 416 million at 31 December 2011.

Said loans provide in the event of a change in control of Autogrill that each bond holder be entitled to receive early repayment of the bonds held. For the purposes of such debenture loans, “change of control” is when one or more subjects other than the majority shareholders act together to gain control or hold more than 50% of Autogrill shares with voting rights.

Provisions in the By-Laws regarding takeover bids

Regarding the current provisions of law on takeover bids, the By-Laws do not provide for any departure from the passivity rule in art. 104, clauses 1 and 2, TUF, nor

expressly provide for the application of the neutralization rules contemplated in art. 104-bis, clauses 2 and 3, TUF.

Mandates to increase share capital and authorizations to buy back shares

As mentioned in section (a) above, the Shareholders' Meeting on 21 April 2011 voted in extraordinary session, pursuant to art. 2443 civ. cod. and art. 5 of the By-Laws, to authorize the Board of Directors to increase the share capital for a period of five years from the date of the resolution in one or more operations not to exceed Euro 1,820,000 by issuing at par value up to 3,500,000 ordinary shares with regular dividend to be allocated on an unpaid basis to the beneficiaries of the New L-LTIP incentive plan approved by the Shareholders in the ordinary session of the Meeting on the same day. The Shareholders voted at the same time to modify the By-laws accordingly.

In the ordinary session of the Meeting on 21 April 2011, the Shareholders also authorized the purchase and subsequent disposal of up to 12,720,000 ordinary Autogrill shares subject to revocation of the previous similar authorization granted by the Shareholders' Meeting on 20 April 2010. The authorization is effective for a period of 18 months from 21 April 2011.

As mentioned in (a) above, the Shareholders' Meeting also authorized the Board of Directors to dispose of treasury shares also to serve stock option based incentive plans.

Trading of treasury shares has been and must continue to be carried out on regulated markets in accordance with applicable law. Acquisitions must be made within minimum and maximum price limits with respect to the stock market price determined as per the criteria indicated in the shareholders' resolution.

Autogrill launched the buy-back programme on 29 September 2011 and at 31 December 2011 held a total of 1,004,934 treasury shares, including those already in portfolio, thus accounting for around 0.395% of the share capital.

I) Direction and co-ordination

On 27 April 2004 the Board of Directors judged that the conditions of submission by the Company to direction or coordination by the controlling entity, Edizione S.r.l. (formerly Edizione Holding S.p.a.), under art. 2497-bis, c.c. did not subsist. Subsequently, following the transfer by Edizione S.r.l. of its entire stake in Autogrill to Schematrentaquattro S.r.l., wholly owned by Edizione S.r.l., the Board of Directors, in a meeting on 18 January 2007 judged that the necessary conditions of submission by the Company to direction or coordination by the controlling entity, Schematrentaquattro S.r.l., still did not subsist for the purposes of art. 2497-bis, c.c.. In particular, the Board of Directors ascertained in the aforementioned meetings that there were no major indicators of dominant influence on the part of the controlling shareholder, Autogrill having extensive organizational and administrative autonomy, with no instructions or directives on the part of Schematrentaquattro S.r.l. or Edizione

S.r.l. that might be evidence of direction or co-ordination on the part of controlling shareholders.

* * *

It is to be noted that:

- the information required by art. 123-bis, clause 1i), TUF (*"agreements between a company and its directors [...] that provide for indemnity in the event of resignation or dismissal without cause or if the employment relationship ceases following a takeover bid"*) is provided in the Remuneration Report drawn up pursuant to art. 123-ter, TUF, and art. 84-quarter, *Issuers' Regulations* and in compliance with Annex 3, Schedule 7-bis, *Issuers' Regulations*, available at the Company's registered office and on its website (www.autogrill.com);
- the information required by art. 123-bis, clause 1l), TUF (*"rules applicable to the appointment and substitution of directors [...] and modifications to the by-laws if different from provisions of the law and regulations applicable on a supplementary basis"*) is provided in the section on the Board of Directors in this Report (4.1).

3. COMPLIANCE

Autogrill has continued to adopt the principles and recommendations of the Corporate Governance Code and to update and promulgate its annual corporate governance and ownership report accordingly.

In December 2011 Borsa Italiana's *Corporate Governance Committee* issued a new version of the Code (the **"2011 Code"** or **"2011 Corporate Governance Code"**), which issuers are invited to comply to, with certain exceptions, by the end of 2012.

As detailed further hereunder, the Company already complies with certain of the new recommendations of the 2011 Code and will consider and possibly assimilate the other new provisions in the 2011 Code within the transition periods provided for in point VIII of the *"Guidelines and transition period"* Section of the 2011 Code.

Autogrill's Corporate Governance and Ownership Report can be consulted on the Company's website (www.autogrill.com - *Governance* section) and also on Borsa Italiana's website (www.borsaitaliana.it).

Neither the Company nor its subsidiaries are subject to non-Italian laws that could influence Autogrill's corporate governance structure.

4. BOARD OF DIRECTORS

4.1. Appointment and substitution

Appointment and substitution of directors are governed by the provisions of the law and applicable regulations and by art. 10 of the By-Laws, under which the Board of Directors is appointed by a list voting system.

The relevant provisions of the aforementioned art. 10 of the By-Laws are set forth hereunder.

The directors are appointed by the shareholders from lists, submitted by the Shareholders within the legal and statutory deadline from time to time in force (25 days), in which up to 15 (fifteen) candidates in possession of the current legal and regulatory requisites are listed under progressive numbers.

The lists must indicate any candidates who have the current legal and regulatory requisites of independence.

Each shareholder may present or take part in the presentation of one list only and each candidate may be presented on one list only or not qualify for election. Lists may be presented only by shareholders who alone or together with other shareholders represent at least 1.5% of the share capital or any other lower legal or regulatory percentage currently in force.

It should be noted on this point, that Consob recently fixed the minimum participation for presentation of list of candidates for Autogrill boards of directors and statutory auditors at 1.5% (resolution 18083, 25 January 2012) pursuant to art. 144-quater, Issuers' Regulations.

Together with each list, declarations in which the individual candidates accept their candidacy and declare, under their own responsibility, that no causes of ineligibility and incompatibility exist and that they are in possession of the conditions required by law for the respective positions shall be presented. Such declarations shall be filed along with candidates' CVs, providing personal and professional details and possible requisites for independent directorships.

Lists failing to comply with the aforementioned requirements shall not be taken into consideration.

Each person with the right to vote may vote for one list only.

After voting, the elected candidates shall be those of the two lists that received the most votes on the basis of the following criteria:

- a) the total number of directors to elect less two (2) shall be taken from the list that obtains the majority of the votes cast by the Shareholders, in the progressive order in which they are listed;
- b) the other two (2) directors shall be taken from the list that received the most votes, after the first list, in the Meeting ("minority list"), provided it is in no way connected, not even indirectly, with the Shareholders who submitted or voted the list that received the most votes.

In the event of an equal number of votes, the entire Shareholders' Meeting shall vote again and the candidate elected shall be the candidate who obtains a simple majority of votes.

If after voting, a sufficient number of directors with the legal and regulatory independence requisites have not been elected, the last candidate in progressive order on the list that obtained the most votes who is not in possession of such requisites shall be excluded and replaced by the next candidate possessing said requisites from the same list. This procedure must be repeated until the required number of independent directors have been elected.

If only one list is presented, or if no list at all is presented or if a list presented does not allow for the election of independent directors pursuant to legal and regulatory requirements, the Meeting shall vote with the legal majority.

The Shareholders' Meeting may, even in the course of the Board's mandate, change the number of members of the Board of Directors, subject to the limit stated in the first paragraph of art. 10, and proceed with the relevant appointments. The term of office of directors thus elected shall end with that of the Board of Directors.

Should one or more directors lapse during the fiscal year, action shall be taken pursuant to art. 2836 of the civ. cod. As an exception to the foregoing provisions of art. 10, if for any reason the director or directors taken from the minority list cannot take up office or having taken it up must then stand down, he/they shall be replaced by the candidate/s belonging to the same list, by progressive order, and who are still eligible and willing to accept office.

The procedure for confirming a director co-opted by the Board of Directors or appointing another director to replace him in the following Shareholders' Meeting is as follows: shareholders either singly or together representing at least 1.5% of the share capital or any other lower legal or regulatory percentage may indicate a candidate by filing the documentation indicated in art. 10 of the By-Laws.

If a co-opted director or a director replacing him was taken from the minority list, the Shareholder representing the majority of the share capital present at the Meeting and any other Shareholders in any way connected, even indirectly, with such Shareholder are barred from voting.

The previous provisions of this art. 10 of the By-Laws are applicable *mutatis mutandis*.

After the vote, the candidate obtaining the most votes shall be elected.

Should the majority of the Directors lapse, the entire Board of Directors shall be considered to have resigned and the Shareholders' Meeting shall be promptly called by the Board of Directors for the appointment of the new Board of Directors.

Succession plans

The Corporate HR function co-ordinates the process of evaluating the positions in the Group with most impact on the business or of a particularly critical nature and at

the same time assesses the skills, performance and capacities of people currently in such positions. The annual assessment process now in place is able to identify people potentially suitable for filling any “key positions” that might fall vacant without warning in the various business structures (succession plans). If no internal resources are available to fill such positions in the short term, the external market is screened for candidates. The Group favours training programmes for especially meritorious personnel and both vertical (in the same function and/or business sector) and horizontal (moving between functions and/or business sectors) career paths, and with a strong focus on international training for future Group managers.

The Group’s human resources management is based on models that encourage and reward merit and seeks to identify the skills required in key positions which are particularly critical and strategic for the Group, thus enabling all its companies to use suitable tools for pre-selecting employees with the skills needed in succession situations (whether through promotion or horizontal transfer).

Top management assessment results (which also cover posts of “strategic responsibility”) are submitted to the Human Resources Committee (in whose meetings the chairman of the statutory auditors, or another statutory auditor on his behalf, takes part as recommended in art. 7 of the Code (art. 6, 2011 Code) and such information is updated at least annually.

The Group’s human resources management is also geared to possibly covering the post of CEO, although there is no specific “succession plan” for this eventuality. It should be noted however that, also in respect of the Company’s ownership structure, the Board of Directors may act promptly to take the necessary decisions thereon.

4.2. Composition

The current Board of Directors will remain in office until after approval of the 2013 Accounts and was elected by the Shareholders’ Meeting held on 21 April 2011, by list vote, pursuant to art. 10 of the By-Laws.

For the appointment of the Board currently in office, only one list was presented, by the majority shareholder Schematrentaquattro S.r.l., which on the date of the shareholders’ meeting held 59.28% of Autogrill’s share capital. With votes representing 63.974% of the share capital, all 13 candidates in the list presented were elected.

The Board initially consisted of the following 13 members of whom one is an executive director - Gianmario Tondato Da Ruos, CEO - and 12 are non-executive: Gilberto Benetton (Chairman), Alessandro Benetton, Tommaso Barracco, Arnaldo Camuffo, Francesco Giavazzi, Marco Jesi, Alfredo Malguzzi, Maurizio Manca, Marco Mangiagalli, Gianni Mion, Stefano Orlando and Paolo Roverato.

Maurizio Manca, a non-executive independent director, gave notice of resignation with immediate effect, for personal reasons, on 31 August 2011.

On 7 March 2012 the Board of Directors co-opted a 13th director (non-executive) in the person of Massimo Fasanella d'Amore di Ruffano, whose CV is available on the Company's website (www.autogrill.com - Governance section).

Pursuant to section 2.C.5, 2011 Code, it has been ascertained that as of the date of this Report there are no so-called cross-directorship situations: Autogrill's CEO, Gianmario Tondato da Ruos, does not hold a directorship in any company external to the Group in which another Autogrill director is CEO.

Set forth below are the personal and professional profiles of each director.

Profiles of Directors

Gilberto Benetton

Chairman

Born in 1941 in Treviso, in 1965 Gilberto Benetton set up the Benetton Group together with his sister Giuliana and brothers Luciano and Carlo. The Benetton Group is world leader in the apparel industry and today operates in some 120 countries. He is chairman of Edizione S.r.l., the family holding company, chairman of Autogrill's Board of Directors (since 1997) and a director of Benetton Group S.p.A., Mediobanca S.p.A., Atlantia S.p.A., Pirelli & C. S.p.A., Allianz S.p.A. and Sintonia S.A. He presides over all financial and property investments undertaken by the family holding company. A keen sportsman, he promotes the Group's sporting initiatives, especially in the youth sector, social activities and professional rugby. Through the Benetton Foundation he created La Ghirada, a veritable sports centre in Treviso.

Gianmario Tondato Da Ruos

CEO of Autogrill since April 2003

Born in Oderzo (Treviso) in 1960, he graduated in economics at University in Venice and started his career in 1985 in Nordica S.p.A., subsequently moving to Arnoldo Mondadori Editore and various Benetton Group companies, in which he worked on business re-organization and international mobility.

He joined Autogrill Group in 2000 and moved to the United States to manage the integration of the North American subsidiary HMSHost and successfully implemented a strategic refocusing on concessions and diversification into new business sectors, distribution channels and geographies. His policy of growth through organic development and acquisitions enabled Autogrill to nearly double its sales, while the acquisition of Aldeasa S.A., Alpha Group Plc. and World Duty Free Europe Ltd. transformed the Group into the world's biggest airport retail and f&b operator.

Gianmario Tondato Da Ruos is lead independent director of Lottomatica S.p.A., Chairman of Autogrill Group Inc. and a director of Aldeasa S.A.

Alessandro Benetton

Director

Born in 1964 in Treviso and son of Luciano Benetton. He graduated in Business Administration from Boston University. In 1991 he took a Master's in Business Administration at Harvard.

His professional career began at Goldman Sachs, as an M&A analyst. In 1993 he founded Schemaquattordici S.p.A., a holding company whose shareholders are Edizione S.r.l., Intesa Sanpaolo S.p.A., Fininvest S.p.A., Seragnoli Group, Assicurazioni Generali S.p.A. and Ricerca S.p.A., and became its Chairman, an office he still holds. He is chairman and managing director of 21, Partners S.p.A.. He is a director of Edizione S.r.l. and Autogrill (since 1997). He is also executive Vice chairman of Benetton Group S.p.A., chairman of the board of directors of 21 Investimenti SGR S.p.A. and a member of the supervisory board of 21 Centrale Partners S.A.

Tommaso Barracco

Director

Born in Cosenza in 1951, he graduated in mechanical engineering at Pisa University and took a Master's in Business Administration at HEC (Jouy en Josas, France).

He started his career as a project manager with Ansaldo Group companies in the field of energy production plant engineering in Italy and abroad.

In 1984 he joined Boston Consulting Group (BCG) in Paris, subsequently becoming a partner and managing director in 1990 and senior partner in 1999.

At BCG he held posts of responsibility in industrial sectors and was managing director at BCG Italia. He worked with large international groups and developed in-depth knowledge of consumer goods, distribution, services, transport and tourism.

He has contributed to many studies and publications on the creation of value in companies and problems involved in internationalization and competition.

He has been an independent director of Autogrill since 2011.

Arnaldo Camuffo

Director

Born in Venice in 1961, he graduated in business economics at Università Ca' Foscari in Venice. In 1990 he took a Master's in Business Administration at the Sloan School of Management at Massachusetts Institute of Technology and then a PhD in business administration at the University of Venice.

A full professor of business organization at the University of Venice (1990-2003) and Padova (2003-2007), he has been a consultant to some of Italy's top industrial groups and worked with leading training organizations in Italy and elsewhere in

Europe. He collaborates with Italian research bodies and professional associations specializing in management, organization and human resources. He is a member of scientific committees at AIF and ASFOR. He is Science Director at Lean Enterprise Center, Italy, a director of Lean Global Network and Principal Investigator at International Motor Vehicle Program.

He has been a full professor of business organization at Milan's L. Bocconi University, where he is also director of the PhD Program in Business Administration and Management, since 2007. He has been an independent director of Autogrill since 2008 and of Carraro S.p.A. since 2009.

Francesco Giavazzi

Director

Born in Bergamo in 1949, he holds a degree in electronic engineering from the Politecnico di Milano and a Ph.D in economics (1978) from the Massachusetts Institute of Technology.

He is a professor of economics at Bocconi University in Milan and a regular visiting professor at the MIT. He is a member of the Strategic Committee of Agence France Trésor.

From 1992 to 1994, he served as Director General at the Italian Treasury, in charge of economics research, debt management and privatizations, and represented the Ministry on the boards of INA - Istituto Nazionale delle Assicurazioni S.p.A. -, Assitalia and Banco di Napoli, of which he was also a vice-chairman.

From 1998 to 2000, during the D'Alema administration, he was one of the economic advisers to the Italian prime minister.

He is a leader writer for Il Corriere della Sera.

He has been an independent director of Autogrill since 2008, of Vitale&Associati S.p.A. since 2000 and of Arsenale di Venezia S.p.A. since 2005.

Marco Jesi

Director

Born in Milan in 1949, he graduated in law at Università Statale of Milan. Between 1989 and 2002 he did various management courses in the UK and USA, including a corporate leadership course at the University of Virginia.

He started his career at Unilever, and then he held various posts in the consumer goods sector, including brand manager at Kraft Food Italy, sales and marketing positions at SC Johnson Wax, Sales and Operations Director at GS Supermarkets and President FLI South Europe 1996-2000.

He was appointed President, Western Europe-Frito Lay International in 2000 and was President of PepsiCo Europe (in charge of all PepsiCo businesses in Europe) from 2002 to 2005.

He was chairman and CEO at Galbani S.p.A. in 2006 and 2007.

Since 2008 he has held a number of directorships at Argenta S.p.A. (chairman), Safilo Group S.p.A. (director), Agrifarma S.p.A. (chairman), LSB Barcelona (director) and, since 2011, at Parmalat S.p.A. (director) and Autogrill (independent director).

Alfredo Malguzzi

Director

Born in Lerici (La Spezia) in 1962, he is name partner at Malguzzi and Associati, a firm of corporate and tax consultants. He took a degree in business economics at the L. Bocconi University in Milan. He has practised as a chartered accountant since 1991, providing advice on domestic and international company law and tax law, having gained experience in these fields since 1984.

He formerly taught at the SDA (Business School) of the Bocconi University (1990-1997), in the Administration and Control area, and is a tax journalist. He specialises in tax, corporate finance transactions, acquisitions, disposals and corporate re-organisations.

He has been a director of Autogrill since April 2004 and is also a director of Benetton Group S.p.A., Candy S.p.A., FinecoBank S.p.A. and Borgo Scopeto e Tenuta Caparzo S.r.l. He is chairman of the board of directors of LaGare S.p.A., a standing statutory auditor of BNP Paribas Lease Group S.p.A., biG S.r.l., Parmalat S.p.A., Egidio Galbani S.p.A. and Gruppo Lactalis Italia S.p.A. and chairman of the Board of Statutory Auditors of First Atlantic Real Estate Holding S.p.A. (Gruppo DeA Capital).

He has been the lead independent director of Autogrill since 2011.

Marco Mangiagalli

Director

Born in Milan in 1949, he graduated in political economy at L. Bocconi University in 1973. He has spent most of his career in ENI Group and has also worked in Barclays Group (Italy) and Gruppo Nuovo Banco Ambrosiano.

At ENI he held posts of increasing responsibility, reaching finance director and then Chief Financial Officer (1993 to 2008).

He has held directorships in many companies, including Agip S.p.A., Polimeri Europa S.p.A., Nuovo Pignone S.p.A., Snamprogetti S.p.A., Saipem S.p.A., Eni International Holding B.V., ENI International Bank Ltd, Albacom S.p.A., Emittenti Titoli S.p.A., Oil Investment Corp., Snam Rete Gas S.p.A. and Falck Renewables S.p.A.

He was chairman of ENI Coordination Center S.A. and Enifin S.p.A., as well as of Saipem S.p.A. (2008-2011).

He is currently an independent director of Autogrill (since 2011), a member of the supervisory board and remuneration and related party transaction committees of Intesa Sanpaolo S.p.A., a director and internal control committee member at Luxottica Group S.p.A. and a member of the senior advisory board of Global Infrastructure Partners.

Gianni Mion

Director

Born in 1943 in Vò (Padua), he graduated in business economics from Ca' Foscari University in Venice. He is a chartered accountant and auditor and has been managing director of Edizione S.r.l. since 1986. His professional career began with KPMG as auditor and continued with McQuay Europa S.p.A. as controller. In 1974 he joined Gepi S.p.A. of which he became Deputy General Manager in 1980. He was managing director of Fintermica S.p.A. from 1983 to 1985, before joining Marzotto S.p.A. as Finance director until 1986.

At present he is a director of Autogrill (since 1995), Benetton Group S.p.A., Atlantia S.p.A., Aeroporti di Roma S.p.A., Luxottica Group S.p.A., Burgo Group S.p.A., Fondazione Cassa di Risparmio di Venezia and Sintonia S.A..

Stefano Orlando

Director

Born in 1948 in Venice, he graduated in economics at Ca' Foscari University, Venice. He became an accountant in 1980 and is also a registered auditor.

He started his career in Milan in 1974 and joined Arthur Andersen S.p.A. the following year, becoming a manager in 1980 and partner in 1986. From 1987 to 1993 he was a member of the National Professional Standards Committee, of which he was also national co-ordinator of professional training (1989-1992) and headed its offices in the Triveneto region and then Brescia (from 1992). He later directed auditing activities for manufacturing, commercial and services companies, also for the Bologna, Florence, Parma and, most recently, Rome, Naples and Bari offices.

In 2002 he was appointed country managing partner for the Arthur Andersen network and managing director of Arthur Andersen S.p.A. Following integration with the Deloitte & Touche network, he became country managing partner of the latter and managing director of Deloitte & Touche S.p.A., which he left in 2005.

He is currently an independent director of Autogrill (since 2011) and Benetton Group S.p.A.

Paolo Roverato

Director

Born in Padua in 1963, he graduated in business economics from Ca' Foscari University in Venice. A chartered accountant and registered auditor, he joined Arthur Andersen S.p.A. in 1989.

He has been an executive at Edizione S.r.l. since 2002 and is a director of Autogrill (since 2008), Aeroporti di Roma S.p.A., Aeroporti Holding S.r.l., Edizione Property S.p.A., Edizione Alberghi S.p.A. and Investimenti Infrastrutture S.p.A. He is also managing director of Aeroporti Holding S.p.A. and a standing statutory auditor of, among others, Alì Group S.r.l..

Maximum number of directorships and control offices in other companies

On 12 December 2007, the Board of Directors adopted the following policy regarding the maximum number of appointments directors may hold in other companies, as proposed by the Internal Control and Corporate Governance Committee:

- a) an executive director of the Company must not hold the office of:
 - i) executive director in another listed company or a finance company, bank or insurance company, or any company with shareholders' equity in excess of € 10 billion and
 - ii) non-executive director or statutory auditor (or member of a supervisory board) in more than three of the companies referred to in (i) above;
- b) a non-executive director of the Company, in addition to the office held in the Company, must not hold the office of:
 - (i) executive director in more than one of the companies in (a)(i) above and non-executive director or statutory auditor (or member of a supervisory board) in more than three of the companies above mentioned, or
 - (ii) non-executive director or statutory auditor in more than six of the above companies.

These limits shall not include offices held in other companies belonging to the group headed by Edizione S.r.l..

In any case, before taking up the office of director or statutory auditor (or member of a supervisory board) in another company which is neither an associate nor a direct or indirect subsidiary of Autogrill, the executive director shall inform the Board of Directors, which shall preclude taking up the office where it notes incompatibility with the executive director's functions and the interests of Autogrill.

On 15 December 2011, the Board of Directors currently in office confirmed the aforementioned policy regarding the maximum number of appointments of the directors in other companies and ascertained that the current composition of the Board was in line with such criteria.

Attached to this Report are tables showing the number of appointments held by each director for directorships and control offices in other companies listed on regulated markets (including those outside Italy), or in finance companies, banks, insurance companies or other large concerns, detailing the offices held and the names of the companies.

4.3 Role of the Board of Directors

The Board of Directors meets on a regular basis: it met 11 times in 2011 (average length of meeting around 3 hours) and 11 meetings are scheduled for 2012 (three have already taken place).

The regularity of its meetings is one of the factors enabling the Company's Board of Directors to act effectively and rapidly, while its composition is such that the best interests of the Company are always guaranteed in the carrying out of its functions.

Timely and complete information ahead of Board meetings is ensured by the relevant Company departments, which prepare all the necessary documents pertaining to the items on the agenda. Such documents are delivered to the directors by the Secretary to the Board reasonably in advance of the meeting and taking into consideration any special requirements in terms of confidentiality and/or urgency of the matters in question.

In line with the provisions of application criterion 1.C.6, 2011 Code, Company and Group executives may always be invited to attend Board meetings when their specific expertise and areas of responsibility are relevant to the agenda.

In addition to the powers that cannot be delegated by law or under the By-Laws, the Board of Directors has the following exclusive powers:

- a) review and approval of strategic, industrial and financial plans drawn up by the Company and Group;
- b) review of the budgets, the annual financial strategy and investment plans of the Company and Group;
- c) review and prior authorization of significant transactions in terms of strategy, income, finance or capital adequacy to be carried out by the Company, with special reference to situations in which any director has an interest on her/his own or others' behalf and to related-party transactions.

In particular, resolutions regarding the following matters are reserved to the Board of Directors:

01. investments, acquisitions, disposals, disinvestment of equity interests in companies or lines of business, formation of joint-ventures and bidding under tenders for f&b and retail concessions with a value in excess of € 5,000,000, according to the investment procedure of the Group;
02. medium/long-term loan transactions with banks;
03. issue of guarantees and security in amounts in excess of € 5,000,000;

04. prior review of all transactions under bullet points (1), (2) and (3) of this section and matters under letter (c) of the section above concerning Group companies;
05. approval of financial and financial risk management policy;
06. examination and approval of basic rules of corporate governance for the Parent Company, of the Group structure and of guidelines for the corporate governance of subsidiaries;
07. assessment of the adequacy of the organizational, administrative and general accounting structure of the Parent Company and its main subsidiaries as put in place by the CEO;
08. periodical checking of the adequacy and effectiveness of the system of internal controls to ensure that the main corporate risks are identified, measured, managed and monitored appropriately;
09. appointment and termination, under art. 18 of the By-Laws, of the Manager charged with preparing the Company's accounting documents as required by art. 154-bis, TUF;
10. appointment and termination of the person(s) responsible for internal control pursuant to art. 8 of the Code;
11. setting up the O.D.V. required by legislative decree 231/8 June 2001;
12. conferring and revoking of delegated functions and powers of the directors and the Executive Committee, if any, determining the limits, the procedure and the frequency – at least quarterly – under which the delegated parties or bodies are required to report to the Board of Directors and the Board of Statutory Auditors on their activity and the manner in which their authority and powers have been exercised;
13. reviewing the compensation criteria for senior managers and long-term or annual incentive plans for managers of the Parent Company and the Group as proposed by the CEO and the Human Resources Committee;
14. assessment of general business performance, specifically on the basis of information received from the CEO and the Executive Committee, if any, by regularly comparing the results achieved against forecast;
15. reviewing, evaluating and approving period-end accounts as required by current legislation.

At a meeting of the Board of Directors on 7 March 2012, the Internal Control and Corporate Governance Committee presented a report on their activities in 2011, on the basis of which the Board, in the same meeting, judged Autogrill's internal control system to be effective and adequate for the size, structure and characteristics of the Company and Group.

On 16 February 2012, the Board of Directors examined documents submitted by the relevant business functions and, having obtained the favourable opinion of the

Internal Control and Corporate Governance Committee, acknowledged the adequacy of the organizational, administrative and accounting structure of the Company and Group in 2011, with special reference to the system of managing conflicts of interest.

On the basis of revenues generated, the following subsidiaries were identified as being of strategic importance: Autogrill Group Inc., Aldeasa SA, Autogrill Retail UK Ltd., Holding de Participations Autogrill Sas, Autogrill Schweiz AG and Autogrill Belux NV.

The apportionment of the global fees for the Board of Directors was made by the shareholders' meeting, following the appointment of the Board, on 21 April 2011.

In its first meeting after its appointment on April 21 2011, the Board of Directors split the overall amount of directors' emoluments fixed by the Shareholders' Meeting among the Board's committees and their members (with the sole exception of the Related-Party Transaction Committee, given the infrequent, non-routine and non-repetitive nature of the activities it may be called on to carry out).

On 10 November 2011, it also fixed the emoluments for the special executive functions assigned to the CEO, having first examined the proposals of the Human Resources Committee and heard the opinion of the Board of Statutory Auditors.

In line with international *best practice* and the provisions of the Corporate Governance Code (application criterion 1.C.1. g), similar to that of the 2011 Code), the Board of Directors during its meeting on 15 December 2011 initiated the sixth consecutive annual self-assessment programme (board review) on the size, make up and workings of the Board and its Committees with reference to 2011. This board review was based on a questionnaire for the directors drawn up by the Corporate Affairs department and the Lead Independent Director with the assistance of an external and independent specialist. Given the renewal of the Board upon approval of the financial statements for 2010, it was deemed appropriate to concentrate the 2011 board review mainly on the results of and guidelines produced by the previous self-assessment and in particular on the areas requiring improvement, to check on progress made with respect to the previous year and the opinions of the new directors.

In the Board meeting on 16 February 2012 the directors were given a first analysis of their questionnaire answers (in an anonymous format) which is currently being further processed and assessed with the assistance of another external and independent specialist, who is conducting interviews with individual directors on specific issues regarding the workings of the Board signalled in the questionnaires answers.

Though the results are still under study, the 2011 board review has already shown there is broad satisfaction on a number of themes, which also indicates progress made with respect to the past (especially regarding a refocusing of Board's priorities, the induction meeting, the use of new IT tools and their completeness and usability). Areas for further improvement also emerged on the other hand. To render the work of non-executive directors even more effective, it was suggested that induction activities, which took place immediately after the installation of the Board currently in office, be extended for the purpose of achieving in-depth knowledge of the various

operating companies and specific business issues, and that dialogue between the various Committees and between the Committees and the Board be intensified.

The shareholders' meeting did not grant any general prior authorization for exceptions or waivers in respect of the prohibition of competition by directors pursuant to art. 2390, civ. cod. To date, none of the situations contemplated in said legal provision have occurred.

4.4 Company officers

CEO

The Board of Directors is a unitary body in which the delegated management powers entrusted to the CEO are balanced by the technical and professional expertise of non-executive and independent directors in order to promote ongoing discussion within the Board of Directors leading to decisions in line with the interests of the Company.

In line with a resolution taken by Autogrill's Board of Directors in their meeting on 21 April 2011, the CEO has general management powers to be exercised within the framework of (i) business plans and budgets, (ii) limitations of scope and values applying to the matters reserved to the Board of Directors, (iii) laws and regulations and the Company's Code of Ethics and procedures, and (iv) all decisions and policies of the Board.

Some of the CEO's powers must be exercised within the specific limits detailed below:

- a) purchase and sale contracts (including those with title retention clauses) and trade-in of machinery, plant, equipment, materials and motor vehicles within a value limit of € 5,000,000 per single contract;
- b) consultancy, intellectual and professional services contracts in general: up to € 1,000,000 per fixed-term contract;
- c) leases and subleases of buildings and similar units of property, leasing or subleasing of businesses, provided that the minimum annual rent does not exceed € 5,000,000;
- d) acquisitions and/or disposals of businesses or business units: up to € 5,000,000, gross of all charges and liabilities, per single contract;
- e) purchase, sale or underwriting of shares, equity interests or consortium shares: amounts not in excess of € 5,000,000 per transaction;
- f) purchase and sale (spot and forward) and pledging of government securities and state-backed securities of any kind, and purchase and sale of debt instruments of supranational issuers, with full powers: up to € 5,000,000 per transaction;

- g) stipulation, with appropriate clauses (including arbitration), amendment and termination of purchase and sale contracts for buildings, land and other property assets: up to € 5,000,000 per single contract;
- h) stipulation, also in the interest of subsidiaries, with appropriate clauses (including arbitration), amendment and termination of agreements to open credit lines and credit facilities in general, financing or credit mandates: up to € 10,000,000 per single contract;
- i) negotiation with banks and financial institutions and investors for loans (including securitization): up to € 10,000,000 per single transaction, all resolutions and authorizations relating to execution of the same to be submitted to the Company's competent bodies;
- j) loan contracts of any kind with wholly-owned subsidiaries: up to € 10,000,000 per single transaction; Group treasury cash pooling contracts and infra-group current account contracts: within a maximum daily pooling availability of € 10,000,000 in the interest of each subsidiary;
- k) current and deposit account contracts with banks and post offices, including cash pooling contracts: within a maximum daily pooling availability of € 10,000,000 in the interest of each subsidiary;
- l) applications - including in the interest of subsidiaries – for bank or insurance guarantees, letters of guarantee and undertakings in general, issuance of letters of surety, letters of indemnity, endorsements or letters of patronage: up to € 5,000,000 per single transaction;
- m) underwriting of counter security and indemnity letters: up to € 5,000,000 per single deed against guarantees issued by banks in favour of third parties and in the interest of the Company;
- n) initiation and abandon of legal action; settlement of litigation in or out-of-court; appointment and revocation of counsel, attorneys and consultants; appointment of arbitrators, also under amiable composition: up to € 5,000,000 per single dispute.

Transactions exceeding the aforementioned limits are reserved for the competence of the Board of Directors.

Chairman of the Board of Directors

The Chairman of the Board of Directors is vested with legal powers and those specified in the Company's By-Laws and has no executive powers. He is responsible for the functioning of the Board of Directors, co-ordination of its activities and provision of information to the directors. The Chairman may propose initiatives that he considers appropriate for increasing the directors' knowledge of the Company and its operations.

The Chairman may – with the consent of the other directors – invite senior managers of the Company or of subsidiaries, or consultants, to attend meetings of the Board to

describe certain specific transactions or technical and operational matters concerning the Company and the Group.

Reports to the Board

The Board constantly monitors general management performance, with a special focus on the information it receives from the CEO, and periodically checks actual against programmed results.

In particular, at each meeting of the Board of Directors and at least every quarter:

- the CEO or the other directors with special powers report to the Board and to the statutory auditors on the exercise of their powers;
- the CEO reports on general trends and outlook in the business, on related party transactions and transactions of greater importance carried out by the Company and its subsidiaries.

To widen directors' knowledge of the Company's businesses, a number of managers from the Company and its subsidiaries were invited over the year to meetings of the Board of Directors, the Strategy and Investments Committee and the Internal Control Committee and of the Board of Statutory Auditors.

Following the appointment of the new Board of Directors on 21 April 2011, an induction meeting was organized in May 2011 for the new directors during which the CEO spoke at length on the Group's corporate and organizational structure and businesses and introduced the Group executives with strategic responsibilities.

4.5. Other executive directors

No directors on Autogrill's Board of Directors, other than the CEO, may be considered executive.

4.6 Independent directors

The Board of Directors annually assesses the independence of each director, also on the basis of information supplied by the directors themselves, and informs the market of its assessment. Having independent directors serving on the Board and its Committees is an appropriate way of safeguarding the interests of all shareholders and stakeholders.

Application criterion 3.C.1 of the Code (substantially unchanged in the 2011 Code) indicates parameters which the Board may follow in assessing the independence of its non-executive directors.

On 12 December 2007, the Board of Directors, having examined the aforementioned application criterion and the advice of the Internal Control and Corporate Governance Committee, decided to adopt the independence criteria for the directors identified by the Code (and now the 2011 Code) with the exception of

Board membership of more than nine of the last twelve years. The same criteria were also considered appropriate for the Board of Statutory Auditors.

The decision adopted, on a proposal by the Internal Control and Corporate Governance Committee, was motivated by the consideration that a consolidation of knowledge of a business's specific problems is a valuable asset in that it enriches directors' subjective capabilities and enables them to perform more effectively.

Meeting upon their appointment on 21 April 2011, the Board of Directors assessed the independence requisites, as indicated by the Code, of directors Tommaso Barracco, Marco Jesi, Alfredo Malguzzi, Marco Mangiagalli, Stefano Orlando, Arnaldo Camuffo and Francesco Giavazzi (and of the director Maurizio Manca, who thereafter resigned on 31 August 2011).

The Board also determined that directors Tommaso Barracco, Marco Jesi, Marco Mangiagalli, Arnaldo Camuffo and Francesco Giavazzi (and the director Maurizio Manca, who resigned on 31 August 2011) were independent under the combined provisions of art. 147-ter, clause 4, and 148, clause 3, TUF.

Having completed the preliminary assessment made on 21 April 2011, the Board of Directors ascertained, on 10 May 2011 and 29 July 2011 respectively, that directors Alfredo Malguzzi and Stefano Orlando were also in possession of the independence requisites indicated in the TUF.

The current composition of the Board of Directors is also in line with application criterion 3.C.3, 2011 Code, which requires at least one third of the Board to be made up of independent directors.

The Board's resolutions were submitted to the statutory auditors for the checks provided for in application criterion 3.C.5 of the Code (unchanged in the 2011 Code).

On 28 February 2012, the Board of Statutory Auditors verified that the criteria and procedures adopted by the Board of Directors to assess the independence of its members were being properly applied.

The independent directors meet at least once a year in a plenary session chaired by the Lead Independent Director and in the absence of the other directors to discuss the working of the Board of Directors and governance issues. The independent directors on the Board currently in office held said plenary session on 19 January 2012.

4.7 Lead Independent Director

Meeting on 21 April 2011, the Board of Directors appointed Alfredo Malguzzi as the Company's Lead Independent Director responsible for carrying out the tasks provided for in application criterion 2.C.3 of the Code and international best practice. In the same meeting, Alfredo Malguzzi was also appointed Chairman of the Human Resources Committee and Co-ordinator of the Related-Party Transaction Committee.

5. TREATMENT OF CORPORATE INFORMATION

Privileged information procedure

The Board of Directors adopted a Group procedure for disclosing privileged information to the market in 2006, pursuant to Law 62/18 April 2005 ("Community Law 2004") on market abuse.

The aim of this procedure is to govern internal management and external communication of privileged information not yet in the public domain concerning Autogrill or its subsidiaries, Autogrill stock or any other financial instruments issued by Autogrill which, if made public, might materially affect its share price. To ensure equal information for all investors, privileged information is disclosed to the market as soon as it reaches a reasonable degree of certainty.

The procedure can be consulted on the Company's website (www.autogrill.com - Governance section).

In line with current legislation, the Company set up a register containing the names of all individuals or legal entities who on account of the activities or functions they perform for Autogrill or its subsidiaries have or may have access, regularly or occasionally, to privileged information.

The Head of Group Corporate Affairs is responsible for keeping and updating this register.

The Company also constantly applies the principles contained in Borsa Italiana S.p.A.'s "Guide to Market Disclosure", which supplements existing provisions of law and regulations.

Internal Dealing procedure

In 2006, the Board of Directors adopted an Internal Dealing procedure whereby relevant persons disclose to the market transactions involving shares and other financial instruments issued by the Company.

The current definition of relevant person, thus obliged to comply with the abovementioned procedure, includes directors and statutory auditors of Autogrill, subjects who exercise functions of direction and executives who have regular access to privileged information and are authorized to make management decisions that may affect Autogrill's future development and prospects and all persons closely related to such relevant persons.

Relevant persons and their close relatives are prohibited from trading in the Company's financial instruments in the 15 days before any approval of accounts.

The person designated to receive, manage and disclose to the market the information required under the Procedure is the Secretary to the Board of Directors.

The procedure can be consulted on the Company's website (www.autogrill.com - Governance section).

6. BOARD OF DIRECTORS' COMMITTEES

In line with the recommendations of the Code, the Board of Directors set up the following Committees:

- (i) the Human Resources Committee, which carries out the functions, among others, of the remuneration committee provided for in the Code;
- (ii) the Internal Control and Corporate Governance Committee, which carries out the functions, among others, of the Internal Control committee provided for in the Code;
- (iii) the Related-Party Transaction Committee, set up pursuant to the Related-Party Transaction Regulations; and
- (iv) the Strategy and Investments Committee.

The Committees in (i), (ii) and (iii) above are dealt with in sections 8, 10 and 12, respectively, of this Report.

The Strategy and Investments Committee was set up on 21 April 2011. Its current members are independent directors Tommaso Barracco and Marco Jesi and non-executive director Gianni Mion (Committee chairman).

Said Committee provides the CEO and Board of Directors with information and advice on Group strategy and investment policies and also on major transactions.

In particular, the Strategy and Investments Committee examines the CEO's proposals to be submitted to the Board of Directors concerning:

- business strategies;
- long-term plans and budgets for the Group and its strategically important operating companies, and major transactions, on which it expresses opinions and/or recommendations;
- annual budget and long-term investment plan and updates thereof and additions thereto;
- the Group's investment policies and updates thereof;
- specific investment projects of particular strategic and/or economic importance.

The Strategy and Investments Committee also monitors implementation of the business strategies and investment programmes approved by the Board of Directors. The Committee's meetings are also attended by the Group Strategy, Planning & Investor Relations manager, while other Group executives may be invited by the Chairman to participate on specific themes.

7. APPOINTMENTS COMMITTEE

The Board of Directors has not so far deemed it necessary to set up the directors appointment committee contemplated in art. 6 of the Code.

No difficulties have so far been encountered by the Shareholders in suggesting candidates for election or by the Board in co-opting directors pursuant to art. 2386, cod. civ. and art. 10 of the By-Laws.

8. HUMAN RESOURCES COMMITTEE

Composition and tasks of the Human Resources Committee

Since 2001, the Company has had a Committee that monitors the alignment between the top management's compensation system and their creation of value for the Company.

On 23 April 2008, the Board of Directors decided to extend the Committee's tasks to the areas of organizational and human resources development and the definition of guidelines for the appointment of officers in the major subsidiaries. It changed the name of the Committee, accordingly, from Remuneration Committee to Human Resources Committee and adopted new charter governing its composition, activities and functioning.

Pursuant to application criterion 7.C.7 of the Code (6.C.8 of the 2011 Code), the Committee's charter has been updated in the form and terms indicated therein on a number of occasions (most recently on 29 July 2011).

In line with principle 7.P.3 of the Code, the Committee is made up of non-executive directors of which the majority are independent. Its current members, appointed by the Board of Directors on 21 April 2011, are the non-executive director Alfredo Malguzzi (independent director and Committee chairman), non-executive director Paolo Roverato and independent director Arnaldo Camuffo.

The composition of the Committee is also in accordance with the recommendation in principle 6.P.3, 2011 Code, whereby the Committee may be composed of a majority of independent directors provided that, as in this case, the chair of the Committee is also chosen among the independent directors.

In line with principle 7.P.3 of the Code and as also shown in the CVs included in this Report, all the members of the Committee have appropriate experience in finance, as assessed by the Board of Directors upon their appointment.

In accordance with application criterion 7.C.6 of the Code (6.C.6 of the 2011 Code), the directors, and the CEO in particular, abstain from participation in meetings of the Committee in which proposals to the Board of Directors regarding their remuneration are made.

Meetings of the Committee are attended by the Head of Group Human Resources and Organization. Group executives and the CEO may be invited by the Chairman to take part on specific matters. The chairman of the Board of Statutory Auditors is also invited to attend Committee meetings, to which end he may delegate another Standing Auditor.

Functions of the Human Resources Committee

The Committee's functions include those of a "remuneration committee" as outlined in art. 7 of the Code, as modified in March 2010 (art. 6, 2011 Code, which is substantially unchanged with respect to the previous version).

The Committee's functions are those of fact finding, consulting and preparing proposals for the Board of Directors. Its specific tasks are as follows:

- (i) drafting of proposals to the Board of Directors for the definition of general remuneration policy (in the form of Group "guidelines") regarding executive directors, directors with special tasks, executives with strategic responsibilities and the top management of the Company (Autogrill) and the Group (Autogrill Group sub-holdings/subsidiaries);
- (ii) proposals to the Board of Directors regarding the overall remuneration, fixed and variable, *cash and/or equity based*, of the Chairman of the Board of Directors, the CEO and other directors of the Company with special tasks and also definition of incentive, retention and/or attraction plans for such subjects;
- (iii) regarding incentive, retention and/or attraction plans, evaluation of the CEO's proposals to the Board for the definition of criteria for the overall remuneration, fixed and variable, *cash and/or equity based*, of executives with strategic responsibilities and the top management of the Company and Group, and evaluation, with the support of the "Group Human Resources and Organization" department and the administration, finance and strategic planning departments, of the performance objectives of the Company and Group to which the variable components of such remunerations are to be tied;
- (iv) monitoring of the application on the part of the management and Group companies of decisions adopted by the Board of Directors regarding remuneration policies and checking, in particular, whether performance objectives are actually achieved;
- (v) periodical assessment of the adequacy, overall coherence and actual application of the general policy adopted for the remuneration of executive directors, other directors with special tasks, executives with strategic responsibilities and the top management, availing itself, in the latter case, of information provided by the CEO; making of proposals on such matters to put to the Board of Directors.
- (vi) evaluation of the CEO's proposals regarding: (a) the criteria of composition of the administration and control bodies of strategically relevant subsidiaries and (b) human resources strategic development policies and the definition of the

performance objectives to which the variable component of the remuneration of executives with strategic responsibilities is to be tied. To this end, the Committee may seek assistance from the Group's Human Resources and Organization function and the Company's Administration, Finance and Strategic Planning departments.

The Related-Party Transaction procedure adopted by the Board of Directors (see section 12 hereunder) allows for the exemption of resolutions concerning the remuneration of directors and other executives with strategic responsibilities from the provisions of the Related-Party Transaction Regulations and from the Procedure itself provided that (i) the Company has adopted a remuneration policy; (ii) a committee of exclusively non-executive directors of whom a majority are independent (Human Resources Committee) is involved in the definition of the remuneration policy; (iii) a report illustrating the remuneration policy has been submitted to the approval or consultative vote of the Shareholders' Meeting; (iv) the remuneration assigned is in line with such policy.

The Committee may access information and business functions in the course of its duties and also use external consultants, at the Company's expense and within the limits set by the Board, provided they make sure such consultants are not in situations that might compromise their independence of judgement.

The Committee's chair reports to the Board on a regular basis on the Committee's work.

At the Company's Annual General Meeting, the Committee, or the Board on the basis of the Committee's indications, reports on the aforesaid remuneration policies. The Committee also reports on how its functions are carried out.

In 2011, the Committee met ten times (average duration around 3 hours) and examined and proposed the following to the Board of Directors, which approved, among others, (i) the objectives for the 2011 incentive scheme for the CEO, (ii) the remuneration policy for 2011, (iii) replacement of the LTIP plan with the New 2010-2012 L-LTIP, (iv) the launch of the "2011-2013 Wave 1" 3-year equity-based incentive sub-plan and the list of participants, (v) modification of the list of participants in the 2010-2014 Stock Option Plan following changes in the composition of strategic management and top management, (vi) the hiring and discontinuation of the employment relationship of the strategic management and top management.

The Committee's work in 2011 focused on the following:

- assessment of the organizational changes regarding the Group's key positions, assessment of key management positions and relevant succession plan;
- assessment of the plan (and relevant implementation steps) for the simplification of corporate structures;

- re-organization of the *Food & Beverage North America*, *Food & Beverage Europe* and *Food & Beverage Italy* business units, and of the Corporate structure in view of changing business needs;
- design of the Group governance model.

Members' attendance at Committee meetings is detailed (%) in Table 1 attached hereto.

Ten meetings of the Committee are planned, indicatively, for 2012.

Meetings of the Human Resources Committee and their resolutions are duly minuted.

In carrying out its functions the Committee is assisted on technical aspects by the Head of Group Human Resources and Organization and experts in the sector or Group executives invited from time to time to take part in meetings.

The Board of Directors allocated euro 15,000 for the activities of the Committee over the year.

For further details on the composition and functions of the Human Resources Committee, see the Remuneration Report drawn up pursuant to art. 123-ter, TUF and art. 84-quarter, Issuers' Regulations, available at the Company's registered office and on its website (www.autogrill.com – Governance section).

9. DIRECTORS' REMUNERATION

General remuneration policy

On 21 April 2011, the Shareholders' Meeting (extraordinary session) approved an amendment to art. 11 of the By-Laws reflecting the combined provisions of art. 123-ter, clauses 3 and 6, TUF, whereby the Shareholders' Meeting called annually to approve the separate financial statements votes for or against the Company's remuneration policy for members of administration and control bodies, general managers and executives with strategic responsibilities and the procedures used for adopting and implementing such policy. As expressly indicated in art. 123-ter, clause 6, TUF, the resolutions that the Shareholders' Meeting must adopt regarding the aforementioned Company remuneration policies will not be binding and must be limited to expressing a favourable or unfavourable opinion on such policies and their adoption and implementation.

Equity-based remuneration plans

As mentioned in section 2(a) of this Report, the Shareholders' Meeting (extraordinary session) on 20 April 2010 voted a paid capital increase to be made no later than 30 May 2015 by the issue of up to 2,000,000 ordinary shares to serve the 2010-2014 Stock Option Plan.

The Shareholders' Meeting (ordinary session) on 21 April 2011 also approved the New L-LTIP incentive plan, as described in section 2(a) of this Report, which provides for the allocation of shares to the Group's top management.

The terms and conditions of the 2010-2014 Stock Option Plan and the New L-LTIP incentive plan are set forth in (i) an information document issued pursuant to art. 114-bis, TUF, and art. 84-bis, clause 1, Issuers' Regulations and in compliance with Schedule 7, Annex 3A of said Issuers' Regulations, and available on the Company's website (www.autogrill.com), and (ii) in the Remuneration Report drawn up pursuant to art. 123-ter, TUF, and art. 84-quarter, Issuers' Regulations and in compliance with Schedule 7-bis, Annex 3A of said Issuers' Regulations, available at the Company's registered office and on its website (www.autogrill.com – Governance Section).

Remuneration of the CEO and executives with strategic responsibilities

A portion of the CEO's and top management's variable remuneration is tied to the Company's economic and financial results and the achievement of specific objectives indicated in advance by the Board, by virtue of their participation in management incentive plans.

In 2011, the CEO and the Group's top managers and executives with strategic responsibilities participated in the annual variable incentive scheme ("2011 MBO") for the Group's management, which is tied to achievement of strategic objectives, including the Group's economic and financial targets (accounting for 50% of total objectives) and individual objectives (50% of total objectives). They also took part in the 3-year cash incentive plan (2010-2012), which also provides for a sub-plan (Wave 1) launched in 2011 and based on equity instruments (rolling mechanism). Lastly, there is the 2010-2014 Stock Option Plan reserved for the CEO and executives with strategic responsibilities.

For further details on the purposes, reasoning and mechanisms of the aforementioned plans, see the Remuneration Report drawn up pursuant to art. 123-ter, TUF, and art. 84-quarter, Issuers' Regulations and in compliance with Schedule 7-bis, Annex 3A of said Issuers' Regulations, available at the Company's registered office and on its website (www.autogrill.com).

Incentive mechanisms for the internal control manager and the manager charged with preparing the Company's accounting documents

In defining the short- and long-term incentive schemes for the Internal Control Manager and the Manager Charged with preparing the Company's accounting documents special attention was paid to balancing qualitative and economic and financial objectives, given the roles they perform (in line with application criterion 7.C.3. of the Code).

Remuneration of non-executive directors

The remuneration of non-executive directors is not tied to the Company's economic results and such directors are not eligible for inclusion in equity-based incentive plans.

As resolved at the shareholders' meeting held on 21 April 2011, each director is entitled to fixed annual compensation of €50,000 as well as a fee of €600 for attendance at each Board and Shareholders' Meeting. Members of the Internal Control and Corporate governance Committee, Human Resources Committee and Strategy and Investments Committee are entitled to additional annual compensation of €30,000, as well as €600 for attendance at each meeting of such Committees, including the members of the Related-Party Transaction Committee. The Company's annual accounts state the amount of compensation paid to each director.

For further details on the directors' remuneration, see the Remuneration Report available at the Company's registered office and on its website (www.autogrill.com).

Directors' indemnity in the event of resignation, dismissal or termination of the relationship following a take-over bid

Regarding directors' indemnity in the event of resignation, dismissal or termination of the relationship following a take-over bid, the contract disciplining the relationship between the CEO and the Company provides that, in case of said relationship being terminated for cause by the CEO or without cause by the Company, the Company must make up the indemnity for lack of notice (provided for in the collective employment contract for executives in the commercial sector) to €2m, if said indemnity is less than that amount.

The CEO will, in any event of discontinuation of office or powers retain the right to be paid the variable emoluments relating to the incentive plans in which he participates subject to achievement of the objectives and all other conditions provided for each plan or programme and in proportion to service rendered in the course of the period in question.

The contracts of two directors of subsidiaries provide, in the event of discontinuation of the work relationship for a justifiable, objective reason ("for cause"), for an indemnity not exceeding two years remuneration (total direct compensation).

In the case of executives with strategic responsibilities, all rights acquired under incentive plans (including stock options) are forfeited in the event of discontinuation for cause, justifiable subjective reasons or voluntary resignation ("bad leaver").

In the event of discontinuation for a justifiable, objective reason or retirement, executives are entitled to remain beneficiaries of incentive plans on a *pro-rata* basis ("good leaver").

10. INTERNAL CONTROL AND CORPORATE GOVERNANCE COMMITTEE

Composition and tasks of the Internal Control and Corporate Governance Committee

Since 2002, the Company has had an Internal Control Committee, whose members are non-executive directors, the majority of whom independent, with consulting and propositional functions. Its task is to analyze problems and make decisions regarding the control of corporate operations.

In 2006, the Board of Directors invested the Internal Control Committee with propositional and consultative functions in relation to the adoption of corporate governance rules by the Company and the Group and renamed it the Internal Control and Corporate Governance Committee.

The Committee's Charter (last updated on 29 July 2011, partly to ensure compliance with the provisions of legislative decree 39/2010, which reformed statutory auditing law) covers the appointment of its members, its composition and working and can be consulted on the Company's website (www.autogrill.com - Governance section).

On 21 April 2011, the Board of Directors in office appointed independent directors Stefano Orlando (Committee chair) and Marco Mangiagalli and non-executive director Paolo Roverato as members of the Internal Control and Corporate Governance Committee.

In line with principle 8.P.4 of the Code, the Committee is made up of non-executive directors, of whom a majority independent. All its members have appropriate experience in accounting and finance, as assessed by the Board of Directors upon appointment and as also shown in the CVs included in this Report.

The composition of the Committee is also in accordance with the recommendation in principle 7.P.4, 2011 Code, whereby the Committee may be composed of a majority of independent directors provided that, as in this case, (i) the chair of the Committee is also chosen from among the independent directors, (ii) the issuer is not controlled by another listed company and (iii) the issuer is not subject to the direction or co-ordination of another company.

Functions assigned to the Internal Control and Corporate Governance Committee

The Committee's mandate is to assist the Board of Directors with consultation and proposals, and specifically to:

- a) formulate internal control system guidelines, such that the main corporate risks are identified, measured, managed and monitored appropriately to determine whether such risks are compatible with sound and correct management;
- b) nominate an executive director charged with supervising the internal control system;

- c) describe the main features of the internal control system in its Corporate Governance Report and assess its overall adequacy, effectiveness and actual workings.
- d) ensure that the corporate governance rules are adopted in the Company and the Group.

The Internal Control and Corporate Governance Committee shall also:

- a) on request by the Board of Directors, express an opinion on the appointment or removal of one or more persons responsible for internal auditing and determination of their compensation in line with Company policy, procedure and capacities;
- b) on request by the executive director appointed for the purpose, give its opinion on aspects of the identification of the main corporate risks and the planning, performance and management of the internal control system;
- c) assess the adequacy of the accounting principles in use and their uniformity for the purposes of the preparation of the consolidated accounts; this is done together with the Manager charged with drafting the Company's financial reports and after consulting the Statutory Auditors;
- d) review the work plan prepared by the Head of Internal Auditing and the latter's quarterly (or more frequent) reports on the auditing performed;
- e) review any negative findings noted in internal audit reports, or signalled by the Board of Statutory Auditors or individual members thereof, or contained in the audit firm's reports or management letters;
- f) carry out other internal control tasks assigned to it by the Board of Directors;
- g) report to the Board of Directors, at least half-yearly, on the occasion of the approval of the annual Accounts and half-yearly Report, on activities undertaken by and the adequacy of the internal control system.

In 2011, the Internal Control and Corporate Governance Committee met 11 times (average length of meeting: around 3 hours), had proper access to the corporate information it required and mainly examined:

- the 2011 audit plan and quarterly reports drafted by Internal Auditing in 2011;
- the correctness of the accounting principles, in agreement with the Manager charged with preparing the Company's accounting documents and the Board of Statutory Auditors, after consulting the auditing firm for the purposes of the 2010 financial statements;
- the annual report on the functioning of the internal control system and the report on the organizational, administrative and accounting structures;

In 2012, the Committee has so far met three times and discussed the following:

- the impairment test for the 2011 financial statements;

- the adequacy of the accounting standards used and their homogeneity for the purposes of drafting the 2011 financial statements, this done together with the Manager charged with preparing the Company's accounting documents and the Statutory Auditors, after consulting the auditing firm;
- the 2011 report on the activities of the Internal Audit department and the 2012 annual Audit Plan;
- and approved the Report on the Committees' activities in 2011.

All meetings are minuted.

Committee meetings are attended by the Head of Group Internal Audit, the Manager charged with preparing the Company's accounting documents and the Secretary to the Board of Directors. At the chairman's invitation, Group managers may also be invited to take part in discussions on specific topics. The full Board of Statutory Auditors usually takes part as well.

Actual attendance of meetings by each of the Committee's members is detailed (%) in Table 1 of the annexes.

12 meetings are planned for 2012 (three of which already took place before the drafting of this Report).

For the fulfilment of its tasks over the year, the Committee had a fund of €15,000 allocated by the Board of Directors meeting on 21 April 2011.

11. INTERNAL CONTROL SYSTEM

The internal control system used by Autogrill is the sum of the rules, procedures and organizational structures designed to promote – by means of an appropriate system of identification, measurement, management and monitoring of the main risks – company management that is sound, correct and in line with given objectives.

The system works through:

- identification of the corporate governance rules with which all staff's everyday conduct must comply;
- creation and adoption of a continuous control system by management through operating procedures and advanced planning and control systems;
- drawing up a scheme of delegated powers, functions and signing powers capable of promoting conduct in line with the organizational structure.

As laid down in its Code of Ethics, Autogrill takes measures aimed at developing the principle of responsibility vested in all controlled subjects and setting up a control system appropriate to its business, wherever it operates.

Autogrill takes steps to promulgate throughout the Group and at all levels the idea that a proper internal control system is an indispensable condition for the attainment of its business objectives.

Autogrill has developed Group-wide procedures to ensure governance and control of the main decision-making processes and compliance with specific regulations also in subsidiaries. The main procedures – in addition to those mentioned in this Report – regard investments, financial policy, financial risk hedging and the financial reporting. The last update of such procedures was approved by the Board of Directors on 10 November 2011.

Further, Autogrill is involving the various corporate levels, and co-ordinating the entire Group to ensure a uniform and organic development of the risk identification and management model (Enterprise Risk Management) that integrates the internal control system to focus on the risk analysis component in a more risk-oriented approach in terms of both business risks and financial reporting risks.

Main characteristics of existing risk management and internal control systems in relation to the financial reporting process

Introduction

Purpose and objectives

Within the internal control system, the Administrative-Accounting Organization Model is a key component with respect to financial reporting. The Model was implemented when the Group's internal control system was modified to meet the requirements of the Investor Protection Law and regularly updated following new legislation and changes in the Group structure.

The paragraphs below illustrate how Autogrill defined its risk management and internal control systems in relation to the financial reporting process. The system aims to significantly reduce the risks threatening the reliability, trustworthiness, accuracy and timeliness of Autogrill Group's financial reporting.

Main reference legislation and models

The reference model adopted by Autogrill when implementing its internal control system is in line with national and international best practice, such as the COSO framework (COSO report), the COBIT for SOX (IT control) and the Confindustria Guidelines. The Model plays a fundamental role also in ensuring compliance with the provisions of law by which Autogrill is bound as a company listed on a regulated market, including the Investor Protection Law, art. 154-bis and 123-bis, TUF, legislative decree 195/6 November 2007 (the so-called "Transparency Decree"), and with the recommendations of the Code.

Roles and functions

Autogrill Group's organizational structure provides for the following divisions of activities involved in the implementation, maintenance and development of the control model for the purposes of financial reporting:

Manager Charged with drafting the Company's accounting documents and CEO

- ensure diffusion of the internal control system for the purposes of financial reporting, providing the Group with policies and co-ordination and
- sign the attestation relating to the preparation of the Company's financial reports.

Law 262 Compliance Office

- provides methodological co-ordination;
- periodically updates the operating perimeter;
- defines and communicates the annual plan of activities and timings for the individual Reporting Units to all subjects concerned;
- makes an overall assessment of the results of the activities carried out by the Group for the purposes of compliance with the Investor Protection Law and co-ordinates any remedial or optimization action proposed by the Reporting Units.

Finance Manager/Country Manager of Reporting Units:

- ensure the implementation and maintenance of the internal control system for the purposes of financial reporting;
- ensure scheduled testing of the control system as per the annual plan and in the manner communicated by the Manager charged with preparing the Company's accounting documents; and
- issue attestations to the Manager charged with preparing the Company's accounting documents and to the CEO.

Internal Audit Function:

- assists the Manager Charged with drafting the Company's accounting documents, and in particular with the testing of controls and co-ordination of work groups that do testing in the Reporting Units;
- suggests improvements to the design of the financial reporting control system and to action to remedy any shortcomings in the control system itself, to be co-ordinated with the Reporting Units; and

- communicates the results of activities to the Law 262 Compliance Office and the Manager charged with preparing the Company's accounting documents in specific reports.

The operating roles carried out by the functions listed above are part of the wider context of the Company's governance system, in which various bodies have control functions, such as i) the Board of Directors, which approves the policies of the Internal Control System and makes sure that the Manager responsible for drafting the Company's accounting documents has adequate powers and means; ii) the Internal Control Committee, which regularly organizes meetings with the Manager responsible for drafting the Company's accounting documents to define the contents of action, also involving the Board of Statutory Auditors to assess the compliance of the work of the Manager responsible for drafting the Company's accounting documents with the provisions of law and identify any consequences for the Company's administrative-accounting system.

Methodological approach

Every year, Autogrill updates the perimeter of analysis of the administrative-accounting controls and the monitoring of the underlying processes to ensure the system is able to cover the risks attaching to the financial reporting of the more significant balance sheet items in the consolidation perimeter as specified in greater detail in the section on risk & control analysis.

In line with national and international best practice, Autogrill Group has adopted a methodological approach regarding the analyses that each of the Reporting Units has to carry out. The approach is in following main steps:

- a) Mapping of Entity Level and IT General Controls;
- b) Risk & Control Analysis;
- c) Testing and reporting on Internal Controls;
- d) Monitoring.

System elements

- a) *Mapping of Entity Level Controls and IT General Controls*

The design of the internal control system is based on two types of analysis:

- synthetic and overall analysis, at Group holding company and Group level, of the control system (at functional/organizational level) and of information systems; and
- analysis at the level of the single process using a matrix that correlates processes/balance sheet-financial reporting items, identification of risks and assessment of controls; this level is described in b) Risk & Control Analysis hereunder.

An annual assessment is made of the adequacy of the design of the control system and corrective action is identified where necessary. In particular, the elements of the internal control system, considered for the purposes of assessing Entity Level Controls, are in line with the elements in the COSO Report and are:

- control culture within the organization (internal environment);
- the process of assessing risks that may jeopardize achievement of business objectives (risk assessment);
- control activities for mitigating risks (control activities);
- the information system and information flows between top management and operating personnel (information & communication); and
- constant monitoring of the quality and results of the internal controls carried out (monitoring).

The IT General Controls focus on processes in the Information Technology area, linked to the production environment, and are designed to ensure a reliable IT environment, supporting the effectiveness of the applications controls.

The environments addressed by these controls include:

- software development;
- modifications to programmes;
- access to programmes and data; and
- IT infrastructure.

The mapping and assessment perimeter for IT General Controls also includes any integrations and/or modifications made to IT systems in terms of new applications or material changes to existing applications.

To enable IT General Control analysis to be carried out, checklists were drawn up to map the control system at Corporate and Reporting Unit levels. These checklists are sent to the referents in the Reporting Units to be filled-in and documented.

b) Risk & Control Analysis

The analysis perimeter is determined by the degree of significance of each Reporting Unit in the Group for the consolidated accounts and the importance of significant accounts and related administrative/accounting processes (quantitative analysis). The results of this analysis are then corroborated and where necessary integrated with qualitative analysis which also takes into consideration the Group's structure and the characteristics of specific balance sheet items.

The quantitative parameters used are:

- reporting units' level of contribution to the consolidated accounts;

- degree of relevance (planning materiality) for the purpose of identifying consolidated account items; and
- the level of coverage of individual accounts.

Once the processes feeding the main consolidated and reporting package accounts are identified by the Group holding company during the planning process, the Reporting Units identify at individual process level (using the risk&control matrix) any major risks that may compromise the truthfulness and correctness of financial reporting.

This objective is achieved by adequate understanding of the key activities associated with each process and assessment of the “balance sheet assertions” (existence and occurrence, completeness, accuracy, rights and obligations, assessment and registration, format and notes) and other control objectives (eg. observance of authorized limits, separation of incompatible tasks, checks on the physical security and existence of assets, documentation and traceability of transactions, etc).

c) Testing and Report on Internal Controls

Testing is done to ascertain whether the controls designed for the risks identified work effectively and in line with the provisions of the relevant administrative/accounting procedures.

The final phase of testing consists of an assessment of the results of the operating phase and definition of corrective action and/or improvement plans.

The test results are consolidated by the Group Internal Audit function in a report submitted to the Manager charged with preparing the Company’s accounting documents, along with the controls compensating critical areas and any remedial plans proposed by the Reporting Unit, and, for the purposes of Internal Audit’s reporting activities, to the CEO, the Internal Control and Corporate Governance Committee and the Statutory Auditors.

c) Monitoring

The objective of the monitoring phase is to check on the implementation of corrective action taken or being taken to address observations made during analysis of the system’s design and operating effectiveness and which are reviewed with the process managers.

11.1. Executive director responsible for the Internal Control System

The Board of Directors periodically checks the effectiveness of the internal control system with the assistance of the Internal Control and Corporate Governance Committee and the Internal Audit function.

The CEO oversees the working of the internal control system and the identification of the main business risks, thus assuring that the “Risk and Control Management System Policy” is applied in all Group companies. The Internal Audit function verifies its implementation and makes quarterly reports to the CEO on the adequacy, effectiveness and efficiency of the existing control system.

The CEO is promptly updated by the compliance and control functions regarding new legal and regulatory developments so that processes and functions involved may be adjusted accordingly.

11.2. Internal Control Manager

On the proposal of the CEO and with the favourable opinion of the Internal Control and Corporate Governance Committee, in the meeting held on 12 December 2007 the Board appointed Silvio de Girolamo, Head of Group Internal Auditing and CSR, as the Internal Control Manager contemplated in the Code (the “Internal Control Manager”). The Internal Control Manager reports to the CEO and has no operational responsibilities; he carries out the tasks specified in the Code, reporting on them to the Internal Control and Corporate Governance Committee and to the Board of Statutory Auditors. Further, the Internal Control Manager carries out tasks requested by the Manager charged with preparing the Company’s accounting documents. The Board of Directors asked the CEO, having consulted the appropriate Committees, to set the compensation of the Internal Control Manager in line with Company compensation policies and to reflect the role the Manager actually plays. The Internal Control Manager has an annual budget of financial and human resources.

The Internal Control Manager has access to all the data and information necessary for carrying out his tasks.

The roles and responsibilities of the internal control system are identified in the Group’s “Risk and Control Management System Policy”. The system works through:

- a) “primary line controls” of Company processes by each unit and Group company; responsibility for these controls lies with the management and is an integral part of each process;
- b) “secondary controls” by compliance functions supporting the management for the good functioning of the system;
- c) the Internal Audit Department, identified in the Internal Control Manager, who is head of Internal Audit, which analyses risk across all the operations and processes mapped within each Group company and monitors primary line and secondary controls:
 - by means of specific audits; and
 - by following up corrective action recommended during an audit to improve the internal control system.

Within the Company's internal control system there are staff functions charged with monitoring the factors that are useful in ensuring continuous information on economic and market trends and events and in being able to manage potential risk and intercept opportunities.

The area of reference is everywhere the Group operates, with special focus on emerging markets.

The results of all internal audits are promptly brought to the attention of the CEO, senior management and, at least on a quarterly basis, the Internal Control and Corporate Governance Committee and the Board of Statutory Auditors, who are required by art. 149, TUF, to monitor the adequacy of the internal control system.

In a meeting on 15 December 2010, the Board of Directors approved the Internal Audit Policy, which provides guidelines for all Group Internal Audit functions and procedures for reporting to the management and control bodies.

11.3. Organization model pursuant to legislative decree 231/8 June 2001

In 2003, the Board of Directors adopted the organization, management and control model pursuant to legislative decree 231/8 June 2001 (hereafter the “**Model**”) and appointed the Surveillance Body (O.D.V.)

To this end, the Company took steps to map the activities for which each organizational structure was responsible, to identify the corporate functions involved in activity most exposed to risks, and to set up a corporate archive of ‘sensitive’ activities. For each sensitive activity identified a risk assessment schedule was prepared containing:

- a) details of the types of offence contemplated by the law and the main ways in which they may be committed;
- b) details of the system of preventive measures; and
- c) an assessment of the adequacy of such measures.

The Model includes policies and measures designed to ensure that business is conducted legally and to identify and eliminate situations at risk, and also to sanction failure to observe its prescriptions.

The Model has one general section and the following 14 special sections:

- A. Code of Ethics
- B. Assignment and delegation of powers
- C. Disciplinary system
- D. Offences against the public administration
- E. Company law offences
- F. Offences of terrorism or subversion of democratic order
- G. Offences against the person

- H. Market abuse
- I. Accidental killing or serious/very serious accidental injury in breach of workplace health and safety regulations
- L. Computer crime and illegal data processing
- M. Handling stolen goods, money laundering and use of goods of illicit origin
- N. Offences against industry and trade and forgery of identification marks
- O. Breach of copyright.
- P. Environmental offences

A periodic check leading to changes to the Model is envisaged when there is evidence of risk, including potential risk, ie. when changes are made to the organization or its business or to the relevant legislation or regulations.

Appointed by the Board of Directors on 21 April 2011, the O.D.V. includes Giorgio Brunetti, formerly the Company's Lead Independent Director, the Group Chief HR & Organisation Officer Alessandro Preda and the Head of Group Internal Audit & CSR Silvio de Girolamo.

The O.D.V. met five times in 2011 and reported to the Board of Directors and the Statutory Auditors half-yearly on the level of implementation of and compliance with the Model.

The updated Organization Model D.lgs 231/8 June 2001 can be consulted on the Company's website (www.autogrill.com - Governance section).

11.4. Statutory audit firm

On 29 July 2005, the Board of Directors adopted a Group-wide procedure for the selection of statutory audit firms of Autogrill and its subsidiaries. The procedure ensures that the Parent Company's statutory audit firm is also responsible for statutory audits of Autogrill's subsidiaries. Use of statutory audit firms other than that indicated by the Parent Company shall be properly justified and agreed in advance with the Company's Internal Control and Corporate Governance Committee.

The procedure also aims to guarantee the independence of the statutory audit firm in respect of the company retaining it. To this end and in accordance with current regulations, mandates for services incompatible with the statutory audit role may not be given to the audit firm.

The first application of this procedure occurred at the shareholders' meeting held on 27 April 2006, which appointed KPMG S.p.A., Milan, as the Company's audit firm for financial years 2006-2011, an engagement subsequently extended by law to cover 2012-2014 as a result of art. 17, legislative decree 39/2010 coming into force.

11.5. Manager charged with preparing the Company's accounting documents

Under art. 18 of the By-Laws, the Board of Directors, acting on the CEO's proposal and having noted the non-binding opinion of the Board of Statutory Auditors, appoints the Manager charged with preparing the Company's accounting documents. This officer must have a university education and at least five years' experience in accounting, economics and finance, together with any further requisites laid down by the Board of Directors or the law or regulations. In addition to the aforementioned requisites, the Board of Directors determined that the Financial Reporting Officer should be subject to the provisions of eligibility and termination of office in art. 2382, civ. cod.

On 27 August 2008, the Board of Directors, with the approval of the Board of Statutory Auditors and the Internal Control and Corporate Governance Committee, appointed Mario Zanini (Group Chief Administration Officer) as the Manager charged with preparing the Company's accounting documents, as of 1 September 2008. On 10 November 2011, the current Board of Directors, acting on the favourable opinion of the Board of Statutory Auditors and the Internal Control Committee, appointed Alberto De Vecchi (Group Chief Financial Officer since 2006) to replace the outgoing Mario Zanini as of 11 November 2011.

The Manager charged with preparing the Company's accounting documents was informed and vested with powers enabling performance of such duties, also with reference to the provisions of the Rules disciplining the role of Manager charged with preparing the Company's accounting documents approved by the Board on 18 March 2008. To carry out his tasks, the Manager charged with preparing the Company's accounting documents has an annual budget of financial and human resources proposed by himself and approved by the Board of Directors.

12. DIRECTORS' INTERESTS AND RELATED-PARTY TRANSACTIONS

On 29 November 2010, pursuant to the Related-Party Transaction Regulations, the Board of Directors approved the Related-Party Transaction Procedure ("RPT"), which replaced as of 1 January 2011 the procedure previously adopted by resolution of the Board on 24 January 2006.

On the same date, the Board appointed a Related-Party Transaction Committee, which is currently formed by the independent directors Alfredo Malguzzi (Coordinator), Marco Mangiagalli and Stefano Orlando appointed by the Board now in office on 21 April 2011.

In 2011, the Related-Party Transaction Committee met twice (average length of meeting: around 30 minutes).

By resolution of the Shareholders' Meeting (extraordinary session) on 21 April 2011, art. 16 of the By-Laws was modified to comply with art. 8, 11 and 13, Related-Party Transaction Regulations. Such modifications concern:

- a) the Board of Directors' obligation to adopt procedures to ensure transparency and substantial fairness in related-party transactions in accordance with art.

2391-bis civ. cod. and the Related-Party Transaction Regulations or any other legal or regulatory provisions from time to time in force;

- b) the Board of Directors' power to carry out related-party transactions of "greater importance" (as currently defined by the Related-Party Transaction Regulations) even without a reasoned favourable opinion by the relevant committee formed by non-related independent directors (or in any case without an equivalent control required by regulatory provisions) provided that such transactions are carried out with the approval of the Shareholders' Meeting pursuant to art. 2364, clause 1, n. 5, civ. cod.;
- c) the possibility of writing clauses into the related-party transaction procedures, where allowed, whereby such transactions may in cases of urgency be carried out under the terms and conditions provided for in current provisions of law and regulations in derogation of the ordinary procedures contemplated therein.

The Related-Party Transaction Procedure can be consulted on the Company's website (www.autogrill.com - Governance section).

13. APPOINTMENT OF STATUTORY AUDITORS

Under art. 20 of the By-Laws, the Board of Statutory Auditors is made up of three Standing Auditors and two Alternate Auditors. Statutory Auditors may be re-elected.

Minority interests are reserved the right to elect one Standing Auditor and one Alternate Auditor.

The powers, duties and term of office of the Board of Statutory Auditors are as required by law.

Persons already holding positions in administration and control in other companies in excess of the numerical limit, or who do not have the statutory or legal requisites in terms of Honorability and professional skills to hold office may not be elected Standing Auditors and if elected forfeit office.

The Board of Statutory Auditors is appointed by the shareholders' meeting – which also fixes its remuneration - on the basis of lists presented by shareholders in accordance with laws and regulation from time to time in force containing a number of candidates not to exceed the number of auditors to elect, listed with a progressive number. The list comprises two sections, one for Standing Auditor candidates and the other for Alternate Auditor candidates.

Each Shareholder, singly or with others, may only present one list and no candidate may run in more than one list, on pain of ineligibility.

Only Shareholders who singly or together hold shares amounting to at least 1.5% of the share capital or any lower percentage fixed by law or regulations are entitled to present lists.

Statements by the candidates that they accept candidacy, that there are no causes of ineligibility or incompatibility and that they possess the requisites for holding the post prescribed by law and the By-Laws must be filed along with each list. A list which does not comply with the provisions illustrated above is considered as having not been presented

A CV of each candidate adequately illustrating his or her professional and personal characteristics must be filed along with the statements.

Statutory auditors are elected as follows:

- a) 2 (two) Standing Auditors and 1 (one) Alternate Auditor are taken from the list obtaining the highest number of votes cast at the shareholders' meeting and in the progressive order in which they appear in the sections of the list;
- b) the remaining Standing Auditor and the other Alternate Auditor are drawn from the list which obtained the second highest number of votes and is not connected in any way, even indirectly, with the shareholders that presented or voted the list that obtained the highest number of votes, in the progressive order in which they are indicated in the sections of the list. If more than one minority list obtain the same number of votes, the senior candidates by age in the standing and alternate sections of the list are elected;
- c) if only one list is submitted, the Board of Statutory Auditors is drawn entirely from that list.

The chairman of the Board of Statutory Auditors is appointed by the shareholders' meeting in accordance with the provisions of current law.

If a Statutory Auditor's requisites under the law and the By-Laws cease to obtain, he or she shall forfeit office.

If a Statutory Auditor has to be substituted for, he or she is replaced by the Alternate Auditor from the same list and may also, if necessary, assume the functions of chair.

The foregoing provisions disciplining the election of Statutory Auditors do not apply in shareholders' meetings called on to appoint standing and/or Alternate Auditors or the chair, as allowed by law, as a result of substitution or forfeiture. In such cases, the shareholders pass a resolution on a relative majority, subject to the principle indicated in art. 20, clause 2, By-laws (reserving the minority's right to elect one Standing Auditor and one Reserve Auditor).

14. STATUTORY AUDITORS

The current Board of Statutory Auditors was elected by list vote at the Shareholders' Meeting on 21 April 2009 and will remain in office until approval of the financial statements at 31 December 2011.

The Board's members voted from the only list, submitted by the majority shareholder Schematrentaquattro S.r.l., with votes representing 65.4% of the share capital, were the Standing Auditors Luigi Biscozzi (appointed chairman at the same time), Eugenio

Colucci and Ettore Maria Tosi, and Alternate Auditors Giuseppe Angiolini and Giorgio Silva.

The above mentioned composition of the Board of Statutory Auditors has not changed as of the date of this Report. As resolved at the Shareholders' Meeting held on 21 April 2009, each Statutory Auditor is entitled to the minimum compensation specified in the professional tables of the "*Dottori Commercialisti e degli Esperti Contabili*" (qualified accountants' register) in force at the time of appointment. The Company's annual accounts state the amount of compensation paid to each statutory auditor.

Further details on the Board of Statutory Auditors can be found in Table 2 in the annexes.

Career profiles of the Statutory Auditors are given below.

Luigi Biscozzi

Standing Auditor - Chairman

Born in Salice Trentino (Lecce) in 1934, he graduated in economics and business from the Bocconi University in Milan. He has been on the roll of chartered accountants of Milan since 1972 and on that of Official Auditors since 1995. From 1965 to 1976 he was a partner in the tax section of Peat Marwick & Mitchell (now KPMG) in Milan. In 1976 he was a founding partner of the tax law firm L. Biscozzi - A. Fantozzi (now Studio Legale e Tributario Biscozzi Nobili).

He is chairman of the Board of Statutory Auditors at Costa Crociere S.p.A. and Il Sole 24 Ore S.p.A. and a Standing Auditor at Touring Servizi S.r.l. and Indesit S.p.A.

Eugenio Colucci

Standing Auditor

Born in Lucera (FG) in 1946, he graduated in economics and business at L. Bocconi University in Milan.

He has been on the Register of accounting auditors ("*Registro dei Revisori Contabili*") since it was formed (and no longer in the "*Albo dei Dottori Commercialisti*" having applied to be taken off it as of 1st January 2007).

He started his career in 1969, with Arthur Andersen, where he became a partner in 1982 and was Audit Partner, chairman of the Committee on Professional Standards, Practice Director for Italy (1989 onwards), for Luxembourg (1994 onwards) and for Greece. He was also Professional Practice Director in the company formed by the integration of Arthur Andersen and Deloitte, which he left on 1st June 2004 to work independently. From May 2002 to April 2005 he was a member of the Executive Committee of the Organismo Italiano di Contabilità (Italian accounting standards organization).

He has been a Statutory Auditor at Autogrill S.p.A. since 2009 and holds the same office in Nuova Sidap S.r.l. He is chairman of the statutory auditors at Assicurazioni Generali S.p.A and a director of EXOR S.p.A., where he is also chairman of the Internal Control Committee.

Ettore Maria Tosi

Standing Auditor

Born in 1946 in Angera (Varese), he graduated in economics and business from the Bocconi University in Milan. He has been on the roll of chartered accountants since 1974, initially in the Busto Arsizio Order and subsequently in that of Milan. He is also on the roll of technical advisors to the Courts of Milan. His experience covers tax law and corporate and fiscal consulting. He is a member of the Board of Statutory Auditors of Autogrill, Nuova Sidap S.r.l., Hay Group S.r.l. and chairman of the board of statutory auditors at Fiera Milano Media S.p.A., Elfe S.p.A., Pegaso S.r.l., Dasit S.p.A. and Draba S.r.l., and sole director of PRO.S.T.A. S.r.l. He was also a standing auditor at Banca Popolare di Milano S.c.ar.l. and Alenia Aermacchi S.p.A. and has been an auditor for Ente Morale Associazione Amici del Centro Dino Ferrari since 1996.

Pursuant to art. 3, Decree 162 (30 March 2000) issued by the Justice Minister in concert with the Treasury Minister, the Board has ascertained that the current members of the Board of Statutory Auditors are in possession of the requisites laid down in art. 1 and 2 of the above Decree. Specifically, the Statutory Auditors are enrolled in the register of "revisori contabili" (accounting auditors) and have practiced for at least three years.

On 28 February 2012, the Board of Statutory Auditors ascertained that all its members were in possession of the independence requisites pursuant to application criterion 10.C.2 of the Code.

On 12 December 2007, the Board of Directors voted that statutory auditors need to have the same independence requisites as those applied to the directors.

On carrying out the aforementioned assessment of the independence requisites of its members, the Board of Statutory Auditors thus applied the criteria provided for in the Code regarding the independence requisites of directors, as adopted by the Board of Directors.

The Board of Statutory Auditors monitors the independence of the audit firm, in accordance with Company procedure, with special reference to appointments that are incompatible with external auditing. In addition, in the performance of its duties the Board of Statutory Auditors liaises with the Internal Control and Corporate Governance Committee and avail itself of the support of the Group's Internal Audit department.

The average length of the 12 meetings of the statutory auditors in 2011 was around 3 hours. 13 meetings are scheduled for 2012, three of which have already been held.

15. INVESTOR RELATIONS

The Company set up its investor relations function in 1997 with the aim of initiating and maintaining continuous dialogue with shareholders in general and institutional investors and analysts in particular. The function works in compliance with the policy for disclosing price sensitive information and in line with senior management's decisions by promptly making information on business performance and significant events available to the public, providing continuous telephone contact and periodical meetings with investors and analysts and publishing additional information in further explanation of the Group's strategic and operating decisions. Information of particular relevance to shareholders, Company's accounting documents, financial releases, procedures, codes and any other relevant information regarding the Company are posted in the Investor Relations section of the Company's website (www.autogrill.com).

The Investor Relations Manager is Elisabetta Cugnasca.

In 2011, investor relations activities included:

- 279 meetings with investors (one-to-one or conference calls);
- 9 road-shows;
- participation in 9 conferences organized by brokers/financial institutions;
- 1 analysts meeting on publication of the financial report for 2010;
- 3 conference calls on publication of financial reports (1st and 3rd quarter and 1st half reports in 2011).

The significant increase in the number of meetings with investors compared to the previous year – over 25% more than the 220 in 2010 – and in participation in trade conferences – from 6 to 9 – reflects the Group's intention to raise the profile of the Company and Group. This involved both more meetings with investors in financial markets where the Group is already known and road-shows in new markets (eg. Stockholm and Copenhagen) and financial centres touched on only sporadically in the past (eg. Switzerland).

To further improve such activities, the Investor Relations function was strengthened in 2012 by the addition of another person (Anna Ragni) on a full-time basis.

The following meetings by corporate bodies to examine and approve accounts are scheduled for 2012:

- 7 March 2012: meeting of the Board of Directors to approve the consolidated financial statements and draft separate financial statements at 31 December 2011;
- 19 April 2012: Shareholders' Meeting to approve the 2011 accounts (1st call);
- 26 April 2012: Shareholders' Meeting to approve the 2011 accounts (2nd call)
- 10 May 2012: meeting of the Board of Directors to approve the interim report on operations as at 31 March 2012;
- 31 July 2012: meeting of the Board of Directors to approve the first half report on operations as at 30 June 2012;
- 8 November 2012: meeting of the Board of Directors to approve the interim report on operations as at 30 September 2012.

16. SHAREHOLDERS' MEETINGS

Notice of Meeting, quorums, validity of resolutions voted, eligibility to participate and proxy voting are disciplined by the law.

Pursuant to art. 7, By-Laws, Shareholders' Meetings are called by posting a notice on the Company's website (www.autogrill.com) and in the manner required by law and regulations from time to time in force, with prior notice that may not be less than the minimum required by law in respect of the date fixed for the Shareholders' Meeting.

In an extraordinary session on 21 April 2011, the Shareholders' Meeting voted to make the mandatory modifications to the By-Laws needed to reflect current provisions of law and regulations as modified by legislative decree 27/27 January 2010, which enforced the European Shareholders' Rights Directive in Italy.

Such modifications were mostly to art. 7 and 8 of the By-Laws and provide that meetings in ordinary and extraordinary session may be held in a single call pursuant to the new clause 1 in art. 2369, civ. cod.

Art. 11 of the By-Laws was also modified to provide, pursuant to art. 123-ter, TUF, for the power of the Shareholders' Meeting to express itself, albeit in a non-binding form, for or against the remuneration policies for directors, general managers and executives with strategic responsibilities and on the procedures used to adopt and implement such policies.

Shareholders representing at least 2.5% of the share capital, whether singly or jointly, may apply to the Company in the manner required by the law and regulations from time to time in force to add items to the agenda and must indicate in their written application the matters they propose discussing.

Notice of any additions proposed in accordance with current law is announced as and when required by the law and regulations from time to time in force.

Meetings are conducted according to the Rules for Shareholders' Meetings approved by the Shareholders' Meeting, on a motion by the Board of Directors, on 27 April 2004 and modified by shareholders' resolution on 21 April 2011. The Rules for

Shareholders' Meetings are posted on the Company's website (www.autogrill.com - [Governance section](#)).

In particular, such Rules require that upon the opening of a Shareholders' Meeting the chairman of the Meeting must fix the maximum duration of each intervention, usually not exceeding 15 minutes. The chairman of the Meeting may invite speakers to conclude if they go beyond the fixed time limit or digress from the business on the agenda and prevent inappropriate behaviours also by suspending right to speak or, in more serious cases, by having the person/s removed from the room for the remainder of the discussion. A shareholder expelled in this way may appeal to the Meeting, which will vote with a majority of the share capital represented at the Meeting.

Requests to address the Meeting on individual items on the agenda may be made to the chairman's office upon constitution of the Meeting and up to such time as the chairman of the Meeting opens discussion on each item on the agenda. In granting the floor, the chairman of the Meeting usually follows the order in which requests were submitted. A shareholder may only speak once on each item on the agenda.

The Shareholders' Meeting is the official opportunity to meet and discuss matters between the directors and the shareholders. In the 2011 Meeting, information was provided, at the request of the shareholders, on the Company's performance and on the items on the agenda. The documents and information required by applicable law (already made public) were delivered to the shareholders within the legal term at the registered office and secondary headquarters of the Company, at Borsa Italiana S.p.A. and on the Company's website (www.autogrill.com - [Governance section](#)).

17. OTHER CORPORATE GOVERNANCE PRACTICES

The Company does not apply any corporate governance practices over and above those required by law and regulations other than the ones indicated in this Report. Details on the Strategies and Investments Committee and the organization Model adopted by the Company pursuant to legislative decree 231/2001 may be found in sections 6 and 11.3.

18. CHANGES AFTER THE CLOSE OF 2011

No changes to the corporate governance structure have occurred since the close of 2011.

TABLES

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

Board of Directors											Internal control & corp. gov. Committee	Human Resources Committee	Strategy and Investments Committee	Related-party Transaction Committee
Office	Members	In office since	In office till	List (M/m)*	Exec.	Non exec.	Indep. for Code **	Indep. for T.U.F.	% ***	Number of other offices ****	*****	*****	*****	*****
Chairman	Benetton Gilberto	21/4/11	Approval of accounts at 31.12.2013	M		X			100	3				
Chief Executive Officer	Tondato Da Ruos Gianmario	21/4/11	Approval of accounts at 31.12.2013	M	X				100	1				
Director	Benetton Alessandro	21/4/11	Approval of accounts at 31.12.2013	M		X			81,8	-				
Director	Barracco Tommaso	21/4/11	Approval of accounts at 31.12.2013	M		X	X	X	72,7; 100	-			X	
Director	Camuffo Arnaldo	21/4/11	Approval of accounts at 31.12.2013	M		X	X	X	63,6; 100	1		X		
Director	Giavazzi Francesco	21/4/11	Approval of accounts at 31.12.2013	M		X	X	X	90,9	-				X (till 21.4.11)
Director	Marco Jesi	21/4/11	Approval of accounts at 31.12.2013	M		X	X	X	75; 100	3			X	
Director	Malguzzi Alfredo	21/4/11	Approval of accounts at 31.12.2013	M		X	X	X	100; 100; 100; 100	5	X (till 21.4.11)	X		X
Director	Mangiagalli Marco	21/4/11	Approval of accounts at 31.12.2013	M		X	X	X	87,5; 100; 100	3	X			X
Director	Mion Gianni	21/4/11	Approval of accounts at 31.12.2013	M		X			90,9; 75; 100	1		X (till 21.4.11)	X	
Director	Orlando Stefano	21/4/11	Approval of accounts at 31.12.2013	M		X	X	X	100; 100; 100	-	X			X
Director	Roverato Paolo	21/4/11	Approval of accounts at 31.12.2013	M		X			90,9; 90,9; 100	-	X	X		
----- DIRECTORS LEAVING OFFICE IN REFERENCE PERIOD -----														
Director	Brunetti Giorgio	23/4/08	Approval of accounts at 31.12.2010	M		X	X		100, 100	-	X			X
Director	Bulgheroni Antonio	23/4/08	Approval of accounts at 31.12.2010	M		X	X	X	100, 100	2		X		
Director	Costamagna Claudio	23/4/08	Approval of accounts at 31.12.2010	M		X	X	X	100; 100	5		X		X
Director	Gómez-Navarro Javier	23/4/08	Approval of accounts at 31.12.2010	M		X			100	1				
Director	Manca Maurizio	21/4/11	31/8/11	M		X	X	X	100; 100; 100	-		X	X	

Quorum for presenting lists at last appointment: 1.5%.

No. meetings held in reference period: BoD: 11; I.C.C.: 11; H.R.C.: 10, S.I.C.: 9;
R.P.T. Comm.: 2.

NOTES

* Elected from majority list (M) or minority list (m).

** Independent as defined in the Corporate Governance Code as modified by resolution of the board of directors on 12 December 2007.

*** Attendance (%) at meetings of the BoD and its committees (# of meetings actually attended out of total meetings held during period in office).

**** Number of directorships or statutory auditorships held in other companies according to the criteria adopted by resolution of Autogrill's BoD indicated in section 4.2 of this Report.

*****"X" = membership of Committee.

List of offices held by directors

Detailed below are the posts held by the directors, as of the date of this Report, in other companies on the basis of the criteria adopted by Autogrill's board of directors on 12 December 2007, as indicated in section 4.2 of this Report.

Director	Office	Company
Gilberto Benetton	Director	Allianz S.p.A.
	Director	Mediobanca S.p.A.
	Director	Pirelli & C. S.p.A.
	Director	Atlantia S.p.A. (gruppo Edizione S.r.l.)
	Director	Benetton Group S.p.A. (gruppo Edizione S.r.l.)
Gianmario Tondato	Director	Lottomatica S.p.A.
Alessandro Benetton	Vice-chairman, executive	Benetton Group S.p.A. (gruppo Edizione S.r.l.)
	Director and chairman BoD, non-executive	21 Investimenti SGR S.p.A. (gruppo Edizione S.r.l.)
	Chairman of the Supervisory Board	21 Centrale Partners SA (gruppo Edizione S.r.l.)
	Chairman BoD, executive	Schemaquattordici S.p.A. (gruppo Edizione S.r.l.)
	Chairman BoD, executive	21 Partners S.p.A. (gruppo Edizione S.r.l.)
Tommaso Barracco	-	
Arnaldo Camuffo	Director	Carraro S.p.A.
Francesco Giavazzi	-	
Marco Jesi	Director	Safilo Group S.p.A.
	Director	Parmalat S.p.A.
	Director	LSB Barcelona
Alfredo Malguzzi	Standing statutory auditor	Parmalat S.p.A.
	Standing statutory auditor	BNP Paribas Lease Group S.p.A.
	Chairman Statutory Auditors	First Atlantic Real Estate Holding S.p.A.
	Standing statutory auditor	Gruppo Lactalis Italia S.p.A.
	Director	FinecoBank Banca Fineco S.p.A.
	Director	Benetton Group S.p.A. (gruppo Edizione S.r.l.)
Marco Mangiagalli	Director	Luxottica Group S.p.A.
		Intesa Sanpaolo S.p.A.
Gianni Mion	Director	Luxottica Group S.p.A.
	Director	Atlantia S.p.A. (gruppo Edizione S.r.l.)
	Director	Benetton Group S.p.A. (gruppo Edizione S.r.l.)
Stefano Orlando	Director	Benetton Group S.p.A. (gruppo Edizione S.r.l.)
Paolo Roverato	Director	AdR – Aeroporti di Roma S.p.A. (gruppo Edizione S.r.l.)
	Director	Edizione Property S.p.A. (gruppo Edizione S.r.l.)
	Director	Investimenti Infrastrutture S.p.A. (gruppo Edizione S.r.l.)
	Director	Aeroporti Holding S.r.l. (gruppo Edizione S.r.l.)

TABLE 2: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Board of Statutory Auditors

Office	Member	In office since	In office till	List (M/m)*	Independence as per Code**	*** %
Chairman	Luigi Biscozzi	21.4.2009	Approval of accounts at 31.12.2011	M	X	83.3%
Standing auditor	Eugenio Colucci	21.4.2009	Approval of accounts at 31.12.2011	M	X	83.3%
Standing auditor	Ettore Maria Tosi	21.4.2009	Approval of accounts at 31.12.2011	M	X	91.6%
Alternate auditor	Giuseppe Angiolini	21.4.2009	Approval of accounts at 31.12.2011	M	X	
Alternate auditor	Giorgio Silva	21.4.2009	Approval of accounts at 31.12.2011	M	X	

-----**STATUTORY AUDITORS LEAVING OFFICE IN REFERENCE PERIOD**-----

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Quorum for presenting lists at last appointment: 1.5%.

No. meetings held in reference period: 12.

* Elected from majority list (M) or minority list (m)

** Independent as defined in the Corporate Governance Code as modified by resolution of the Board of Directors on 12 December 2007.

*** Attendance (%) at meetings of the Board of Statutory Auditors (# of meetings actually attended out of total meetings held during period in office).

Information on directorships and control offices held by the Statutory Auditors can be found on CONSOB's website.