

## **2013 REPORT ON REMUNERATION**

Approved by the Board of Directors of 7 March 2013

## CONTENTS

<b>GLOSSARY</b>	<b>3</b>
<b>INTRODUCTION</b>	<b>4</b>
<b>SECTION I - 2013 REMUNERATION POLICY</b>	<b>5</b>
1. General outline of the policy for the remuneration of Board of Directors members, General Managers and other Key Executives	5
1.1. Process for the definition and approval of the Remuneration Policy	5
1.2. Content of the Remuneration Policy	7
1.2.1. Board of Directors Remuneration Policy	7
1.2.2. Remuneration Policy for the Supervisory Bodies	8
1.2.3. Remuneration Policy for General Managers and Key Executives	8
<b>SECTION II - 2012 REMUNERATION AND OTHER INFORMATION</b>	<b>10</b>
2. Items included in the remuneration of the members of the Governing and Supervisory Boards, of the General Managers and of the other Key Executives	10
2.1. Part I	10
2.1.1. Remuneration of the Board of Directors	10
2.1.2. Remuneration of Directors tasked with specific duties	10
2.1.3. Remuneration of the Statutory Auditors.	11
2.1.4. Remuneration for General Managers and Key Executives.	11
2.1.5. Stock Option Plans	11
2.2. Part II - Compensation paid in financial year 2012	13
2.2.1. Compensation paid to the members of the governing and supervisory boards, to the general managers and to the other key executives.	13
2.2.2. Stock-options assigned to the members of the board of directors, to general managers and to the other key executives.	14
2.2.3. Monetary incentive plans in favour of members of the Board of Directors, of the General Managers and of the other Key Executives.	14
<b>SECTION III</b>	<b>15</b>
3. Information on the equity interests of the members of the governing and supervisory boards, of the general managers and of the other key executives.	15
3.1. Equity interests of the members of the governing and supervisory boards and of the general managers	15
3.2. Equity interests of the other Key Executives	15

## Glossary

For the purposes of this document, the meaning of the terms listed below shall be as follows:

- **Code:**  
the Corporate Governance Code of listed companies approved in December 2011 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI (Italian Banking Association), Ania (National Association of Insurance Companies), Assogestioni (Italian asset management association), Assonime (Association of Italian joint stock companies) and Confindustria (Italian Manufacturers' Federation).
- **Code of Ethics:**  
the Code of Ethics approved by the Company on 8 May 2008.
- **Key executives:**  
those who, directly or indirectly, have the power and responsibility for planning, managing and controlling the activities of the Company, including the Directors (Executive or non-executive) of the Company, in accordance with the definition set out in the Consob Issuers' Regulations (in relation to Related Parties).
- **Issuer:**  
Cementir Holding S.p.A. issuer of listed shares, to which the Report is referred.
- **Financial year:**  
the financial year to which the Report refers.
- **Group:**  
the parent company Cementir Holding S.p.A. and the subsidiaries.
- **Policy:**  
the Policy for the remuneration of directors and key executives recommended by Article 6 of the Code.
- **Consob Issuers' Regulations:**  
the Regulations for issuers promulgated by Consob with its resolution no. 11971 of 14 May 1999 (as subsequently amended).
- **Report:**  
the Report on remuneration, which companies must prepare in accordance with Article 123 *ter* of the Consolidated Finance Act.
- **Company:**  
Cementir Holding S.p.A.
- **TUF:**  
Legislative Decree no. 58 of 24 February 1998 (Consolidated Finance Act) and subsequent amendments.

## Introduction

This Report, approved by the Board of Directors on 7 March 2013 at the recommendation of the Appointments and Remuneration Committee, in fulfilment of current legal and regulatory obligations, defines and illustrates:

- in the first section, the principles and guidelines which Cementir Holding S.p.A. follows to determine the remuneration of members of the Board of Directors, the General Manager and other Key Executives, with information on the general purposes pursued, the bodies involved and the procedures used to adopt and implement the Policy.
- in the second section, the compensation paid to the Directors, Statutory Auditors, General Managers and other Key Executives during financial year 2012.

The Report also describes the equity interests held by the Directors, Statutory Auditors, General Managers and other Key Executives.

The Report was prepared in light of the recommendations provided in Article 6 of the Code, concerning the remuneration of the Directors and of other Key executives of listed issuers, and taking into account Article 123-ter of the Consolidated Finance Act on disclosure of the remuneration of directors of listed companies, Article 84-quater of the Consob Regulations pertaining to reports on remuneration and the procedure on Related Parties approved by Board of Directors on 5 November 2010 and the standards set out in the Group Code of Ethics.

The text of this Report is available at the registered office and on the Company website [www.cementirholding.it](http://www.cementirholding.it) and it has been delivered to Borsa Italiana, according to the procedures and within the terms prescribed by current regulations.

Please note that words beginning with a capital letter are defined as set forth in the Glossary.

## SECTION I - 2013 Remuneration Policy

### 1. General outline of the policy for the remuneration of Board of Directors members, General Managers and other Key Executives

#### 1.1. Process for the definition and approval of the Remuneration Policy

The definition of the remuneration policy is the result of a clear and transparent process in which the Company's Appointments and Remuneration Committee and Board of Directors play a central role.

The Policy is approved by the Board of Directors at the recommendation of the Appointments and Remuneration Committee, and it is submitted to the annual Shareholders' Meeting for its consultative vote.

The bodies and parties involved in the remuneration policies approval process are listed below, along with a precise indication of their roles in the process:

##### Shareholders' Meeting.

With regard to remuneration, the Shareholders' Meeting:

- shall determine compensation for members of the Board of Directors and the Board of Statutory Auditors, in accordance with Article 2364, Paragraph 1, no. 3) of the Italian Civil Code;
- shall express its consultative opinion on the first section of the report on remuneration;
- shall receive adequate disclosure about the implementation of remuneration policies;
- shall make decisions on any Remuneration Plans based on shares or other financial instruments and intended for Directors, employees and other workers, including Key executives, in accordance with Article 114-bis of the Consolidated Finance Act.

##### Board of Directors.

As of the date of approval of this report, the Directors are:

- |                          |                                      |
|--------------------------|--------------------------------------|
| ▪ Francesco Caltagirone  | Chairman and Chief Executive Officer |
| ▪ Carlo Carlevaris       | Deputy Chairman                      |
| ▪ Alessandro Caltagirone | Director                             |
| ▪ Saverio Caltagirone    | Director                             |
| ▪ Azzurra Caltagirone    | Director                             |
| ▪ Edoardo Caltagirone    | Director                             |
| ▪ Mario Ciliberto        | Director                             |
| ▪ Fabio Corsico          | Director                             |
| ▪ Mario Delfini          | Director                             |
| ▪ Riccardo Nicolini      | Director                             |
| ▪ Paolo Di Benedetto     | Independent Director                 |
| ▪ Flavio Cattaneo        | Independent Director                 |
| ▪ Alfio Marchini         | Independent Director                 |

With regard to remuneration, the Board of Directors:

- shall determine the remuneration of directors tasked with specific duties in accordance with Article 2389, Paragraph 3 of the Italian Civil Code, with due regard to the opinion of the Board of Statutory Auditors;
- shall determine the remuneration of directors with positions on Committees within the Board of Directors (Appointments and Remuneration Committee and the Control and Risks Committee), with due regard to the opinion of the Board of Statutory Auditors;
- shall approve the policy for the remuneration of Directors and of Key Executives in accordance with Article 6 of the Code;
- shall approve the report on remuneration, in accordance with Article 123-ter of the Consolidated Finance Act, to be submitted to the annual Shareholders' Meeting;
- shall prepare any Remuneration Plans based on stocks or other financial instruments and submits them to the Shareholders' Meeting for approval in accordance with Article 114-bis of the Consolidated Finance Act;
- shall implement the Remuneration Plans based on stocks or other financial instruments at the behest of the Shareholders' Meeting.

Complying with the recommendations contained in the Corporate Governance Code, the Board of Directors receives support with respect to remuneration topics from a Committee of non-executive and independent Directors (Appointments and Remuneration Committee) with the role of providing advice and submitting proposals on the matter.

##### Appointments and Remuneration Committee.

The Appointments and Remuneration Committee is composed of three non-executive directors, two of whom are independent and one of whom has suitable knowledge and experience in the area of accounting and finance, appointed by the Board of Directors at its 23 April 2012 meeting:

- Paolo Di Benedetto, Independent Director, Committee Chairman;
- Flavio Cattaneo, Independent Director, Committee Member;
- Mario Delfini, non-executive Director, Committee Member, experienced in financial matters.

The Appointments and Remuneration Committee provides advice and submits proposals to the Board of Directors, and supervises to ensure that the Policy is defined and applied; specifically it:

- shall assist the Board of Directors in defining the policy on the remuneration of directors and key executives and the relative implementation criteria, providing opinions and making proposals;
- shall periodically assess the adequacy, overall consistency and actual enforcement of the policy adopted for the remuneration of Directors and Key Executives, in the last case making use of information provided by the directors assigned to carry out that task;
- shall submit proposals or express opinions to the Board of Directors on the remuneration of executive directors and other directors tasked with specific duties, as well as on the setting of performance targets correlated with the variable portion of their remuneration;
- shall monitor the enforcement of the decisions made by the Board of Directors, assessing the actual attainment of performance targets;
- shall provide opinions on issues submitted to it from time to time for screening by the Board of Directors, concerning remuneration or any pertinent or related topics.
- shall evaluate and formulate any proposals to the Board of Directors with regard to stock incentive, stock option, corporate shareholding and similar plans motivating and retaining the managers and employees of the Group companies controlled by the Company;
- shall report to shareholders on the ways it performs its duties; for this purpose, the Chairman of the Appointments and Remuneration Committee or another member of the Committee shall attend the annual Shareholders' meeting;
- if it deems it necessary or appropriate for the performance of its assigned duties, it shall employ outside consultants who are knowledgeable in the field of compensation policies. The independence of the outside consultants shall be verified by the Appointments and Remuneration Committee before their appointment.

The Appointments and Remuneration Committee meets any time its Chairman deems appropriate, or if at least one member so requests and in any case, with enough frequency so as to ensure the correct execution of its tasks.

The Chairman of the Board of Statutory Auditors as well as - when deemed appropriate and at the invitation of the Committee - other Company representatives (General Counsel, Chief Financial Manager and Group HR Manager), shall attend the Appointments and Remuneration Committee meetings.

In the course of 2012, the Remuneration Committee, which completed its term of office with the approval of the 2011 financial statements, met once to approve the policy for the remuneration of directors and key executives and to define the Report on Remuneration to be submitted, upon approval of the Board of Directors, to the Shareholders' Meeting pursuant to Article 123-ter of the Consolidated Finance Act.

Beginning from the re-establishment of the Committee (established as the Appointments and Remuneration Committee) and until 31 December 2012, after the renewal of the Board of Directors resolved by the Shareholders' Meeting of 18 April 2012, it met 2 times to:

- analyse developments in the regulatory environment and in self-regulation, also in order to incorporate the recommendations of the Corporate Governance Code with regard to remuneration, with a subsequent proposal concerning the remuneration of the Company's Chairman and Chief Executive Officer.
- check the adequacy, overall consistency and actual enforcement of the remuneration policy adopted in the prior year.

### **Executive Directors**

The Executive Directors so appointed:

- shall provide the Appointments and Remuneration Committee with all information useful to enable the Committee to assess the adequacy and actual enforcement of the general remuneration Policy, with particular regard to the remuneration of Key Executives;
- shall submit to the Appointments and Remuneration Committee the stock incentive, stock option, corporate shareholding and similar plans motivating and retaining the managers of the Group companies controlled by the Company or, if the case warrants it, they shall assist the Committee in their drafting, with the support of the Group's Human Resources Office as well;
- shall enforce the Company's remuneration Policy in accordance with this document.

### **Board of Statutory Auditors**

As of the date of approval of this report, the Statutory Auditors are:

- Claudio Bianchi Chairman of the Board of Statutory Auditors
- Giampiero Tasco Standing auditor
- Federico Malorni Standing auditor

With regard to remuneration, the Board of Statutory Auditors shall serve a consultative role, wherein it formulates the opinions required by current regulations and in particular it shall express its opinion with reference to proposals for the remuneration of Executive Directors and, more in general, of Directors tasked with specific duties; in expressing its opinions, it shall verify the consistency of the proposals formulated by the Appointments and Remuneration Committee to the Board of Directors with the company remuneration policy.

### **Human Resources Office**

The Company's Human Resources Office supports the Appointments and Remuneration Committee in carrying out its tasks, both during the definition and approval of the relative proposals concerning the remuneration of General Managers and Key Executives, and during the phase of monitoring and controlling their complete and correct implementation.

## **1.2. Content of the Remuneration Policy**

The Policy defines principles and guidelines to which the Board of Directors shall adhere to define the remuneration of Board of Directors members and in particular of Directors tasked with specific duties, General Managers and Key Executives.

Cementir Holding intends to pursue a Remuneration Policy aimed at attracting, motivating, developing, rewarding and retaining persons who, thanks to their professional skills and personal ability to apply them in behaviours in line with company goals and who, with the Code of Ethics adopted by the Group, are able to assure the achievement of the expected results, building sustainable value both for shareholders and for the Company's other Stakeholders. The Policy is defined in such a way as to align the interests of Management with those of shareholders, pursuing the priority goal of creating sustainable value in the medium-long term, by establishing a strong tie between compensation, on one hand, and individual and Group performance on the other.

### **1.2.1. Board of Directors Remuneration Policy**

The compensation of non-executive Directors is not tied to the Group's economic-financial results or based on short- or medium-term incentive plans or based on the use of financial instruments.

The Directors' Remuneration Policy comprises the following elements:

- A) compensation set by the Shareholders' Meeting, for the office and for attendance at Board meetings (Article 2364, Paragraph 1, no. 3 of the Italian Civil Code and Article 2389, Paragraphs 1 and 2 of the Italian Civil Code);
- B) compensation set by the Board of Directors for specific duties assigned to the Directors (Article 2389, Paragraph 3 of the Italian Civil Code).

### **Remuneration of Directors**

With regard to the compensation to be paid to Directors (letter A above), it shall be in the form of an allowance for attendance at individual Board of Directors meeting set, in accordance with the provisions of the law, by the Shareholders' Meeting.

### **Remuneration of Directors tasked with specific duties**

The following Directors have specific duties within the Board of Directors of the Company:

- (i) the Chairman of the Board of Directors;
- (ii) the Chief Executive Officer;
- (iii) the other Directors who are vested with specific powers other than those vested in the Chief Executive Officer;
- (iv) the Directors who participate in Board Committees (Control and Risks Committee, Appointments and Remuneration Committee).

The compensation to be paid to Directors tasked with specific duties (letter B above) is quantified, at the proposal of or after consultation with the Appointments and Remuneration Committee, with the opinion of the Board of Statutory Auditors, by the Board of Directors, taking into account the work actually required of each of them and any powers vested.

The Directors (i) called upon to be members of the Appointments and Remuneration Committee and of the Control and Risks Committee and (ii) those who were vested with specific powers other than those vested in the Chairman and/or Chief Executive Officer, shall receive an additional fixed compensation, commensurate with the work required from each of them in the performance of their aforesaid duties.

### **Remuneration of the Chairman and Chief Executive Officer.**

The annual gross remuneration of the Chairman of the Board of Directors and of the Chief Executive Officer generally comprises the following elements:

- a fixed component;
- a variable component determined according to the Group's performance and tied to predetermined, measurable parameters connected to the creation of shareholder value in a medium-/long-term time span.

In determining the remuneration of the Chairman and of the Chief Executive Officer, the Board of Directors shall take into account (i) the specific content of the vested powers and/or (ii) the functions and the role actually served within the

Company, thereby assuring that the provision of a possible variable component is consistent with the nature of their assigned duties.

In particular, remuneration is determined on the basis of the following criteria:

- the correct balance between the fixed component and the variable component shall be in accordance with the Company's strategic goals and its risk management policy, also taking into account the industry in which it operates and the characteristics of the business it actually conducts;
- the provision of maximum limits for the variable components, provided that the fixed component shall be sufficient to remunerate the performance of the Chairman and of the Chief Executive Officer if the variable component is not paid;
- The parameters, economic results and any other specific objectives to which the payment of the variable components is tied are predetermined, measurable and connected to the creation of shareholder value in a medium-/long-term time span.

#### **Remuneration of Executive Directors**

No additional compensation is provided for Executive Directors.

In general, for all Directors, there shall be no (i) indemnities in case of resignation or revocation without just cause or non-renewal, (ii) agreements prescribing the allocation or continuation of non-monetary benefits in favour of persons who have relinquished their office and, (iii) consulting agreements with the Directors for a period following termination of their employment.

#### **1.2.2. Remuneration Policy for the Supervisory Bodies**

The annual amount of compensation to the Statutory Auditors is determined on a flat rate basis by the Shareholders' Meeting, by virtue of their independence.

#### **1.2.3. Remuneration Policy for General Managers and Key Executives**

##### **General Managers**

There is no remuneration policy for General Managers.

##### **Key executives**

Key executives' remuneration package comprises a fixed and a variable component as well as "non-monetary benefits". The Company deems that the balance adopted between fixed and variable component is in line with its own strategic goals for the maximization of its business results and, hence, of those of the Group as a whole. This balance assures a fixed component sufficient to remunerate Key Executives in those cases in which the variable component is not paid because of the failure to reach objectives.

At the same time, the compensation scheme adopted maintains the proper ratio between its components and adequate incentives to achieve ever improving performance levels within the sustainable value creation structure that is the Company's true objective.

##### **Fixed component**

Key executives' fixed compensation may be revised annually on the basis of compensation market surveys provided by specialised companies. The comparison is carried out taking into consideration the reference market, the size and complexity of the company, the level of responsibility, experience and competence associated with the individual positions and the enforcement of the internal fairness principle, applied to maintain a high level of system transparency and consequent motivation of the internal human capital.

##### **Variable Component**

The variable component of Key executives' remuneration is based on a short-term incentive system (VPA), described below as the short-term Incentive - the annual Variable Pay Award System (VPA).

The VPA system is aimed at motivating participants to achieve the annual targets. The bases of the system are the business and financial targets of the Group and of the Subsidiaries, which are the key, to a variable extent depending on the strategic position held, for the assessments of individual performance.

If the Group's business and financial targets are reached, discounting targets are reached, discounting extraordinary factors such as, by way of non-comprehensive example, M&A activities or anomalous exchange rate fluctuations, each participant is evaluated according to 3 individual objectives tied to his/her role.

Each objective is associated with a weight and a related portion of the total monetary incentive. The amount of that incentive is determined by comparison with the reference compensation market.

In order objectively to assess participants' performance, at the start of the year, an expected target value is identified for each objective along with a minimum and a maximum threshold within which the objective is deemed achieved. Therefore, it is necessary for the objectives to be measurable in a certain, objective way, and for the achievement value to be certified on the basis of the official reports of the company management system.

In addition to the aforesaid objectives, the participant in this system is assessed on the basis of a general evaluation of performance which shall illustrate, with specific and documented evidence, the ways in which the aforesaid results were achieved in order to weigh also their impact in view of the objective of the creation of Sustainable Value and not just of short-term results.

The combined effect of the two above factors generates the possible payment of the short-term incentive.

The total value of the incentive may not exceed 36% of the Executive's basic compensation.

#### **Medium/Long term incentives - The LTI System**

It is deemed appropriate to provide a new instrument to motivate and stimulate the achievement of long-term results that will involve the Key Executives and a small number of other Group Executives, also in order to maintain the overall remuneration system in line with best market practices, thus avoiding problems attracting, motivating and retaining the Company's best professionals.

During 2013, therefore, studies will be developed in this regard and the Appointments and Remuneration Committee, also with the assistance of outside consultants and/or of the cognisant Group Human Resources Office, reserves the right to submit a specific proposal to the evaluation of the Board of Directors.

#### **Non-monetary benefits**

Key executives receive certain non-monetary benefits including, by way of example, insurance policies (supplementary health and life), car and telephone.

## SECTION II - 2012 REMUNERATION AND OTHER INFORMATION

### 2. Items included in the remuneration of the members of the Governing and Supervisory Boards, of the General Managers and of the other Key Executives

#### 2.1. Part I

##### 2.1.1. Remuneration of the Board of Directors

###### Fixed component

The Shareholders' Meeting of 18 April 2012 assigned to all Directors, for the duration of their term of office, an attendance allowance of EUR 1,000.00 for each Board of Directors meeting they attend.

###### Variable component

The compensation of Directors is not tied to the Group's economic-financial results or based on short- or medium-term incentive plans or based on the use of financial instruments.

###### Non-monetary benefits

In line with best practices, a D&O (Directors & Officers) Liability insurance policy is provided to cover the third party civil liability of the corporate bodies.

###### Expense refunds

Directors are entitled to reimbursement for the expenses incurred because of their office.

###### Treatment/indemnities provided in case of termination from office

At the date of approval of this report, no agreements have been stipulated with any of the directors involving indemnities in case of resignation or revocation without just cause or termination of employment as a result of a take-over bid, nor are there any extant agreements involving the assignment or continuation of non-monetary benefits in favour of persons who have left office; additionally, no consultation agreements have been stipulated with the Directors for a period subsequent to termination, or agreements involving compensation for no-competition commitments.

##### 2.1.2. Remuneration of Directors tasked with specific duties

As of the date of approval of this report, the Directors tasked with specific duties are:

- |                         |  |
|-------------------------|--|
| ▪ Francesco Caltagirone | Chairman and Chief Executive Officer   |
| ▪ Paolo Di Benedetto    | Chairman of the Appointments and Remuneration Committee<br>Chairman of the Control and Risks Committee |
| ▪ Flavio Cattaneo       | Member of the Appointments and Remuneration Committee<br>Member of the Control and Risks Committee     |
| ▪ Alfio Marchini        | Member of the Control and Risks Committee  |
| ▪ Mario Delfini         | Member of the Appointments and Remuneration Committee  |

###### Remuneration of the Chairman and Chief Executive Officer

With respect to the remuneration of the Chairman and the Chief Executive Officer, the Board of Directors of 9 May 2012 resolved that the annual remuneration is broken down into fixed and variable components. The fixed component is EUR 1.8 million per year before taxes, payable on a monthly basis. The variable component is equal to 2% of the operating cash flow generated by the Group, defined according to a formula that enables rapid verification with the data of the consolidated financial statements, from which the fixed component mentioned above is subtracted. The variable component, which is before taxes and can only have a value of zero or above, is preliminarily calculated and paid out as payment on account when the Board of Directors approves the Group's half-year financial statements; when the Group's annual financial statements are approved by the Shareholders' Meeting, the variable component is definitively determined, and the relative balance is paid out. The Company's Manager in Charge shall certify, at the time of payment of the aforesaid compensation, that the indicated parameters are correctly and adequately applied on each occasion.

###### Remuneration for participation in Board committees

On 23 April 2012, the Board of Directors, after consultation with the Appointments and Remuneration Committee and with the opinion of the Board of Statutory Auditors, resolved that, because of the work required to perform their respective duties and for the specific powers vested in them, Directors tasked with specific duties shall be paid additional annual compensation:

- Chairman of the Appointments and Remuneration Committee and of the Control and Risks Committee: fixed compensation of EUR 50 thousand, before taxes and any law-mandated surcharges;
- other members of the Appointments and Remuneration Committee and the Control and Risks Committee: fixed compensation of EUR 10 thousand for each office held, before taxes and any law-mandated surcharges.

### 2.1.3. Remuneration of the Statutory Auditors.

The Shareholders' Meeting of 18 April 2011 resolved to set annual compensation at EUR 60 thousand for the Chairman of the Board of Statutory Auditors and EUR 40 thousand for each Standing Auditor.

### 2.1.4. Remuneration for General Managers and Key Executives.

At the date of approval of this report, the Company did not have a General Manager.

At the date of approval of this report, the Key Executives are:

- Riccardo Nicolini;
- Massimo Sala.

Key Executives' annual remuneration generally comprises the following elements:

- a gross fixed component;
- a variable component based on a short-term incentive system, achievable upon attainment of pre-defined annual company objectives tied to the economic and financial results of the Group and of its Subsidiaries. The total value of the incentive may not exceed 36% of the Executive's basic compensation.

During the year, the comprehensive compensation (obtained by adding monetary compensation and compensation based on financial instruments) paid to Key Executives was no higher than the highest comprehensive compensation allocated to the governing and supervisory bodies.

#### Non-monetary benefits

In line with best practices, Key executives receive certain non-monetary benefits including, by way of example, insurance policies (supplementary health and life), car and telephone.

#### Treatment/indemnities provided in case of employment termination

At the date of approval of this report, no indemnity schemes are provided for the early termination of employment of Key Executives. If employment with the Company is terminated for reasons other than just cause, the intent is to seek arrangement for a consensual termination. Subject in any case to the obligations set out by law and/or by the employment agreement, the arrangements for the termination of employment with the Company are modelled after the relevant reference benchmarks and within the limitations defined by jurisprudence and practice.

### 2.1.5. Stock Option Plans

With regard to stock-based incentive plans, during financial year 2008 the Shareholders' Meeting of the Company approved a stock-based incentive plan ("Plan") intended for Directors tasked with specific duties and for Key Executives within the Company and/or its subsidiaries, delegating the Board of Directors, in accordance with Article 2443 of the Italian Civil Code, to increase the share capital to service the Plan up to a maximum amount of EUR 162,302,400, by issuing no more than 3,182,400 ordinary shares, with regular dividend rights, excluding the option right, in accordance with Article 2441, Eighth Paragraph, of the Italian Civil Code.

On 11 February 2008, therefore, the Board of Directors of the Company, by virtue of the aforesaid powers, resolved, *inter alia*, to:

- increase the share capital of the Company against payment, also in divisible form, up to an amount of EUR 1,225,000, through the issue of up to 1,225,000 shares, with a par value of EUR 1, in accordance with Article 2441, Eighth Paragraph, of the Italian Civil Code and, hence, with the exclusion of the option right (in this regard, it is specified that the share capital shall be deemed to be increased by an amount equal to the value of the ordinary share actually subscribed from time to time);
- approve the regulations of the Plan ("Regulations"); and
- assign the options of the Plan ("Options") to some of the beneficiaries as identified above.

As regards the terms and procedures for subscribing the Options and exercising them, it is specified that:

- the Options were assigned by 31 March 2008 via delivery of a letter issuing the Options, together with the approved Regulations, duly signed for acceptance by each Assignee;

- the beneficiaries must exercise the options - in one or more tranches - but in any case for an amount for each tranche of no fewer than 2500 options assigned to each of them - between 11 February 2011 and 11 February 2013, within each of the time periods set forth in the letter issuing the options. The exercise of options is governed pursuant to Paragraph 6 of the Regulations published on the Company website [www.cementirholding.it](http://www.cementirholding.it), in the Investor Relations/Corporate Governance/Corporate Transactions section.

Finally, please recall that, pursuant to the Regulations, the exercise of the options by the assignees is, in any event, conditioned by the fact that: (i) when they exercise the option, they continue to hold the position of executives or directors, as long as they are employees, of the Company and/or of its subsidiaries; and (ii) specific targets were reached within the respective applicable subgroups.

The option exercise price was set at EUR 7 and it came out above EUR 5.50 (i.e., the arithmetic average of the official prices recorded by the Company's shares on the Electronic Equity Market organised and managed by Borsa Italiana S.p.A. in the month prior to the assignment date, called the "reference price"). The exercise price so established aims to pursue growth in company value, the main objective of the incentive plan.

In consideration of the price set for the exercise, above the reference price indicating the market value of the shares at the moment of assignment, and the conditions governing the exercise, it is deemed that the options in question, valued by applying the proper financial methodologies to determine the price of those financial instruments, do not express significant values.

It is specified that, as at 31 December 2012, the stock-based incentive plan involves a total of 3 beneficiaries, that the first tranche of the Options, originally equal to 1,225,000, is today equal to 820,000 and that as of the approval date of this report, no beneficiary has exercised the Options.

## 2.2. Part II - Compensation paid in financial year 2012

### 2.2.1. Compensation paid to the members of the governing and supervisory boards, to the general managers and to the other key executives.

The table below shows the compensation paid in Financial Year 2012, for any reason and in any form, by the Issuer and by subsidiaries and affiliates, to the members of the governing and supervisory boards and to the other key executives.

(EUR '000)

Name Surname	Office Held	Period during which the office was held	Expiry of the office	Fixed compensation			Compensation for participation in committees	Non-equity variable compensation		Non- monetary benefits	Other Compens ation	Total	Fair Value of equity compens ation	End of office or employment termination indemnity
				Attendance allowances	Compensation resolved by the General Shareholders' meeting or by the Board of Directors	Employment compensation		Bonuses and other incentives	Profit sharing					
<b>BOARD OF DIRECTORS</b>														
Francesco <i>CALTAGIRONE</i>	Chairman	04.12 – 12.12	04.2014	5	1,262	61		410		5		1,743		
Carlo <i>CARLEVARIS</i>	Deputy Chairman	04.12 – 12.12	04.2014	5								5		
Alessandro <i>CALTAGIRONE</i>	Director	04.12 – 12.12	04.2014	5								5		
Azzurra <i>CALTAGIRONE</i>	Director	04.12 – 12.12	04.2014	4								4		
Edoardo <i>CALTAGIRONE</i>	Director	04.12 – 12.12	04.2014	3								3		
Saverio <i>CALTAGIRONE</i>	Director	04.12 – 12.12	04.2014	4		60						64		
Flavio <i>CATTANEO</i>	Director	04.12 – 12.12	04.2014	1			20					21		
Mario <i>CILIBERTO</i>	Director	04.12 – 12.12	04.2014	5	500					12		517		
Paolo <i>DI BENEDETTO</i>	Director	04.12 – 12.12	04.2014	4			50					54		
Fabio <i>CORSICO</i>	Director	04.12 – 12.12	04.2014	3			10					13		
Mario <i>DELFINI</i>	Director	04.12 – 12.12	04.2014	4			10					14		
Alfio <i>MARCHINI</i>	Director	04.12 – 12.12	04.2014	3								3		
Riccardo <i>NICOLINI</i>	Director	04.12 – 12.12	04.2014	5		806		152		20		983		
<b>DIRECTORS THAT LEFT OFFICE DURING THE REFERENCE FINANCIAL YEAR DUE TO EXPIRATION OF TERM OF OFFICE</b>														
Massimo <i>CONFORTINI</i>	Director	01.12 – 04.12	04.2012	1								1		
Walter <i>MONTEVECCHI</i>	Director	01.12 – 04.12	04.2012	/		151				1		152		
Enrico <i>VITALI</i>	Director	01.12 – 04.12	04.2012	1								1		
<b>BOARD OF STATUTORY AUDITORS</b>														
<i>Claudio BIANCHI</i>	Chairman of the Board of Statutory Auditors	01.12 – 12.12	04.2013		77							77		
<i>Gianpiero TASCIO</i>	Standing auditor	01.12 – 12.12	04.2013		51							51		
<i>Federico MALORNI</i>	Standing auditor	01.12 – 12.12	04.2013		48							48		
<b>TOTAL</b>				<b>53</b>	<b>1,938</b>	<b>1,078</b>	<b>90</b>	<b>562</b>	<b>/</b>	<b>38</b>		<b>3,759</b>		
<b>Key executives</b>	<b>2</b>			<b>5</b>		<b>*989</b>		<b>**152</b>	<b>/</b>	<b>***46</b>		<b>1,192</b>		
Compensations in the company that drafts the financial statements				53	1,406	1,050	90	562	/	52		3,213		
Compensation from subsidiaries and affiliates				/	532	211	/	/	/	12		755		

\* Also includes the remuneration of Riccardo Nicolini already shown in the "Employment compensation" column regarding Directors

\*\* Also includes the bonus and other incentives of Riccardo Nicolini already shown in his capacity as Director

\*\*\* Also includes the non-monetary benefits of Riccardo Nicolini already shown in his capacity as Director

## 2.2.2. Stock-options assigned to the members of the board of directors, to general managers and to the other key executives.

The following table shows, by name, the stock options assigned to all parties who during 2012, even for a fraction of the period, held the position of member of the Board of Directors, General Manager and other Key Executives.

Name Surname	Office	Plan	Options held at the start of the year			Options assigned during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options accrued during the year
			Number of options	Exercise price	Possible exercise period	Number of options	Exercise price	Possible exercise period	Fair value at the assignment date	Date of assignment	Market price of the shares underlying the assignment of the options	Number of options	Exercise price	Market price of the underlying shares at the exercise date	Number of options	Number of options	Fair value
<i>Francesco CALTAGIRONE</i>	<i>Chairman</i>	Stock option	550,000	EUR 7	From 1 to 31 December 2012 From 15 February to 15 March 2013 From 1 to 31 December 2013	/	/	/	/	/	/	/	/	/	/	550,000	/
<i>Mario CLIBERTO</i>	<i>Director</i>	Stock option	150,000	EUR 7	From 1 to 31 December 2012 From 15 February to 15 March 2013 From 1 to 31 December 2013	/	/	/	/	/	/	/	/	/	/	150,000	/
<i>Walter MONTEVECCHI</i>	<i>Director</i>	Stock option	120,000	EUR 7	From 1 to 31 December 2012 From 15 February to 15 March 2013 From 1 to 31 December 2013	/	/	/	/	/	/	/	/	/	/	120,000	/
Compensations in the company that drafts the financial statements	Plan A	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Compensation from subsidiaries and affiliates	Plan A	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
<b>Total</b>		<b>/</b>	<b>820,000</b>	<b>EUR 7</b>	<b>/</b>	<b>/</b>	<b>/</b>	<b>/</b>	<b>/</b>	<b>/</b>	<b>/</b>	<b>/</b>	<b>/</b>	<b>/</b>	<b>/</b>	<b>820,000</b>	<b>/</b>

## 2.2.3. Monetary incentive plans in favour of members of the Board of Directors, of the General Managers and of the other Key Executives.

At the date of approval of this report, there are no incentive plans based on financial instruments other than stock options (restricted stock, performance share, stock plan, etc.); for the members of the Board of Directors, for General Managers and the other Key Executives, the issuer uses Table 3A.

## SECTION III

### 3. Information on the equity interests of the members of the governing and supervisory boards, of the general managers and of the other key executives.

At the date of approval of the report, the members of the governing and supervisory boards, the general managers and the other key executives owning shares as reported in the shareholders' register, in the notices received in accordance with Article 120 of the Consolidated Finance Act and according to the other information available as at 31 December 2012 are:

#### 3.1. Equity interests of the members of the governing and supervisory boards and of the general managers

surname and first name	office	Investee Company	number of shares held at the end of the previous year	number of shares purchased	number of shares sold	number of shares owned at the end of the current year
Francesco <i>CALTAGIRONE</i>	Chairman - Chief Executive Officer	Cementir Holding S.p.A.	6,999,799	103,630	/	7,103,429
Carlo <i>CARLEVARIS</i>	Deputy Chairman	Cementir Holding S.p.A.	/	/	/	/
Alessandro <i>CALTAGIRONE</i>	Director	Cementir Holding S.p.A.	3,151,404	/	/	3,151,404
Azzurra <i>CALTAGIRONE</i>	Director	Cementir Holding S.p.A.	2,291,796	/	/	2,291,796
Edoardo <i>CALTAGIRONE</i>	Director	Cementir Holding S.p.A.	286,000	/	/	286,000
Saverio <i>CALTAGIRONE</i>	Director	Cementir Holding S.p.A.	/	/	/	/
Flavio <i>CATTANEO</i>	Director	Cementir Holding S.p.A.	/	/	/	/
Mario <i>CILIBERTO</i>	Director	Cementir Holding S.p.A.	158,000	37,000	/	195,000
Paolo <i>DI BENEDETTO</i>	Director	Cementir Holding S.p.A.	/	/	/	/
Fabio <i>CORSICO</i>	Director	Cementir Holding S.p.A.	6,900	/	/	6,900
Mario <i>DELFINI</i>	Director	Cementir Holding S.p.A.	/	/	/	/
Alfio <i>MARCHINI</i>	Director	Cementir Holding S.p.A.	/	/	/	/
Riccardo <i>NICOLINI</i>	Director	Cementir Holding S.p.A.	60,000	47,500	/	107,500
Claudio <i>BIANCHI</i>	Chairman of the Board of Statutory Auditors	Cementir Holding S.p.A.	/	/	/	/
Gianpiero <i>TASCO</i>	Standing auditor	Cementir Holding S.p.A.	/	/	/	/
Federico <i>MALORNI</i>	Standing auditor	Cementir Holding S.p.A.	/	/	/	/

#### 3.2. Equity interests of the other Key Executives

number of key executives	investee company	number of shares held at the end of the previous year	number of shares purchased	number of shares sold	number of shares owned at the end of the current year
2	Cementir Holding S.p.A.	60,000	46,700	/	106,700