

CORPORATE GOVERNANCE REPORT

pursuant to Article 124 *bis* of the Consolidated Law on Financial Intermediation, Article 89 *bis* of the Consob Issuers Regulation and Article IA.2.6 of the Instructions accompanying the Rules of the markets organized by Borsa Italiana

Issuer: Cementir Holding S.p.A.
Website: www.cementirholding.it

Financial year to which the report refers: 2008
Date report approved: 19 March 2009

The following document contains disclosures (i) on the Corporate Governance system of Cementir Holding S.p.A. prepared in accordance with the guidelines and recommendations of Borsa Italiana S.p.A., as well as the document "Guida alla compilazione della relazione sulla Corporate Governance" issued in February 2004 by Assonime and Emittenti Titoli S.p.A. and (ii) on the ownership structure as required by Article 123-*bis* of Legislative Decree 58 of 24 February 1998. (Consolidated Law).

Relazione sul Governo Societario esercizio 2008

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TABLE 1 – Board of Directors at 31 December 2008

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GLOSSARY

Civil Code: the Italian Civil Code.

Code: The Corporate Governance Code approved by the Corporate Governance Committee in March 2006 and promoted by Borsa Italiana S.p.A.

Consolidated Law: Legislative Decree 58 of 24 February 1998 (the Consolidated Law on Financial Intermediation)

Board: the board of directors of the issuer.

Issuer: the company issuing listed shares as referred to in this report.

Financial year: the financial year to which this report refers.

Instructions to the Stock Market Rules: the instructions accompanying the Rules of the markets organized and managed by Borsa Italiana S.p.A.

Stock Market Rules: the rules of the markets organized and managed by Borsa Italiana S.p.A.

Consob Issuers Regulation: the rules for issuers established by Consob in Resolution no. 11970 of 1999.

Consob Market Rules: the market rules established by Consob in Resolution no. 16191 of 2007.

Report: the Corporate Governance report that companies are required to prepare in compliance with Article 124 *bis* of the Consolidated Law on Financial Intermediation, Article 89 *bis* of the Consob Issuers Regulation and Article IA.2.6 of the Instructions accompanying the Rules of the markets organized by Borsa Italiana.

1. Issuer Profile

1.1. Foreword

Cementir Holding S.p.A. (hereinafter also “Cementir” or “the Company” or “the Issuer”) is the head of a group that is one of the world’s leading players in the industry of white and grey cement and ready-mix concrete.

The Company produces and distributes white and grey cement, aggregates, ready-mix concrete, and cement products in many countries around the world. With offices in 14 countries and a workforce of more than 3,800 employees, Cementir Holding is a world leader in the production of white cement. The Company is also the sole producer of cement in Denmark, the number three producer in Turkey, and number four in Italy, as well as being a leader in the production of ready-mix concrete in Scandinavia.

Cementir stock has been traded in Class I of the Standard segment of Borsa Italiana’s Mercato Telematico Azionario since 22 September 2008. It had previously been traded in the Star segment.

As will be discussed below in this report, in 2008 the Company continued to adapt its system of Corporate Governance in accordance with the “Codice di Autodisciplina” (Corporate Governance Code) despite the fact that it has not yet formally adopted it.

The Company expects to complete this process in 2009.

This report describes the system of Corporate Governance adopted by the Company as at 31 December 2008.

1.2 Organizational structure

The Company has adopted the traditional model of administration and control, characterized by a board of directors, and a board of auditors. The system of corporate governance is based on the essential role played by the board of directors (as the highest body responsible for managing the Company in the interests of the shareholders), as well as on transparency in the company’s decision-making process and an effective system of internal controls.

The Company implemented this system by preparing and adopting codes, principles, rules and procedures that govern the performance of its business by all of the Company’s various administrative and operational units.

The Board of Directors is vested with all powers of ordinary and extraordinary administration, with the exception of those that, by law or the Company’s bylaws, are reserved for the shareholders.

The Board appoints a Chairman from among its members and may also appoint a Deputy Chairman to replace the Chairman as and when it may be necessary.

Within the limits of the Company’s corporate purpose, the Board has full power to pass resolutions and carry out all acts of ordinary and extraordinary administration, with the sole exception of those resolutions that are reserved for the shareholders either by law or by the Company’s bylaws.

As such, the Board may authorize: the purchase and sale of real estate; investments in other businesses or companies incorporated or being incorporated, including by way of transfer of assets; any transactions involving the public debt, Cassa Depositi e Prestiti, banks, issuing institutions, and all other public or private entities; the creation, subrogation, postponement, cancellation or waiver of mortgages; on any kind of registration or recordation, on legal actions, including those involving quashing or reversal, and on preliminary agreements or settlements.

The Board may delegate its powers, in whole or in part, to the Chairman and other Directors, or to persons who are not members of the Board, determining the contents, limits and method of exercising such powers in accordance with Article 2381 of the Civil Code. It may also appoint a Chief Executive Officer, determining the duties and remuneration of the position.

The Board may appoint an Executive Committee from among its members, conferring duties and powers within the limits provided for by Article 2381 of the Civil Code.

The Board may establish one or more special technical and administrative committees, which may include persons who are not members of the Board, determining any remuneration of their members.

The Board may also appoint a Chief Operating Officer, and one or more managers and legal representatives.

The Board of Directors may also decide, in accordance with Article 2365(2) of the Civil Code, on the following matters:

- mergers in the cases envisaged by Articles 2505 and 2505-bis of the Civil Code;
- the opening, relocation and closing of secondary offices;
- the reduction of share capital in the case of withdrawal by shareholders.

The Chairman (or, in his absence or impediment, the Vice Chairman, if one has been appointed) is the legal and contractual representative of the Company in respect of any judicial or administrative authority and third parties and has the power to legally sign on behalf of the Company.

Agency and signature powers may be granted by the Board of Directors to one or more directors and to persons who are not members of the Board, determining the contents, limits and methods of exercising such powers in accordance with applicable law.

The Board of Auditors monitors compliance with the law and the Company's bylaws, as well as compliance with the principles of sound administration in carrying out the Company's business and verifies the adequacy of the Company's organization, its system of internal controls, and its system of administration and accounting.

Account auditing is entrusted to a specialized auditing firm registered with Consob and specifically engaged by the shareholders.

For an overview of the corporate structure updated to the date of approval of this report, please see **Attachment A**.

2. Ownership structure (as per Article 123-bis of the Consolidated Law) as at 31 December 2008

a) Share capital structure

Cementir share capital as at 31 December 2008, wholly subscribed and paid in, totaled €159,120,000 (one hundred fifty-nine million one hundred twenty thousand euros) represented by 159,120,000 ordinary shares with a par value of €1.00 each, except as described hereinafter concerning the capital increase authorized but not subscribed under the stock option plan approved by the Company on 15 January 8.

The shares are indivisible and freely transferable, and each share gives the shareholder one vote. Shareholders may exercise their rights on the company and its capital as defined by and within the limits of the law. Cementir Holding has not issued any other categories of shares or financial instruments that may be converted into or exchanged for shares.

	No. of shares	% of share capital	Listed	Rights and obligations
Ordinary shares	159,120,000	100%	Borsa Italiana	Those ordinarily envisaged under applicable regulations

On 21 December 2007, the Company's Board of Directors approved the general guidelines for a stock incentive plan (hereinafter "the Plan") for directors with specific duties and managers with strategic responsibilities within the Company and/or its subsidiaries (hereinafter "the Beneficiaries").

Also on 21 December 2007, the Company published information concerning the Plan (hereinafter the "Disclosure Document") in accordance with Articles 84-bis(1) and 66 of the Rules for Issuers.

On 15 January 2008, the Company's shareholders approved the aforementioned Plan and authorized a capital increase to back the Plan in an amount of up to €162,302,400 through the issue of up to 3,182,400 ordinary shares with standard rights with the exception of pre-emption rights in accordance with Article 2441(8) of the Civil Code.

On 11 February 2008, in execution of the powers assigned, the Company's Board resolved to: (i) execute a paid capital increase, also in divisible form, in an amount of up to €1,225,000 by issuing up to 1,225,000 shares with a par value of €1.00 each in accordance with Article 2441(8) of the Civil Code and, therefore, excluding pre-emption rights; (ii) approve the rules for the Plan (hereinafter "the Rules"); and (iii) assign the options of the Plan (hereinafter "the Options") to certain Beneficiaries.

For more information on the Plan, see the Disclosure Document published in accordance with Article 84-bis of the Consob Issuers Regulation, which is available on the Company's web site at www.cementirholding.it in the section Investor Relations/Corporate Filings and from Borsa Italiana S.p.A..

b) Restrictions on the transfer of shares

There are no restrictions on the transfer of shares.

c) Significant holdings

Shareholders with interests of greater than 2%, as indicated by the Company's shareholder register, notifications received in accordance with Article 120 of the Consolidated Law and other information available as at 31 December 2008, are as follows:

Declarant	Direct shareholder	Share of ordinary capital (%)	Share of voting rights (%)
Francesco Gaetano Caltagirone	NO through Vianini Industria Italia S.p.A, LAV 2004 S.r.l., CALT 2004 S.r.l., Caltagirone Spa and Pantheon 2000 S.p.A.	61.601%	61.601%
Francesco Gaetano Caltagirone	YES	0.834%	0.834%
Francesco Caltagirone Jr.	NO Chupas S.r.l.	2.377%	2.377%
Francesco Caltagirone Jr.	YES	1.687%	1.687%

For events subsequent to the close of financial year 2008 and prior to approval of this report, see the information published on Cementir's website in the section "*Issuers – Listed companies – Ownership*".

d) Shares with special rights

No shares have been issued that grant special control rights.

e) Employee shareholdings: mechanism for exercising voting rights

There is no system for employee shareholdings in place; therefore, there is no special mechanism for the exercise of voting rights by employees.

f) Restrictions on voting rights

There are no restrictions on voting rights.

g) Shareholder agreements

We are aware of no shareholder agreements in accordance with Article 122 of the Consolidated Law concerning the exercise of related rights or to the transfer of shares, nor have any such agreements been reported.

h) Appointment and replacement of directors and changes to the bylaws

On 21 June 2007, Company shareholders met to change the bylaws in order to implement the changes required by Law 262 of 28 December 2005 (the "Savings Law") as amended. Directors are appointed by the shareholders in accordance with applicable law and the Company's bylaws.

Members of the Board of Directors are elected on the basis of slates submitted by shareholders with voting rights representing at least 2% of share capital or any different threshold that shall be set in accordance with applicable law. Slates shall be filed at the Company's registered office at least 15 days prior to the date set for the Shareholders' Meeting at first calling.

The slates shall identify the candidates meeting statutory independence requirements and shall be accompanied by the curriculum vitae of the candidates demonstrating their professional and personal qualifications and their acceptance of the candidacy.

Each shareholder may submit or take part in the submission of only one slate containing a maximum of 15 candidates, numbered in descending order. Each candidate may only appear on one slate or be subject to disqualification. Persons submitting slates shall demonstrate that they are shareholders by filing accompanying documentation at the same time showing that they hold the number of shares required to submit the slate.

The lead candidate on the minority slate who receives the largest number of votes and who is not connected in any way, directly or indirectly, with the slate that received the most votes is elected a Director. The other members of the Board of Directors are selected in numerical order from the slate that received the largest number of votes.

In the event only one slate is submitted or where only one slate receives votes, all the candidates from that slate shall be deemed elected on the basis of ordinary statutory majorities.

As to the allocation of Directors to be elected, slates that fail to receive a percentage vote that is at least half the percentage required to present a slate are disregarded.

At any time other than when the entire Board of Directors is being elected, the Shareholders' Meeting shall elect Directors on the basis of statutory majorities without following the above procedures.

If one or more Directors should leave the Board during the year, the provisions of Article 2386 of the Civil Code shall apply.

The Shareholders' Meeting may elect an Honorary Chairman who need not be chosen from among the members of the Board of Directors and who shall be selected from among those persons who have distinguished themselves for the commitment made to and the results achieved on behalf of the Company, as well as for achievements over the course of their professional careers. The Honorary Chairman may attend Board meetings in an advisory role and shall not have the right to cast a vote. The Honorary Chairman shall be entitled to receive the same remuneration as the members of the Board of Directors as determined by the bylaws and by the Shareholders' Meeting.

i) Authorizations to increase share capital and purchase treasury shares

On 15 January 2008, the Company's shareholders approved a Stock Option Plan and authorized the Board of Directors in accordance with Article 2442 of the Civil Code, to increase the share capital to service the Plan up to an amount of up to €162,302,400 through the issue of up to 3,182,400 ordinary shares with standard rights with the exception of pre-emption rights in accordance with Article 2441(8) of the Civil Code.

On 11 February 2008, in execution of the powers assigned, the Company's Board resolved to: (i) execute a paid capital increase, also in divisible form, in an amount of up to €1,225,000 by issuing up to 1,225,000 shares with a par value of €1.00 each in accordance with Article 2441(8) of the Civil Code and, therefore, excluding pre-emption rights.

The shareholders did not authorize the purchase of treasury shares in accordance with Article 2357 *et seq.* of the Civil Code.

l) Change-of-control clauses

The Issuer and its subsidiaries have not entered into significant agreements that either come into effect or terminate in the event of a change of control of the contracting company.

m) Compensation of directors in the event of resignation or other termination of their appointment following a public tender offer

The Issuer has entered into no agreements with directors that call for compensation in the event of resignation, revocation without cause, or other termination of their appointment following a public tender offer.

3. Compliance

By resolution of the Board of Directors on 19 July 2001, the Issuer has formally adopted the previous version of the Corporate Governance Code, but has yet to formally adopt the Corporate Governance Code issued by the Corporate Governance Committee of Borsa Italiana S.p.A. in March 2006, although the Company's system of Corporate Governance is essentially in line with the more recent Code, which the Company expects to formally adopt in 2009.

The Issuer and its strategic subsidiaries are not subject to any provisions of foreign laws that would affect the Issuer's structure of Corporate Governance.

4. Direction and coordination

The Company is not subject to the direction or coordination of other companies, since it decides in total autonomy its own general and operational issues. In particular, the survey and approval of the strategic, industrial and financial plans as well as the suitability of the organization, executive and accounts structures are of competency only to the Board of Directors of Cementir Holding SpA.

Therefore the conditions indicated in art. 37 of the "Issuers Regulation" (Consob n. 16191/2007) don't apply.

5. The Board of Directors

5.1. Composition

The Company is administered by a Board of Directors consisting of between five and fifteen members elected by the shareholders. Directors shall be appointed for a term of three years, which shall expire on the date of the Shareholders' Meeting called to approve the financial statements for the final year in which they are in office.

Directors may be reappointed in accordance with Article 2383 of the Civil Code.

The Company is currently administered by a Board of Directors with fifteen members, who were appointed by the shareholders in their ordinary meeting held on 20 April 2006 and supplemented by resolution of the shareholders in their ordinary meeting of 15 January 2008. Said members are to remain in office until the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2008.

The Company's shareholders, in their meeting of 15 January 2008, ratified the appointment pursuant to Article 2386(1) of the Italian Civil Code of Mr. Confortini in place of Mr. Leone and approved the increase in the number of members from thirteen to fifteen, appointing new members Fabio Corsico and Flavio Cattaneo, the latter of whom is an independent director.

For the composition of the Board at the close of financial year 2008, see **Table 1** as no changes occurred subsequent to the end of the year.

Maximum number of positions held in other companies

The Board of Directors has preferred not to express a position on the maximum number of positions that may be held in order to be able to fulfill the duties of a member of the Board of the Issuer effectively, since the Board feels that the decision is to be made, first of all, by the shareholders when appointing directors and, subsequently, by the individual director when accepting the position.

Therefore, the Issuer's Board of Directors has not set strict, generalized standards concerning the maximum number of positions on the boards of directors or statutory auditors of other companies that may be considered compatible with fulfilling the role of director effectively. In any event, the Board continuously verifies that the number of positions held by the directors in other companies is appropriate to carrying out their duties effectively.

5.2. Role of the Board of Directors

It is established practice for the Board of Directors to meet at least four times each year. Meetings are also called in a timely manner whenever the need should arise.

During 2008, the Board of Directors met 5 times, and all directors and members of the Board of Statutory Auditors were regularly in attendance.

The average duration of the meetings of the Board for 2008 was two hours.

For 2009, at least 4 meetings are expected to be held.

No minimum meeting frequency for the Board is specified in the Company's bylaws.

Within the limits of the Company's corporate purpose, the Board has full power to pass resolutions and carry out all acts of ordinary and extraordinary administration, with the sole exception of those resolutions that are reserved for the shareholders either by law or by the Company's bylaws.

As such, the Board may authorize: the purchase and sale of real estate; investments in other businesses or companies incorporated or being incorporated, including by way of transfer of assets; any transactions involving the public debt, Cassa Depositi e Prestiti, banks, issuing institutions, and all other public or private entities; the creation, subrogation, postponement, cancellation or waiver of mortgages; on any kind of registration or recordation, on legal actions, including those involving quashing or reversal, and on preliminary agreements or settlements.

The Board of Directors may also decide, in accordance with Article 2365(2) of the Civil Code, on the following matters:

- mergers in the cases envisaged by Articles 2505 and 2505-bis of the Civil Code;
- the opening, relocation and closing of secondary offices;
- the reduction of share capital in the case of withdrawal by shareholders

Based on the bylaws currently in effect, the role of the Board of Directors includes:

- examining and approving the Issuer's system of corporate governance and the structure of the Group;
- assessing the adequacy of the Issuer's organization, administration and general accounting system, with particular reference to the system of internal controls and the management of conflicts of interest;
- assigning and revoking powers for directors and setting limitations and the methods of exercising them;
- determining, in the event the shareholders have not done so, the remuneration of the chief executive officers and other directors with specific responsibilities;
- assessing the general performance of operations, taking particular account of the information received from the various administrative bodies;
- examining and granting prior approval of the Issuer's transactions when such transactions are of strategic or financial importance to the Issuer, paying particular attention to situations in which one or more directors may be acting in their own interests or in the interests of third parties, as well as to transactions with related parties generally.

It is established practice for transactions of financial significance, including transactions with related parties, to be undergo prior examination and approval by the Board of Directors, which is to be provided with the information it needs to pass resolutions on the various topics to be discussed.

At each of its meetings, the Board was provided with sufficient documentation to enable directors to make informed, effective decisions.

On a number of occasions, the Board of Directors assessed the adequacy of the Issuer's organization, administration and general accounting system, with particular reference to the system of internal controls and the management of conflicts of interest. This process, which began during the 2006 financial year with the appointment of the Internal Control and Remuneration Committees and the creation of the positions of Internal Auditor, Investor Relator and head of Communications, continued in 2007 with the approval of the changes to the bylaws in accordance with the Savings Law and, above all, with the appointment of the manager responsible for the preparation of the company's financial reports in accordance with the Consolidated Law.

In 2008, the Board of Directors also had several opportunities to assess the solidity of the Issuer's organizational, administrative and general accounting structure, particularly with regard to the internal control system and the handling of conflicts of interest, specifically:

- it reappointed the manager responsible for the Company's financial records pursuant to the Consolidated Law, it adopted the Compliance Model pursuant to Legislative Degree 231/2001, the procedures for "Transactions with related parties" and the "Handling of information, particularly confidential information" (Board meeting of 8 May 2008);
- it also approved the "Corporate Affairs Management" and "Financial Statements and periodic documents" procedures, and o verified the interim report by the Internal Control Committee (Board meeting of 5 November 2008).

In accordance with the bylaws, the directors are entitled to reimbursement of expenses incurred in the performance of their duties.

They are also entitled to receive remuneration from the total amount resolved by the Shareholders' Meetings as specified in the following paragraph. The resolution of the shareholders, once adopted, is valid until otherwise decided by the Shareholders' Meeting.

The Board of Directors determines the division of the above-mentioned annual amount among its members, except where determined otherwise by the Shareholders' Meeting.

Based on the proposal of the Remuneration Committee and in consideration of the Company's organization and the importance of their roles, the Board of Directors has determined (in accordance with Article 2389(2) of the Civil Code) that the Chairman, Chief Executive Officer and Chief Operating Officer are positions entitled to higher remuneration as an incentive linked to a significant extent to the Company's performance and/or the achievement of certain targets.

As no Chief Executive Officer or Chief Operating was appointed in 2008, in that regard, the Board established remuneration for just the Chairman based on the Company's performance connected solely with cash flows for the Group, without prejudice to the decision of the shareholders in their meeting of 20 April 2006 concerning the global remuneration payable to each member of the Board in the amount of €1,000.00 for each session they attend.

On 21 December 2007, the Company's Board of Directors approved the general guidelines for a stock incentive plan (hereinafter "the Plan") for directors with specific duties and managers with strategic responsibilities within the Company and/or its subsidiaries (hereinafter "the Beneficiaries").

Also on 21 December 2007, the Company published information concerning the Plan (hereinafter the "Disclosure Document") in accordance with Articles 84-*bis*(1) and 66 of the Rules for Issuers.

On 15 January 2008, the Company's shareholders approved the aforementioned Plan and authorized a capital increase to back the Plan in an amount of up to €162,302,400 through the issue of up to 3,182,400 ordinary shares with standard rights with the exception of pre-emption rights in accordance with Article 2441(8) of the Civil Code.

On 11 February 2008, in execution of the powers assigned, the Company's Board resolved to: (i) execute a paid capital increase, also in divisible form, in an amount of up to €1,225,000 by issuing up to 1,225,000 shares with a par value of €1.00 each in accordance with Article 2441(8) of the Civil Code and, therefore, excluding pre-emption rights; (ii) approve the rules for the Plan; and (iii) assign the options of the first tranche of the Plan to certain Beneficiaries.

For more information on the Plan, see the Disclosure Document published in accordance with Article 84-*bis* of the Consob Issuers Regulation, which is available on the Company's web site at www.cementirholding.it in the section Investor Relations/Corporate Filings and from Borsa Italiana S.p.A.

Furthermore, the Board did not feel it was necessary to establish, in advance, the general criteria for identifying significant transactions, but decided it would be preferable to make such an assessment on a case-by-case basis based on the information received from the executive directors.

The Board has assessed the size, composition and functioning of the Board itself and, as a result, has increased the number of the directors from thirteen to fifteen, and consequently has increased the number of the independent directors from three to four under the Consolidated Law by means of the shareholders resolution dated 15.01.08.

In order to meet organizational needs, the Company's shareholders did not provide prior general authorization for exceptions to the competition prohibition (in accordance with Article 2390 of the Civil Code), but gave the Board responsibility for assessing any problematic cases as they arise and notifying the shareholders of any critical issues at the next Shareholders' Meeting.

In 2008, the Board did not examine any such cases.

5.3. Delegated bodies

Chief Executive Officers

With the establishment of the new corporate organization, effective as of 1 January 2008 (reference to which was made in the 2007 Corporate Governance Report), Mr. Riccardo Nicolini, who had held the position of Chief Executive Officer with the powers to legally represent the Company and the powers to carry out all acts necessary or appropriate for Company administration since 10 May 2006, resigned his post.

Therefore, in light of the fact that no Chief Executive Officer had been chosen and the changes described herein, the Chairman is now the person primarily responsible for the management of the Issuer (Chief Executive Officer) effective 1 January 2008.

Chairman

By resolution on 10 May 2006, the Board of Directors granted the Chairman, Francesco Caltagirone Jr., and – in the event of his absence or other impediment – the Vice Chairman, Carlo Carlevaris, independent of the powers granted them by law and by the Company's bylaws, all powers necessary to carry out all acts of ordinary and extraordinary administration, with the sole exception of those powers reserved for the shareholders and the Board of Directors.

By way of example, and in no way limiting the general powers as granted above, the Chairman and – in the event of his absence or other impediment – the Vice Chairman have individual signatory powers for:

- A.1 coordinating and controlling the activities of the Company and relations with subsidiaries, and ensuring that the resolutions of the Board of Directors are implemented;
- A.2 signing correspondence and representing the Company in Italy and abroad in relations with national, regional, provincial and local governments, with private and public bodies, institutions, agencies, autonomous and municipalized government companies, and any other ordinary or special administrative, legal or fiscal authority and in arbitration;
- A.3 recommending and signing, in any and all proceedings at any level and before all administrative, fiscal or legal authority, of all appeals, inquiries, defenses, claims or other suits and proceedings of any kind; settling disputes; appointing and revoking legal counsel and powers of attorney; designating and appointing consultants and arbiters;
- A.4 purchasing, selling, and transferring moveable and immovable property; establishing the price; making payment and granting payment extensions, with or without mortgage security; issuing and accepting, as appropriate, liquidation by way of bills of exchange, with or without mortgage security; establishing any interest and the repayment of taxes and duties; assume or approve the assumption of liabilities of the seller, accepting and requiring, in such cases, the same obligations assumed by the borrower; requesting and signing guarantees related to ownership and availability of assets and to the absence of prejudicial mortgages, privileges or other encumbrances; requesting and authorizing the vesting of possession; accepting and agreeing obligations, reserves, easements and community of property; waiving of mortgages resulting from sales and exonerating the competent property registrars from all related liability; requesting the benefits allowed by tax laws and undertaking to fulfill all obligations established by law, as well as doing anything else necessary to complete the transaction, with all powers necessary without limitation such that a lack of powers cannot be claimed and with the right to grant power of attorney for others to act in the name and on behalf of the Company, with all or a portion of the powers as granted above in order to execute individual purchases, sales, and transfers of moveable and immovable property;
- A.5 establishing, transferring and closing secondary offices and/or other local facilities, such as production sites, sales offices, distribution centers, agencies, and storage facilities for the Company's products, and handling any formalities that should be necessary or appropriate;
- A.6 signing, modifying and terminating, including by granting power of attorney to others, contracts and agreements – with all appropriate clauses, including the arbitration clause – with government departments and other public or private entities concerning:
 - a) the purchase, sale, or transfer of machinery, equipment, materials in general, related maintenance, provisions and works, and the sale of Company products or other products handled by the Company;
 - b) the granting and acceptance of contracts and sub-contracting agreements for works or other services in general;
 - c) the purchase, sale or transfer of transport equipment in general and exonerating the public registrars from all obligations and liabilities;
 - d) insurance contracts;
 - e) granting and opening lines of credit for current account overdrafts in the name of the Company;
- A.7 authorizing the establishment, subrogation, postponement or cancellation of mortgages, including without payment, as well as any kind of registration or recordation on mortgage records, all with the exoneration of the competent public registrars from all related liability;
- A.8 establishing consortia and enterprises in accordance with the provisions of Articles 2602 and 2612 *et seq.* and Article 2615 of the Civil Code, including temporary business groupings in accordance with Laws 584/77, 1/1978 and 687/1984 and joint ventures with other general or specialized enterprises, both foreign and domestic, in order to participate in the acquisition and execution of contracts compatible with the Company's corporate purpose;
- A.9 acquiring and disposing of equity investments in other companies and establishing or participating in the establishment of companies with the same, similar, or directly or indirectly related purpose as that of the Company;
subscribing related capital or capital increases; providing financing, including capital financing, with all consequent rights, including in relation to the sale or liquidation of said investments;
- A.10 signing communications with legal authorities, the chambers of commerce, financial markets, and other public and private bodies concerning the Company's statutory or regulatory obligations, including signing the annual

- communications to the "Schedario Generale dei Titoli Azionari"; signing communications with the Commissione Nazionale per le Società e la Borsa (Consob) in accordance with applicable laws and regulations;
- A.11 taking out and granting loans; assigning receivables and expired mandates; granting and accepting guarantees, counter-guarantees and endorsements; negotiating and taking out lines of credit; signing and endorsing checks, money orders and similar instruments; signing and endorsing other bills and notes; issuing checks, including in relation to the opening of lines of credit;
- A.12 signing lease and rental agreements – including those with a duration of more than nine years – and establishing the related payments and other general and specific terms and conditions; delivering and accepting lease and rental termination notices;
- A.13 demanding and freely collecting all sums in cash or securities, including both principal and interest accrued or to be accrued, from any person or entity, public or private, including national, regional, provincial or local government bodies, institutions, ministries, post offices, Treasury offices, Cassa Depositi e Prestiti, Civil Engineering Offices, the Bank of Italy, banks and other financial institutions in general, businesses, consortia, non-profit entities, autonomous or municipalized government companies, and the Agency for the Development of Southern Italy and its various concession holders and agents; receiving deposits; and issuing receipts in the forms required and exonerating the payers from all liability;
- A.14 participating in public auctions, private negotiations, tenders and similar procedures for the acquisition of concessions, contracts, and supply agreements, with the power to sign and present requests for prequalification, bids, projects and cost estimates, set prices and payment terms, and all other conditions, both general and specific; signing the related contracts and additional deeds, with all powers necessary for their execution, including through contracts, sub-contracts, and other supplies and works;
- A.15 hiring, suspending and terminating the employment of senior and middle managers, office staff and workers; establishing and granting salary increases and bonuses; assessing disciplinary penalties; hiring consultants, including on long-term contracts;
- A.16 granting special powers of attorney to Company employees and other parties for specific acts or categories of acts in the name and on behalf of the Company, with company signature powers for such acts, as well as appointing agents to represent the Company in individual ordinary or extraordinary meetings of the shareholders of other companies or consortia, as shareholders in the Company.

In 2008, the Vice Chairman, Mr. Carlevaris, was not required to employ his powers of Company management and representation in lieu of the Chairman.

The Executive Committee

On 10 May 2006, the Board of Directors appointed an Executive Committee until the approval of the financial statements at 31 December 2008, establishing that it would be composed of three members:

- Francesco Caltagirone, Jr. Chairman
- Riccardo Nicolini Director
- Mario Delfini Director

and that the Board would therefore confer upon them all powers exercised by the Board of Directors, except those exclusively attributed to the Board itself by law or the Company bylaws pursuant to Articles 2423, 2443, 2446 and 2447 of the Civil Code.

The Committee did not meet during the course of 2008. Therefore, its members were never actually systematically involved in management of the Issuer's management.

Reporting to the Board

At every meeting of the Board of Directors, the delegated bodies report on their activities carried out in the performance of their assigned duties, either by introducing specific items on the agenda or by addressing them under the item "any other business."

5.4. Other executive directors

By virtue of the offices they hold within the Group, other executive directors include: Mario Ciliberto, chairman of the subsidiary Aalborg Portland A/S; Walter Montevecchi, chairman of the subsidiary Cimentas A/S; and Riccardo Nicolini, chairman of the subsidiary Cementir S.r.l.

Mario Delfini is designated as a “non-executive” director because, although he does theoretically qualify as an “executive” director under the Code since he is a member of the Company’s Executive Committee, considering that this Committee never met in 2008 and, therefore, he was not in any systematic way involved in the management of the Company, under the criteria set out in 2.C.1 of the Code, he is deemed to be “non-executive”. During Board of Directors meetings, directors are continuously kept abreast of developments within the Company, including in relation to the applicable regulatory framework, so that they may perform their duties effectively.

5.5. Independent directors

The Board of Directors is currently composed of four independent directors as defined by the Consolidated Law (Alfio Marchini, Carlo Carlevaris, Flavio Cattaneo and Massimo Confortini).

At the meeting for the appointment of Cattaneo and Confortini, Board of Directors verified that the directors Marchini and Carlevaris also qualified as “independent” under the Consolidated Law, based on the statements of those involved and information already in its possession.

With regard to the requirements for independence established under the Code, the Company has not, up until now, fully applied the criteria set out in the Code—in part in light of the approaching expiration of the term of office of the above directors upon the approval of the 2008 financial statements—and instead prefers to consider “independent” only those persons who neither maintain nor have recently maintained, directly or indirectly, any relationships with the Company or with parties connected with the Company that might compromise their independence of judgment.

In any event, of the four directors currently considered independent, three already meet the criteria for being classified as independent under the Code (Cattaneo, Confortini and Marchini).

For these reasons, the Board did not deem it necessary to conduct a new assessment of compliance with the independence requirements established by the Code for each of the other non-executive directors for 2008, partly in consideration of the fact that the Board of Auditors has continuously verified ongoing compliance with these independence requirements.

The independent directors did not meet independently of the other directors during the course of 2008.

5.6. Lead Independent Director

The Board did not deem it necessary to appoint a lead independent director during 2008, given that all management decisions, including those falling under the Chairman’s jurisdiction, were made jointly by the Board with the input of the independent directors.

6. Handling Corporate Information

On 8 May 2008, the Board of Directors adopted, in compliance with the Code, the procedure relating to the “Handling of information, particularly confidential information” the full text of which is available in the Corporate Governance section of the Company’s website: www.cementirholding.it.

The Company also adopted and updated pursuant to Article 114 of the Consolidated Law, the Code of Conduct governing disclosure requirements regarding internal dealing, pursuant to the specifications of Article 152-*sexies et seq.* of Consob Regulation no. 11971 of 14 May 1999 as amended.

As is known, the Code of Conduct, in effect as of 1 April 2006, governs the conduct and disclosure requirements with which “relevant persons” (directors, standing members of the Board of Auditors, CFOs, etc.) are required to comply in their relations with Consob and the Company, so that the Company can disclose transactions involving listed financial instruments or other related financial instruments issued by the Company or its subsidiaries to the market in accordance with the methods and deadlines established by Regulation no. 11971/99.

As from 1 April 2006, the Company has also established a register of persons having access to confidential information, in accordance with the provisions of Article 115-*bis* of the Consolidated Law and in compliance with the procedures specified by Articles 152-*bis et seq.* of Regulation no. 11971/99.

7. Internal Board Committees

The Board did not deem it necessary to establish an Appointments Committee from among its members during the

year, reserving the normal functions of this Committee for the Board as a whole.

The Company's Board of Directors has formed the following committees since 2006: the Internal Control Committee (see description in the section on internal controls in this report) and the Remuneration Committee.

The Company did not allocate a budget for Committee activities, as the Committees themselves judged it unnecessary since they can rely on the assistance of Company structures in performing their duties.

8. The Appointments Committee

Without prejudice to the indications provided in the previous section, it should be noted that directors are appointed in accordance with the provisions of the Company bylaws, which specify that appointments shall be made on the basis of slates presented by shareholders, in compliance with the provisions of Article 147-ter of the Consolidated Law.

In light of the above, considering that shareholders have never encountered any difficulties in appointing directors, and given the non-mandatory nature of the Appointments Committee under the Corporate Governance Code, the Board did not deem it necessary to establish said Committee from among its members.

9. The Remuneration Committee

On 10 May 2006, the Board resolved to appoint a Remuneration Committee, which met three times during the course of 2008.

In 2008, the Remuneration Committee was composed of three non-executive directors, the majority of whom were independent.

Specifically, in compliance with the provisions of Article 7 of the Code, the Company's Board of Directors appointed the following members from among its ranks to the Remuneration Committee:

- Mario Delfini, director (non-executive);
- Carlo Carlevaris, director (independent under the Consolidated Law);
- Massimo Confortini, director (independent under the Consolidate Law and the Code).

The Remuneration Committee, which submits proposals and offers advice to the Board of Directors, performs the following functions:

- a) evaluating and formulating proposals for the Board of Directors regarding Company remuneration policies for management;
- b) evaluating and formulating proposals for the Board of Directors regarding stock incentive plans (including stock options), employee shareholding plans and similar incentive and loyalty plans for management and employees of Group companies;
- c) formulating proposals for the Board of Directors, with the abstention of any parties involved, regarding the remuneration of executive directors. The Committee may also formulate proposals regarding the portion of the remuneration of executive directors indicated by the Board of Directors that is tied to the performance of the Company;
- d) formulating proposals for the Board of Directors, with the abstention of any parties involved, regarding the remuneration of non-executive directors, which shall be commensurate with the commitment required of each, taking account of their possible membership of one or more of the Company's internal committees. This remuneration is not tied to Company performance.

The non-executive directors may be included among the beneficiaries of stock incentive plans only with a motivated decision of the Shareholders' Meeting.

During 2008, within the scope of the individual functions assigned to it, the Committee met:

- to examine and assess the allocation of the first instalment of options under the stock incentive plan for directors granted special duties and managers that hold strategic positions within the Group, indicating the number of options, the beneficiaries and the exercise price;
- to examine and approve the Committee's own rules.

Minutes were duly kept during the meetings of the Remuneration Committee. In performing its functions, the Remuneration Committee had access to the Company information and resources, and - where appropriate - external consultants, necessary for it to perform its duties.

10. Remuneration of Directors

The Shareholders' Meeting determines the remuneration of directors.

Acting upon the proposal of the Remuneration Committee, pursuant to Article 2389(2), of the Civil Code and in consideration of the Company's organizational structure, the specific position and related powers, the Board designated the Chairman as the Company officer whose remuneration may be linked to Company performance or achievement of specific objectives through an incentive plan. Accordingly, the Board established that the remuneration of the Chairman shall be based on the Company's performance measured in terms of the Group's cash flows, without prejudice to the resolution of the Shareholders' Meeting of 20 April 2000 that the overall remuneration of Board members would be equal to €1,000.00 for each meeting in which they participate.

The following Table summarizes remuneration at 31 December 2008:

(A)	(B)	(D)	(1)	(2)	(3)	(4)
Name	Position held	Term expires	Non monetary benefits	Remuneration for the position in the reporting company	Bonuses and other incentives	Other remuneration
Francesco Caltagirone	Chairman of the Board of Directors	2008		60	4,082	
Carlo Carlevaris	Deputy Chairman	2008		4		
Pasquale Alcini	Director	2008		3		
Alessandro Caltagirone	Director	2008		3		
Azzurra Caltagirone	Director	2008		2		
Edoardo Caltagirone	Director	2008		1		
Saverio Caltagirone	Director	2008		5		66
Flavio Cattaneo	Director	2008		4		
Mario Ciliberto	Director	2008		3		1,708
Massimo Confortini	Director	2008		4		45
Fabio Corsico	Director	2008		5		
Mario Delfini	Director	2008		5		
Alfio Marchini	Director	2008		1		
Walter Montevocchi	Director	2008		0		151
Riccardo Nicolini	Director	2008		5		716
Claudio Bianchi	Chairman of the Board of Auditors	2008		41		15
Gianpiero Tasco	Standing Auditor	2008		41		10
Carlo Schiavone	Standing Auditor	2008		41		34

On 21 December 2007, the Company's Board of Directors approved the general guidelines for a stock incentive plan (hereinafter "the Plan") for directors with specific duties and managers with strategic responsibilities within the Company and/or its subsidiaries (hereinafter "the Beneficiaries").

Also on 21 December 2007, the Company published information concerning the Plan (hereinafter the “Disclosure Document”) in accordance with Articles 84-*bis*(1) and 66 of the Rules for Issuers.

On 15 January 2008, the Company’s shareholders approved the aforementioned Plan and authorized a capital increase to back the Plan in an amount of up to €162,302,400 through the issue of up to 3,182,400 ordinary shares with standard rights with the exception of pre-emption rights in accordance with Article 2441(8) of the Civil Code.

On 11 February 2008, in execution of the powers assigned, the Company’s Board resolved to: (i) execute a paid capital increase, also in divisible form, in an amount of up to €1,225,000 by issuing up to 1,225,000 shares with a par value of €1.00 each in accordance with Article 2441(8) of the Civil Code and, therefore, excluding pre-emption rights; (ii) approve the rules for the Plan (hereinafter “the Rules”); and (iii) assign the options of the Plan (hereinafter “the Options”) to certain Beneficiaries.

For more information on the Plan, see the Disclosure Document published in accordance with Article 84-*bis* of the Consob Issuers Regulation, which is available on the Company’s web site at www.cementirholding.it in the section Investor Relations/Corporate Filings and from Borsa Italiana S.p.A..

11. The Internal Control Committee

On 10 May 2006, the Board resolved, in accordance with Article 7 of the Code, to appoint an Internal Control Committee, which met four times in 2008.

In 2008, the Internal Control Committee was composed of three directors, the majority of whom were independent.

Specifically, the following are the members of the Internal Control Committee:

- Mario Delfini, director (non-executive);
- Carlo Carlevaris, director (independent under the Consolidated Law);
- Massimo Confortini, director (independent under the Consolidate Law and the Code).

The Board determined that Mr. Delfini, an accounting, possesses adequate experience in accounting and financial matters.

The chairman of the Board of Auditors, Claudio Bianchi attended the meetings of the Committee.

Functions of the Internal Control Committee

The Internal Control Committee is responsible for:

- assisting the Board in carrying out its assigned duties regarding internal controls;
- evaluating, in conjunction with the manager responsible for the Company’s financial reports and with the independent auditors, the correct application of accounting standards and their uniformity for the purposes of preparing the consolidated financial statements;
- formulating, at the request of the Board, opinions on specific aspects regarding the identification of the principle risks facing the Company and the planning, implementation and management of the internal control system;
- examining the work plan prepared by those responsible for internal controls as well as the periodic reports they prepare;
- evaluating the work plan prepared for the audit and the findings stated in the report and in any recommendation letter;
- supervising the effectiveness of the audit process;
- reporting to the Board at least every six months, on the occasion of the approval of the annual and half-year financial statements, regarding activities performed and the adequacy of the internal control system.

Minutes were duly kept during Internal Control Committee meetings. In the performance of its functions, the Internal Control Committee may access the Company information and resources necessary for carrying out its duties and may also enlist the assistance of external consultants within the limits established by the Board.

12. Internal Control System

The Company’s internal control system is the collection of rules, procedures and organizational structures established to ensure the sound management of the Company in a manner consistent with its objectives by way of the appropriate identification, measurement and management of major risks.

The guidelines for the internal control system were delegated to the head of internal controls, who implemented a system to identify, measure, manage and monitor the main risks facing the Issuer and its subsidiaries.

12.1. Executive director in charge of the internal control system

The Board of Directors did not deem it necessary to designate an executive director in charge of overseeing the operation of the internal control system, given the existence of a variety of bodies nominated and functioning for that (Internal Control Committee, Oversight Body pursuant to Legislative Decree 231/01, Internal Audit Function appointed directly by the Board of Directors), all coordinated with the duties of the Board of Auditors.

12.2. Head of internal controls

The Board appointed Francesco Paolucci as head of the Internal Audit Function, the person responsible for verifying that the system of internal control is always appropriate, fully operational and functional (head of internal controls). The appointment was made upon a proposal by the Chairman of the Board of Directors and after having obtained the opinion of the Internal Control Committee.

No specific remuneration was proposed for the head of internal controls.

The head of internal controls reports to the Chairman, and as such is not responsible for any operational areas or the subordinate of any head of an operational area. On a quarterly basis, the head of internal controls presents a report to the Internal Control Committee and the Board of Auditors on risk management and compliance with plans to contain risks, and an evaluation of the suitability of the internal control system.

The head of internal controls:

- is responsible for verifying that the internal control system is always adequate, fully operational and functional
- has direct access to any information useful for performing the duties of the position
- has adequate resources (an annual budget) and structures to carry out the duties of the position.

Audit activities are carried out following an annual plan prepared by the head of the Internal Audit Function and examined by the Internal Control Committee and approved by the Chairman. They may also be ordered by corporate management based on specific facts or following specific events.

In carrying out its duties, the Board of Auditors may ask the Internal Audit Function to conduct audits of specific areas of operation or corporate transactions.

During 2008, the modification of the internal audit structure in the light of the Group's reorganization and the significant international expansion carried out in recent years was completed.

12.3. Compliance Model pursuant to Legislative Decree 231/2001

By a resolution of the Board of Directors (8 May 2008), the Issuer adopted the Compliance Model pursuant to Legislative Decree 231/2001, which was prepared based on the indications contained in the Confindustria guidelines and on existing best practices in this field in Italy.

The Model was developed by analyzing the risks connected with Company's role as a holding company in the cement and cement derivatives industry and its basic organizational structure. Based on the analysis of the risks and the resulting assessment of the existing internal control system, procedures were developed to reduce the risks of criminal conduct relating to sensitive, crucial activities covered by the legislative decree.

An Oversight Body was also appointed, composed of an independent external member, Mario Venezia, who acts as Chairman, and an internal member, the head of Internal Auditing, Francesco Paolucci.

In addition to those duties provided by the law, the Oversight Body is responsible for the following:

1. making sure that the model is implemented;
2. updating and modifying the model and Code of Ethics so that they always reflect the Company's activities and procedures and comply with the law;
3. monitoring violations of the model, including violations of the Code.

The Body is governed by its own rules. It meets at least quarterly and minutes are kept of these meetings, attended also by the Chairman of the Board of Auditors. The Body has its own budget, set by the Board of Directors, which is adequate for its operations.

For further information on the Compliance Model and the Code of Ethics adopted by the Company, refer to the Corporate Governance section of the Company's website: www.cementirholding.it.

12.4. The independent auditing firm

The auditing of the Company accounts has been entrusted pursuant to law to an auditing firm registered with Consob. The engagement was conferred by the Shareholders' Meeting on the basis of a motivated proposal from the Board of Auditors.

PricewaterhouseCoopers S.p.A. is the auditing firm engaged by the Shareholders' Meeting of 20 April 2006 with carrying out the auditing activities for the Company's separate financial statements and the consolidated financial statements for the 2006-2011 period. The appointment will expire upon approval of the financial statements at 31 December 2011.

12.5. Manager responsible for the Company's financial reports

Pursuant to Article 16 of the Company bylaws, the Board of Directors appoints the manager responsible for the Company's financial reports, subject to obtaining the opinion of the Board of Auditors. The manager is chosen from among those persons who have accumulated adequate experience in administration, finance and control in a large company or in the exercise of their professional activity, and who meet the integrity requirements for directors.

Should the manager no longer satisfy such integrity requirements during the term of office, he/she will forfeit the position. In such case, the manager will be promptly replaced.

The manager responsible for the Company's financial reports remains in office for a term of one year, until the Board of Directors meeting subsequent to the Shareholders' Meeting that approves the financial statements for the year.

On 8 May 2008, the Board of Directors reappointed Oprandino Arrivabene - the Chief Financial Officer of the Company since 2005 with administrative, finance and control responsibilities - as the manager responsible for the Company's financial reports. He was appointed for the first time on 10 September 2007, pursuant to Article 16 of the Company Bylaws and Article 154-*bis* of the Consolidated Law concerning the appointment of and requirements for the manager responsible for the Company's financial reports. The Board, acting upon proposal from the Chairman and having obtained the favorable opinion of the Board of Auditors, evaluated the experience summarized in the Mr. Arrivabene's curriculum vitae and appointed him to the position until the next Shareholders' Meeting, convened to approve the 2008 financial statements, authorizing the Chairman to formalize the appointment and to grant him any powers necessary to perform the duties of his office.

With a specific engagement letter of 8 May 2008, the Chairman, in execution of said authorization, granted the manager responsible for the Company's financial reports all powers necessary to perform his duties pursuant to points 2 and 3 of Article 154-*bis* of the Consolidated Law, and specifically, for purely illustrative purposes:

- to issue the declaration certifying the conformity of documents and communications published by the Company concerning financial reporting, including interim reports, with its accounting documentation, books and records, pursuant to paragraph 2 of Article 154-*bis* of the Consolidated Law;
- to put appropriate administrative and accounting procedures in place for the preparation of the annual separate and consolidated financial statements and any other communication of an economic or financial nature, with particular reference to the processes for gathering, processing and distributing economic-financial information, to the computer systems involved in the acquisition and processing of accounting data, to the measurement of assets and liabilities, to activities capable of affecting the accuracy of the data and thereby impact the preparation of the financial statements and other instruments and communications;
- to review existing procedures and, where appropriate, establish new procedures to ensure, within the scope of internal organizational processes, the traceability of information flows, the assignment of duties and responsibilities and their timing, the security of information systems with regard to information flows and the existence of an adequate control system;
- to certify, in the manner prescribed by law, pursuant to paragraph 5 of Article 154-*bis* of the Consolidated Law, in conjunction with the delegated administrative bodies, in a special report to be attached to the annual and half-year separate and consolidated financial statements, the adequacy and effective application of the procedures referred to above and the conformity of these documents with the accounting documentation,

- books and records and their suitability to provide a truth and fair representation of the financial position and performance of the Company and the group of companies included in the scope of consolidation;
- to report to the Board, on at least a quarterly basis and in any case whenever the annual and interim financial statements are approved, on the activities performed, in particular with regard to the procedures for managing and controlling the process of preparing accounting documentation and disclosures to the market;
 - to report any problems that emerge during the course of the year and any actions taken to address those problems;
 - to inform the Board of Directors regarding the use of the resources placed at the disposal of the manager;
 - to request any organizational modifications necessary or advisable for the discharge of duties assigned by law, the Company bylaws or the Board of Directors as well as any consulting and/ or professional service engagements and/or purchases of goods or services strictly instrumental to or necessary for the discharge of duties of the manager;
 - to immediately inform the Board of whatsoever impediment which could jeopardize the proper performance of the above duties.

13. Directors' interests and transactions with related parties

On 8 May 2008, the Board of Directors adopted a procedure for handling transactions with related parties in order to standardize their approval and implementation. For each of such transactions, in compliance with the general principles established by Consob, the Board adopted rules and procedures that guarantee the transparency and the substantive and formal propriety of the transactions themselves.

These rules and procedures were duly reported in the report on operations on the basis of the provisions of Article 2391-*bis* of the Civil Code.

Moreover, prior to adopting each of its resolutions, the Board requests that, where applicable, the directors provide the statement envisaged in Article 2391 of the Civil Code.

For more information on the procedure adopted by the Company, refer to the Corporate Governance section of its website: www.cementirholding.it.

14. The appointment of the Board of Auditors

Article 15 of the Company bylaws establishes that the Board of Auditors shall consist of three standing auditors and three alternate auditors whose remuneration shall be determined by the Shareholders' Meeting.

The Board of Auditors shall be elected on the basis of slates submitted by shareholders with voting rights representing at least 2% of share capital or any different threshold that shall be set in accordance with applicable law. The slate shall be filed at the Company's registered office at least 15 days prior to the date set for the Shareholders' Meeting at first calling.

Persons submitting slates shall demonstrate that they are shareholders by filing accompanying documentation at the same time showing that they hold the number of shares required to submit the slate.

In the event only one slate is submitted by the deadline for presenting slates or only slates by shareholders belonging to the same group or party to a shareholders' agreement concerning the Company's shares have been submitted, shareholders may continue to submit slates for up to five days following such deadline, without prejudice to compliance with statutory notice requirements. In this case, the percentage threshold for presenting slates shall be reduced by half.

Slates shall be accompanied by information on the shareholders presenting them, indicating the total percentage of shares held, the curriculum vitae of each person on the slate and a statement from each candidate affirming, under their personal responsibility, that he or she meets the requirements established by law and agrees to be a candidate.

Slates for the election of the members of the Board of Auditors shall contain the names of one or more candidates numbered in descending order. In no case, however, may the number of candidates on the slate exceed the number of Auditors to be elected. The slates may be divided into two separate sections for standing auditors and alternate auditors, each with a maximum of three candidates numbered in descending order.

No shareholder may submit or vote, either directly or through another person or a trust company, for more than one slate, and each candidate may appear on only one slate or be subject to disqualification.

Once the votes are counted, the standing auditors shall be the top two candidates on the slate that has received the largest number of votes (the "majority slate") and the top candidate of the slate – submitted and voted by shareholders who are not connected, directly or indirectly, with the majority shareholders – with the second-largest number of votes (the "minority slate"), who will act as chairman of the Board of Auditors.

Also elected shall be:

- two alternate auditors from among the candidates in the “alternate auditors” section of the slate that obtained the most votes;

- one alternate auditor from among the candidates in the “alternate auditors” section of the slate that obtained the second-largest number of votes.

In the event only one slate is submitted or where only one slate receives votes, all the candidates from that slate shall be deemed elected on the basis of ordinary statutory majorities.

In the event a standing auditor fails to take up or resigns from the position, an alternate auditor from the same slate shall take his or her place.

The Shareholders’ Meeting called to replace members of the Board of Auditors in accordance with the law shall do so in compliance with the principle for the representation of minority shareholders.

Candidates may not be included in slates if they are already members of the board of auditors of three other listed companies, excluding Group companies. Members of the Board of Auditors shall serve a term of three years, which shall expire on the date of the Shareholders’ Meeting called to approve the financial statements for their third year of office.

Outgoing members of the Board of Auditors may be re-elected.

On 16 April 2008, the Shareholders’ Meeting appointed the Board of Auditors for the 2008-2010 three-year period as shown in **Table no. 2**, as provided by the Bylaws and applicable laws.

15. Board of Auditors

See **Table 2**

The Board of Auditors met six times in 2008.

The Board of Auditors verified that its members met and continued to meet the independence requirements.

No specific obligations regard Auditors in the event that they bear an interest on their own behalf or on behalf of third parties. Before adopting each resolution, the Board of Directors asks the members of the Board of Auditors if they have a personal interest in the operation being discussed.

The Board of Auditors monitored the independence of the auditing firm and verified compliance with the applicable provisions of law as well as to the nature and amount of any services provided to the Company.

In performing its duties, the Board of Auditors coordinated its activities with Internal Audit, the Internal Control Committee and the manager responsible for the Company’s financial reports.

16. Shareholder Relations

The Company has established a specific section on its Internet site (www.cementirholding.it) to give shareholders access the information they require to exercise their rights in an informed manner.

The Company has designated Marco Maria Bianconi head of investor relations.

An investor relations office and a communications office have also been established.

17. Shareholders’ Meetings

Pursuant to Article 12 of the Company bylaws, shareholders with voting rights who have deposited their certification or notices in accordance with the second paragraph of Article 2370 of the Civil Code at the registered office of the Company no later than two days before the date of the Shareholders’ Meeting may participate in the Meeting.

Any shareholder who is entitled to participate in the Shareholders’ Meeting may be represented by means of a written proxy by another shareholder who is not a Director or employee of the Company, and who is also entitled to participate.

Duly-formed entities and companies may participate in a Shareholders’ Meeting through a person designated by written proxy. Such person need not be a shareholder. The proxies may be conferred by way of a letter or a written statement on the ticket for admission to the Shareholders’ Meeting.

For the time being, the Company has not deemed it necessary to adopt rules for the Shareholders’ Meeting in view of the fact that the Meetings have always proceeded normally and given the limited number of shareholders.

The chairman of the Shareholders' Meeting verifies the due constitution of the Meeting and the presence of quorum, as well as the legal entitlement of those attending to participate. The chairman of the Meeting also governs the proceedings.

The Board reported to shareholders on the activities performed and future programs, in response to the requests made the shareholders present.

During the course of the year the Company's market capitalization changed in line with general market developments. Aside from the amendments to the Company bylaws cited above, the Board of Directors did not deem it necessary to submit additional proposed amendments to the bylaws for approval by the Shareholders' Meeting.

18. Changes since the end of the year

No changes have been made concerning Corporate Governance matters since the end of 2008.

Rome, 19 March 2009

For the Board of Directors
The Chairman
Francesco Caltagirone

Status at 19 March 2009
BOARD OF DIRECTORS (2006 / 2007 / 2008)

NAME	POSITION	FROM	NON EXEC	EXEC	INDEP	INDEP CONS LAW	INDEP CODE	EC	RC	ICC
Francesco CALTAGIRONE	Chairman	Ord. GM 20.04.2006		X				C		
Carlo CARLEVARIS	Vice-Chairman	Ord. GM 20.04.2006	X		X	X			M	M
Pasquale ALCINI	Director	Ord. GM 20.04.2006	X							
Alessandro CALTAGIRONE	Director	Ord. GM 20.04.2006	X							
Azzurra CALTAGIRONE	Director	Ord. GM 20.04.2006	X							
Edoardo CALTAGIRONE	Director	Ord. GM 20.04.2006	X							
Saverio CALTAGIRONE	Director	Ord. GM 20.04.2006	X							
Flavio CATTANEO	Director	Ord. GM 15.01.2008	X		X	X	X			
Mario CILIBERTO	Director	Ord. GM 20.04.2006		X						
Massimo CONFORTINI	Director	Ord. GM 15.01.2008	X		X	X	X		C	C
Fabio CORSICO	Director	Ord. GM 15.01.2008	X							
Mario DELFINI	Director	Ord. GM 20.04.2006	X					M	M	M
Alfio MARCHINI	Director	Ord. GM 20.04.2006	X		X	X	X			
Walter MONTEVECCHI	Director	Ord. GM 20.04.2006		X						
Riccardo NICOLINI	Director	Ord. GM 20.04.2006		X				M		
Luciano LEONE	Honorary Chairman	Ord. GM 15.01.2008								

Exec.: checked if the director is an executive director

Non exec.: checked if the director is a non-executive director

Indep.: checked if the director qualifies as independent pursuant to the criteria applied by the Comapny

Indep. Cons Law: checked if the director qualifies as independent pursuant to the provisions of Article 148(3) of the Consolidated Law (Art. 144-*decies* of the Consob Issuers Regulations)

Indep Code.: checked if the director qualifies as independent pursuant to the Code

EC: C/M indicates chairman/member of the Executive Committee.

RC: C/M indicates chairman/member of the Remuneration Committee

ICC: C/M indicates chairman/member of the Internal Control Committee

Status at 31 December 2008
BOARD OF DIRECTORS (2006 / 2007 / 2008)

NAME	POSITION	FROM	NON EXEC	EXEC	INDEP	INDEP. CONS LAW	INDEP CODE	% BOARD	OTHER POSITIONS	EC	% EC	RC	% RC	ICC	% ICC
Francesco CALTAGIRONE	Chairman	Ord. GM 20.04.2006		X				100	Vice Chairman Cimentas A.S. Vice Chairman Cimbeton A.S. Vice Chairman Aalborg-Portland A.S. Vice Chairman Unicon A.S. Director Caltagirone S.p.A. Director Caltagirone Editore S.p.A. Director Banca Finnat Euramerica S.p.A. Vice Chairman Banca Antonveneta S.p.A	C	/				
Carlo CARLEVARIS	Vice-Chairman	Ord. GM 20.04.2006	X		X	X		80	Chairman Banca Finnat Euramerica S.p.A. Director Caltagirone S.p.A. Director Vianini Lavori S.p.A. Director Vianini Industria S.p.A. Director Il Messaggero S.p.A.			M	100	M	100
Pasquale ALCINI	Director	Ord. GM 20.04.2006	X					60	Director Acqua Campania S.p.A. Director Metro C S.p.A. Vice Chairman Metro of Naples S.p.A						
Alessandro CALTAGIRONE	Director	Ord. GM 20.04.2006	X					60	Chairman Vianini Industria S.p.A. Director il Gazzettino S.p.A. Director Caltagirone S.p.A. Director of Vianini Lavori S.p.A. Director Il Messaggero S.p.A. Director Cimentas A.S.						
Azzurra CALTAGIRONE	Director	Ord. GM 20.04.2006	X					40	Vice Chairman Caltagirone Editore S.p.A. Director Caltagirone S.p.A. Director Il Gazzettino S.p.A. Director Il Messaggero S.p.A.						
Edoardo CALTAGIRONE	Director	Ord. GM 20.04.2006	X					20	Vice Chairman Caltagirone S.p.A.						
Saverio CALTAGIRONE	Director	Ord. GM 20.04.2006	X					100	-						

NAME	POSITION	FROM	NON EXEC	EXEC	INDEP	INDEP. CONS LAW	INDEP CODE	% BOARD	OTHER POSITIONS	EC	% EC	RC	% RC	ICC	% ICC
Flavio CATTANEO	Director	Ord. GM 15.01.2008	X		X	X	X	80	Chief Executive Officer Terna S.p.A						
Mario CILIBERTO	Director	Ord. GM 20.04.2006		X				60	Chairman Aalborg Portland A.S. Chairman Unicon A.S. Chairman Aalborg Portland White A.S. Director Cimentas A.S. Director Cimbeton A.S. Director Cementir Italia S.r.l.						
Massimo CONFORTINI	Director	Ord. GM 15.01.2008	X		X	X	X	80	Director Parmalat S.p.A. Director Caltagirone Editore S.p.A. Member of the Extraordinary Commission for Antonio Merloni S.p.A.			P	100	P	100
Fabio CORSICO	Director	Ord. GM 15.01.2008	X					100	Director Il Gazzettino S.p.A.						
Mario DELFINI	Director	Ord. GM 20.04.2006	X					100	Chairman Vianini Lavori S.p.A. Vice Chairman Cementir Italia S.r.l. Director Caltagirone S.p.A. Director Caltagirone Editore S.p.A. Director Vianini Industria S.p.A. Director Il Messaggero S.p.A. Director Il Gazzettino S.p.A. Director Piemme S.p.A	M	/	M	33	M	50
Alfio MARCHINI	Director	Ord. GM 20.04.2006	X		X	X	X	20	Chairman e CEO Astrim S.p.A. Chairman FI.MAR. S.p.A. Chairman Keryx S.p.A. Director Edilnova Romana S.r.l.						
Walter MONTEVECCHI	Director	Ord. GM 20.04.2006		X				0	Chairman Cimentas A.S. Chairman Cimbeton A.S. Director Aalborg Portland A.S. Director Unicon A.S. Director Cementir Italia S.r.l.						

Riccardo NICOLINI	Director	Ord. GM 20.04.2006		X				100	Chairman Cementir Italia S.r.l. Director Cimentas A.S. Director Cimbeton A.S Director Aalborg Portland A.S.	M	/				
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Exec.: checked if the director is an executive director

Non exec.: checked if the director is a non-executive director

Indep.: checked if the director qualifies as independent pursuant to the criteria applied by the Company

Indep. Cons Law: checked if the director qualifies as independent pursuant to the provisions of Article 148(3) of the Consolidated Law (Art. 144-*decies* of the Consob Issuers Regulations)

Indep Code.: checked if the director qualifies as independent pursuant to the Code

% Board: reports percentage attendance at Board meetings by directors (the percentage is calculated on the basis of the number of meetings the director attended compared with the number of Board meetings held during the year or after having been appointed to the position).

Other positions: reports positions held with other companies listed on regulated markets (including abroad), financial companies, banks, insurance undertakings or large companies, identified on the basis of the criteria established by the Board.

EC: C/M indicates chairman/member of the Executive Committee.

% EC: reports percentage attendance at Executive Committee meetings by directors (the percentage is calculated on the basis of the number of meetings the director attended compared with the number of Executive Committee meetings held during the year or after having been appointed to the position)

RC: C/M indicates chairman/member of the Remuneration Committee.

% RC: reports percentage attendance at Remuneration Committee meetings by directors (the percentage is calculated on the basis of the number of meetings the director attended compared with the number of Remuneration Committee meetings held during the year or after having been appointed to the position)

ICC: C/M indicates chairman/member of the Internal Control Committee.

% ICC: reports percentage attendance at Internal Control Committee meetings by directors (the percentage is calculated on the basis of the number of meetings the director attended compared with the number of Internal Control Committee meetings held during the year or after having been appointed to the position)

Status at 31 December 2008
BOARD OF AUDITORS (2008/ 2009 / 2010)
(No changes at 19 March 2009)
In office until Shareholders' Meeting called to approve the financial statements at 31 December 2010

NAME	POSITION	FROM	INDEP	% PART.	OTHER POSITIONS
CLAUDIO BIANCHI *	CHAIRMAN	Ord. GM 16.04.08	X	100	14
CARLO SCHIAVONE *	STANDING AUDITOR	Ord. GM 16.04.08	X	50	29
GIAMPIERO TASCO *	STANDING AUDITOR	Ord. GM 16.04.08	X	84	33
MARIA ASSUNTA COLUCCIA **	ALTERNATE AUDITOR	Ord. GM 16.04.08	X	-	-
FEDERICO MALORNI *	ALTERNATE AUDITOR	Ord. GM 16.04.08	X	-	-
VINCENZO SPORTELLI *	ALTERNATE AUDITOR	Ord. GM 16.04.08	X	-	-

* Official Auditor appointed with Ministerial Decree of 12.4.1995 published in *Gazzetta Ufficiale* no. 31/bis of 21.4.1995 – 4th special series

** Auditor appointed with Ministerial Decree of 25.11.1999 published in *Gazzetta Ufficiale* no. 100 of 17.12.1999

Position: specifies whether chairman, standing auditor or alternate auditor.

Indep: checked if auditor qualifies as independent pursuant to criteria set out in the Code, specifying at the foot of the table if those criteria have been amended

% part.: reports percentage attendance at meetings of Board of Auditors (the percentage is calculated on the basis of the number of meetings the auditor attended compared with the number of Board of Auditor meetings held during the year or after having been appointed to the position)

Other positions: reports number of positions held with the companies referred to in Book V, Title V, Chapters V, VI and VII of the Civil Code [as indicated in the list attached, pursuant to Art. 144-*quinquiesdecies* of the Consob Issuers Regulation, to the report on monitoring activities prepared by the Board of Auditors pursuant to Article 153(1) of the Consolidated Law.