

Statistics and analyses

2014 Report
on corporate governance
of Italian listed companies



CONSOB
COMMISSIONE NAZIONALE
PER LE SOCIETÀ E LA BORSA

3

December 2014

This publication includes data on ownership and control structure, corporate boards, annual general meetings and related party transactions of Italian listed companies.

This report was prepared by:

Nadia Linciano (coordinator)

Angela Ciavarella

Rossella Signoretti

Research assistants: Federica Apruzzese, Rosanna Digiesi and Elena Frasca.

The authors wish to thank Marcello Bianchi for his methodological hints.

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Data source: unless otherwise stated, data included in the tables were obtained by Consob as part of its institutional supervisory activities.

Editorial secretary: Eugenia Della Libera, Elena Frasca

For information and clarifications

write to: studi_analisi@consob.it.

1. Ownership and control structure
2. Corporate boards
3. Annual general meetings
4. Related party transactions

Sintesi

La struttura proprietaria delle imprese italiane quotate continua a connotarsi per l'elevata concentrazione e la limitata contendibilità del controllo. A fine 2013, in particolare, la metà delle società quotate risulta controllata con partecipazioni superiori al 50 per cento del capitale, il 20 per cento circa con partecipazioni inferiori e il 16 per cento circa attraverso patti parasociali. Questi ultimi mostrano, rispetto al 2010, una riduzione significativa: il numero di società controllate da una coalizione di azionisti è passato da 51 a 38 (dal 12.4 al 10.4 per cento in termini di capitalizzazione). Solo 10 società possono essere definite a proprietà dispersa (cosiddette *widely held companies*).

Le famiglie continuano a rivestire un ruolo rilevante come azionisti di controllo (cosiddetto *'ultimate controlling agent'*), in quanto ad esse sono riconducibili il 61 per cento delle società quotate, prevalentemente piccole e operanti nel settore industriale. Lo Stato è invece azionista di riferimento in imprese di maggiori dimensioni operanti nel settore dei servizi, mentre le società non controllate sono prevalentemente finanziarie.

L'utilizzo di meccanismi di separazione tra proprietà e controllo, in riduzione rispetto al 1998, appare stabile negli ultimi quattro anni. Le imprese appartenenti a gruppi piramidali o alla parte verticale di gruppi misti sono oggi poco meno del 20 per cento del totale delle società quotate (38,5 per cento nel 1998), mentre le imprese che emettono azioni senza diritto di voto sono solo 28 (32 nel 2012 e 120 nel 1992). Nelle società che ricorrono a strumenti di rafforzamento del controllo, in media i diritti di voto superano i diritti ai flussi di cassa del 19 per cento circa.

Dal 2009 a oggi è cresciuto da 92 a 96 il numero di società in cui è presente almeno un investitore istituzionale rilevante nel capitale. Tale trend è dovuto prevalentemente a soggetti stranieri, presenti a fine 2013 in 62 società (47 nel 2009). Inoltre mostrano un ruolo crescente nel mercato italiano gli investitori istituzionali con una strategia di portafoglio più attiva (in particolare, fondi di *venture capital* e *private equity* e fondi sovrani).

A fine 2013 gli organi di amministrazione delle società quotate italiane sono composti in media da circa 10 membri, di cui 4,6 indipendenti e 1,7 eletti dalle liste di minoranza. In ogni impresa vi sono in media due amministratori *interlockers*, pari a circa un quinto del *board*. Il fenomeno interessa prevalentemente le società industriali e di maggiori dimensioni.

A seguito dell'emanazione della Legge 120/2011, la rappresentanza femminile è cresciuta in modo consistente. A fine giugno 2014, più del 22,2 per cento dei posti di consigliere risulta ricoperto da donne (11,6 per cento a fine 2012), mentre almeno una donna siede nel *board* in 220 imprese (169 a fine 2012). La composizione di genere è più equilibrata nelle società che hanno

rinnovato il *board* dopo l'entrata in vigore della Legge 120/2011: in particolare, le donne sono in media 2,5 nelle 138 società che hanno proceduto al primo rinnovo dell'organo di amministrazione, 3,8 nelle sei società che hanno già effettuato il secondo rinnovo e 1,5 nelle 99 imprese per le quali, alla data del 30 giugno 2014, la legge non ha ancora trovato applicazione.

Le donne ricoprono principalmente cariche non esecutive: sono amministratori indipendenti nel 64 per cento dei casi, mentre rivestono il ruolo di amministratore delegato solo nel 3,1 per cento dei casi.

Oltre alla rappresentanza femminile, riveste un certo interesse anche l'analisi del grado di eterogeneità (cosiddetta *diversity*) degli organi di amministrazione delle società quotate italiane con riferimento a età, istruzione, nazionalità e profilo professionale.

A fine 2013 gli amministratori delle società italiane quotate hanno in media 57 anni e sono stranieri solo nel 6 per cento dei casi. Circa l'85 per cento è in possesso del diploma di laurea e, tra questi, il 16,5 per cento anche di un titolo di studio post-laurea (master, dottorato o entrambi). Prevalgono le lauree nelle discipline economiche (46,0 per cento), seguite da quelle in giurisprudenza (15,8 per cento) e ingegneria (13,6 per cento). Il profilo professionale più frequente è quello manageriale (75 per cento dei casi); i professionisti/consulenti rappresentano il 16,3 per cento mentre gli accademici costituiscono l'8,1 per cento del totale.

Le imprese operanti nel settore dei servizi presentano una maggiore percentuale di amministratori stranieri, laureati e in possesso di un titolo di studio post-laurea. Inoltre, come si evince dalla distribuzione delle società per la tipologia dell'azionista di controllo, i *board* degli emittenti controllati da un soggetto avente natura finanziaria mostrano una maggiore eterogeneità, connotandosi per una presenza più rilevante di membri più giovani, stranieri e con un livello di istruzione più elevato, nonché per una maggiore rappresentanza femminile. Le imprese controllate da famiglie e quelle non controllate hanno *board* meno istruiti, mentre donne e stranieri sono meno rappresentati nelle imprese statali.

Alcune interessanti evidenze emergono classificando gli amministratori in base alla relazione esistente con l'azionista di controllo. A fine 2013, poco più del 16 per cento degli amministratori (pari a 381 su un totale di 2.332) sono classificabili come *family*, ossia risultano essi stessi azionisti di controllo ovvero sono a questi legati da rapporti di parentela. Tra i *non-family*, il peso degli amministratori laureati e di coloro che hanno conseguito un titolo di studio post-laurea supera di 19 punti percentuali il dato per i *family*, raggiungendo l'88 per cento; inoltre, tra i laureati, il 17 per cento ha conseguito un master e/o un dottorato (12,9 per cento per i *family*). Per quanto riguarda il profilo professionale, risulta prevalente quello manageriale sia tra gli amministratori *family* sia tra i *non-family*. Tuttavia, mentre i primi sono quasi esclusivamente manager, i secondi sono spesso anche professionisti/consulenti o accademici, in particolare le donne.

1. Ownership and control structure
2. Corporate boards
3. Annual general meetings
4. Related party transactions

Le nomine effettuate dopo l'entrata in vigore, nell'agosto 2012 della Legge 120/2011 hanno contribuito ad aumentare la *board diversity*. Gli amministratori nominati dopo il 31 dicembre 2012 sono più istruiti (in particolare, le donne) e sono raramente *family*. Inoltre, le donne neo assunte sono professioniste/consulenti più frequentemente delle altre (35,5 per cento versus 17,3 per cento).

Gli amministratori partecipano in media al 91 per cento delle riunioni del *board*. Il dato sale al 94,8 per cento nelle imprese controllate dallo Stato. Inoltre, la partecipazione alle riunioni è mediamente superiore per gli amministratori *family* rispetto ai *non-family* (rispettivamente, 92,7 e 90,9 per cento), prevalentemente per effetto degli uomini, poiché le donne *family* si caratterizzano per un tasso di partecipazione più basso delle *non-family*.

Come si evince dalle relazioni sulla remunerazione pubblicate per l'esercizio 2012 dalle società italiane quotate, 55 società prevedono indennità in caso di cessazione anticipata della carica di amministratore delegato (cosiddetto *golden parachute*). Nella maggior parte dei casi, il soggetto che ricopre la carica di amministratore delegato è anche direttore generale (23 società) o è comunque legato alla società da un rapporto di lavoro dipendente (10 società). In 36 imprese, benché non siano previsti benefici di fine rapporto, le politiche sulla remunerazione contemplano espressamente la possibilità per la società di riconoscere un'indennità nell'eventualità in cui l'amministratore delegato cessi anticipatamente dalla carica.

Tra le società che hanno previsto, anche in via facoltativa, un'indennità in favore del proprio amministratore delegato nel 50 per cento circa dei casi la maturazione del diritto è legata al presupposto della giusta causa di scioglimento del rapporto. Nel 46 per cento delle società che hanno previsto l'attribuzione o la facoltà di attribuire l'indennità, inoltre, la misura del trattamento di fine rapporto è definita in termini di un multiplo della retribuzione annuale o mensile dell'amministratore cessato. L'indennità è invece stabilita in valore assoluto o forfettario in circa il 9 per cento delle società; in altri casi, la misura del trattamento prende a riferimento i compensi spettanti fino al termine del mandato o di un'eventuale durata minima dell'incarico.

La presenza di *golden parachute* è più frequente nelle società di maggiori dimensioni (circa il 57 per cento delle società appartenenti all'indice Ftse Mib ha previsto ex ante tali accordi) e operanti nel settore dei servizi. Guardando alla struttura proprietaria delle società, i dati mostrano che la previsione di tali accordi (anche in via discrezionale) è più rara nelle società controllate di diritto (circa 31 per cento) e a controllo familiare (28 per cento) e più frequente nelle società a proprietà dispersa (circa 67 per cento) e dove il controllo è esercitato dallo Stato (68 per cento).

La previsione di accordi di *severance* è inoltre legata ad alcune caratteristiche degli amministratori. Distinguendo i manager in funzione degli

eventuali rapporti di parentela con l'azionista di controllo, emerge che la previsione di trattamenti di fine mandato è frequente per manager *non-family* (33 per cento) e molto rara tra gli altri (3,8 per cento). Tali accordi sono altresì più frequenti per gli amministratori laureati e in possesso di un titolo di studio post-laurea.

L'evidenza relativa alle assemblee tenute nel 2014 dalle società a medio-alta capitalizzazione (indici Ftse Mib e Mid Cap) mostra un aumento della presenza degli investitori istituzionali, passata in media dal 15 per cento del capitale nel 2013 al 19 per cento. Tale aumento è riconducibile prevalentemente agli investitori istituzionali esteri, il cui peso ha raggiunto il 18 per cento del capitale, mentre la partecipazione degli istituzionali italiani rimane stabile attorno all'uno per cento. Le società del settore finanziario e dei servizi hanno registrato la più alta partecipazione degli investitori istituzionali, in media pari a circa un quinto dell'assemblea. In particolare, gli investitori istituzionali italiani sono maggiormente presenti nelle assemblee delle società di servizi (1,3 per cento del capitale contro 0,9 per cento negli altri settori).

Le rilevazioni sul *say-on-pay* mostrano che, in linea con il biennio 2012-2013, gli investitori istituzionali hanno espresso dissenso sulle politiche sulla remunerazione delle società a medio-alta capitalizzazione per circa il 30 per cento delle azioni complessivamente detenute. Il dissenso si è concentrato nelle società dell'indice Ftse Mid Cap, per le quali l'incidenza dei voti contrari espressi sia della generalità dei soci sia dai soli investitori istituzionali è raddoppiata rispetto agli anni 2012-2013. In tali società, inoltre, gli investitori istituzionali hanno espresso voto contrario sulle politiche sulla remunerazione per oltre un terzo delle azioni detenute (33,8 per cento); lo stesso dato era pari a circa il 26 per cento nel 2013. Le politiche retributive delle società appartenenti all'indice Ftse Mib hanno invece ricevuto minore dissenso rispetto agli anni precedenti da parte degli investitori istituzionali, i quali hanno espresso voto contrario per il 27 per cento delle proprie azioni, dato in riduzione rispetto al 32 per cento circa del 2013 e al 37 per cento del 2012.

Il dissenso è più elevato tra le società operanti nel settore dei servizi, dove in media il 12,9 per cento dell'assemblea ha votato contro la politica retributiva proposta. Il dato relativo al voto dei soli investitori istituzionali evidenzia, tuttavia, che il dissenso si è concentrato nelle società industriali, mentre è stato considerevolmente inferiore nelle società finanziarie.

Le rilevazioni mostrano inoltre che il dissenso generale dell'assemblea sulla politica sulle remunerazioni è più elevato nelle società in cui è presente (almeno) un amministratore di minoranza e gli amministratori indipendenti costituiscono la maggioranza dell'organo amministrativo. L'evidenza riferibile ai soli investitori istituzionali è tuttavia opposta, avendo tali investitori espresso per oltre un terzo delle proprie azioni voto contrario nelle società in cui la maggioranza dell'organo amministrativo non è indipendente e nessun componente è stato designato dalle minoranze.

1. Ownership and control structure
2. Corporate boards
3. Annual general meetings
4. Related party transactions

In applicazione delle regole in materia di trasparenza sulle operazioni di maggiore rilevanza con parti correlate, introdotte dal Regolamento Consob n. 17221/2010, nel triennio 2011-2013 sono stati pubblicati quasi 80 documenti informativi l'anno; il dato per il primo semestre 2014 si attesta a 28 documenti. A porre in essere tali operazioni sono state principalmente società a bassa capitalizzazione e operanti nei settori finanziario e industriale.

La maggior parte delle operazioni di maggiore rilevanza comunicate a partire dal 2011 è rappresentata da contratti di finanziamento, di fornitura di beni o di prestazione di servizi che hanno interessato i flussi di cassa dell'impresa (circa 55 per cento del totale). In oltre un caso su quattro l'operazione ha comportato il trasferimento di *asset* ceduti o acquistati dalla parte correlata, mentre con minor frequenza (20 per cento circa dei casi) sono state realizzate fusioni, aumenti di capitale riservati o altre operazioni che hanno modificato la partecipazione relativa della parte correlata rispetto agli altri azionisti. La controparte delle operazioni è rappresentata nell'83 per cento dei casi dagli azionisti di controllo o da soci in grado di esercitare un'influenza significativa sulla società; in appena un caso su 10 le operazioni comunicate hanno avuto quale controparte società controllate o collegate e ancor più rari sono i casi di operazioni poste in essere con amministratori che non siano anche azionisti (5 per cento).

In applicazione della specifica facoltà di esclusione prevista dal Regolamento, le società hanno derogato agli obblighi di pubblicazione di un documento informativo per circa 30 operazioni l'anno, classificate come ordinarie e a condizioni di mercato e comunicate alla Consob. Le operazioni ordinarie hanno riguardato in prevalenza società a elevata capitalizzazione e *utilities*. Nella maggior parte dei casi, tali operazioni rientrano nell'attività operativa della società che le ha poste in essere (fornitura/prestazione di beni/servizi tipici per società non finanziarie e operazioni di finanziamento per le banche). In un terzo dei casi, si tratta invece di operazioni di finanziamento poste in essere da società non finanziarie, che beneficiano dell'esenzione in quanto strettamente connesse all'attività operativa *core* della società quotata.

Table of contents

1. Ownership and control structure	11
Table 1.1 Market capitalisation of Italian listed companies by industry.....	13
Table 1.2 Control model of Italian listed companies.....	13
Table 1.3 Ownership concentration in Italian listed companies.....	13
Table 1.4 Identity of the 'ultimate controlling agent' (UCA) in Italian listed companies by market index.....	14
Table 1.5 Identity of the 'ultimate controlling agent' (UCA) in Italian listed companies by industry.....	14
Table 1.6 Major institutional investors' shareholdings in Italian listed companies.....	14
Table 1.7 Major institutional investors' shareholdings in Italian listed companies by market index.....	15
Table 1.8 Major institutional investors' shareholdings in Italian listed companies by industry.....	15
Table 1.9 Stakes held by major institutional investors in Italian listed companies.....	16
Table 1.10 Stakes held by major Italian institutional investors in Italian listed companies.....	16
Table 1.11 Stakes held by major foreign institutional investors in Italian listed companies by industry.....	17
Table 1.12 Corporate groups in Italian listed companies.....	17
Table 1.13 Separation between ownership and control in Italian listed companies belonging to pyramidal or mixed groups.....	18
Table 1.14 Italian listed companies issuing non-voting shares.....	18
Table 1.15 Control enhancing mechanisms in Italian listed companies by industry.....	18
2. Corporate boards	19
Table 2.1 Italian listed companies by management and control system.....	24
Table 2.2 Average size of corporate boards in Italian listed companies.....	24
Table 2.3 Independent directors on corporate boards of Italian listed companies.....	24
Table 2.4 Minority directors on corporate boards of Italian listed companies.....	25
Table 2.5 Multiple directorship (interlocking) in Italian listed companies by industry.....	25
Table 2.6 Infra and extra-group interlocking in Italian listed companies by market index.....	25
Table 2.7 Remuneration committee in Italian listed companies by industry.....	26
Table 2.8 Nomination committee in Italian listed companies by industry.....	26
Table 2.9 Internal control and risk management committee in Italian listed companies by industry.....	26
Table 2.10 Board committees in Italian listed companies by year.....	27
Table 2.11 Self-evaluation of the management board and succession plan in Italian listed companies by industry.....	27
Table 2.12 Self-evaluation of the management board and succession plan in Italian listed companies by year.....	27
Table 2.13 Board of statutory auditors of Italian listed companies by industry.....	27
Table 2.14 Female representation on corporate boards of Italian listed companies.....	28

1. Ownership and control structure
2. Corporate boards
3. Annual general meetings
4. Related party transactions

Table 2.15	Female representation on corporate boards of Italian listed companies and application of Law 120/2011	28
Table 2.16	Female representation on corporate boards of Italian listed companies by market index.....	28
Table 2.17	Female representation on corporate boards of Italian listed companies by industry	29
Table 2.18	Positions held by female directors in Italian listed companies.....	29
Table 2.19	Board diversity in Italian listed companies by industry	29
Table 2.20	Educational and professional background of board members in Italian listed companies.....	30
Table 2.21	Directors' attributes and board meeting attendance in Italian listed companies by typology of 'ultimate controlling agent'	30
Table 2.22	Directors' attributes and board meeting attendance in Italian listed companies by gender and relationship with the controlling shareholder	31
Table 2.23	Directors' attributes and board meeting attendance in Italian listed companies by gender and tenure	31
Table 2.24	Indemnities in case of early termination of the mandate ('golden parachutes') envisaged for chief executive officers in Italian listed companies.....	32
Table 2.25	Triggering events of 'golden parachutes' envisaged for chief executive officers in Italian listed companies.....	32
Table 2.26	Pay provisions of 'golden parachutes' envisaged for chief executive officers in Italian listed companies.....	32
Table 2.27	Indemnities in case of termination of the mandate on expiry date and non-competition agreements envisaged for chief executive officers in Italian listed companies	33
Table 2.28	'Golden parachutes' envisaged for chief executive officers in Italian listed companies by market index	33
Table 2.29	'Golden parachutes' envisaged for chief executive officers in Italian listed companies by industry	33
Table 2.30	'Golden parachutes' envisaged for chief executive officers in Italian listed companies by control model	34
Table 2.31	'Golden parachutes' envisaged for chief executive officers in Italian listed companies by 'ultimate controlling agent'	34
Table 2.32	'Golden parachutes' envisaged for chief executive officers in Italian listed companies by directors' attributes	34

3. Annual general meetings

Table 3.1	Attendance at the AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes	37
Table 3.2	Attendance at the 2014 AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes by industry	37
Table 3.3	Attendance of major institutional investors at the AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes	38
Table 3.4	Attendance of non-major institutional investors at the AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes	38
Table 3.5	Shareholders' say-on-pay at the AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes.....	39

Table 3.6	Shareholders' say-on-pay at the AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes by index	39
Table 3.7	Shareholders' say-on-pay at the AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes by industry.....	40
Table 3.8	Shareholders' say-on-pay at the 2014 AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes by control model	40
Table 3.9	Shareholders' say-on-pay at the 2014 AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes by some board features.....	41

4. Related party transactions..... 42

Table 4.1	Material related party transactions disclosed by Italian listed companies by market index.....	44
Table 4.2	Material related party transactions disclosed by Italian listed companies by industry.....	44
Table 4.3	Material related party transactions disclosed by Italian listed companies according to transaction and counterparty.....	44
Table 4.4	Material related party transactions disclosed by Italian listed companies in the first half of 2014 according to transaction and counterparty.....	45
Table 4.5	Material related party transactions in the ordinary course of business exempted from disclosure and approval requirements by market index.....	45
Table 4.6	Material related party transactions in the ordinary course of business exempted from disclosure and approval requirements by industry.....	45
Table 4.7	Material related party transactions in the ordinary course of business exempted from disclosure and approval requirements according to nature of the transaction and counterparty.....	46
Table 4.8	Material related party transactions in the ordinary course of business exempted from disclosure and approval requirements in the first half of 2014 according to nature of the transaction and counterparty	46

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Ownership and control structure

High ownership concentration and limited contestability of control keep being key features of the Italian listed firms, as shown by the data on control model and ownership structure at the end of 2013.

Almost 70 percent of the companies (accounting for about 64 percent of market capitalisation) are majority controlled either by a single shareholder (holding more than half of the ordinary shares – 'majority controlled companies'), or by a shareholder playing a dominant role even owning a stake lower than 50 percent ('weakly controlled companies'). As for coalitional control structures, at December 2013 both the number of firms (38 out of 244) and their weight on market capitalisation (10.4 percent) continue being higher than their historical records (respectively, 28 and 8.3 percent in 1998), although declining with respect to 2010 figures (respectively, 51 and 12.4 percent). Finally, 10 companies are classified as widely held (Table 1.2).

In the last four years the ownership concentration has not undergone significant changes either. At the end of 2013, in line with the 1998 records, the average stake held by the largest shareholder is approximately 47 percent of the ordinary shares, whereas other major shareholders own on average 16.5 percent of the ordinary shares. Finally, the market (i.e. shareholders with a stake lower than 2 percent) records a figure around 37 percent of ordinary shares (Table 1.3).

Families play the major role as 'ultimate controlling shareholders' in 61 percent of the firms (around 30 percent of total market capitalisation), especially smaller companies operating in the industrial sector. State and local authorities are more relevant in largest firms and in the services industry, while more than half of the financial firms do not have an ultimate controlling shareholder, being non-controlled companies (Tables 1.4 and 1.5).

At the end of 2013, institutional investors show a steady and increasing presence in the ownership of Italian listed companies, being major shareholders in 96 firms (92 in 2012 and 2009). This figure averages two different trends ascribable, respectively, to Italian and foreign institutional investors. In more detail, while the number of companies recording at least one Italian institutional investor has kept declining over the few years (from 57 in 2009 to 42 in 2013), the number of firms with foreign investors have marked an opposite trend (from 47 in 2009 to 62 in 2013). However, at December 2013, the mean shareholding is substantially similar across investors (5.9 and 5.6 for domestic and foreign investors, respectively; Tables 1.6 -1.8).

Records by type of institutional investors show that the number of major stakes held by banks and insurance companies, either Italian or foreign, has decreased over the last year (from 79 in 2012 to 60 in 2013). In contrast, asset manager, private equity, venture capital and sovereign funds, especially foreign, have raised notably their stakes, in line with the trends outlined in the last five years (Tables 1.9-1.11).

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

The use of control enhancing mechanisms has been quite stable in the last four years and lower than in 1998. The companies belonging to pyramids or to the vertical structure of a mixed group weigh significantly less both in terms of number (from 38.5 to 19.7 percent of all listed companies) and market capitalisation (declining by almost 30 percentage points; Table 1.12). In these firms, voting rights are on average 16.9 percent higher than cash flow rights (Table 1.13).

During 2013, the use of non-voting shares (preference and savings shares) kept declining, thus confirming the trend recorded in the last twenty years. In more details, at the end of 2013 firms issuing non-voting shares were 28 (32 at the end of the previous year), compared to the 120 in 1992 (Table 1.14). By resorting to non-voting shares and/or to pyramidal groups, more than two Italian listed firms out of ten separate ownership from control: this results in a wedge between voting rights and cash flow rights equal on average to 18.7 percent (Table 1.15).

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 1.1 – Market capitalisation of Italian listed companies by industry
(end of 2013)

	companies		capitalisation ¹			
	no.	%	mean	median	total	%
financial	53	21.7	2,624	387	139,125	32.7
industrial	136	55.8	1,343	108	182,681	43.0
services	55	22.5	1,876	182	103,233	24.3
<i>total</i>	<i>244</i>	<i>100.0</i>	<i>1,741</i>	<i>151</i>	<i>425,039</i>	<i>100.0</i>

Source: Borsa Italiana spa. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. ¹ Capitalisation of the ordinary shares of Italian listed companies (millions of euro). Industry classification by Borsa Italiana spa.

Table 1.2 – Control model of Italian listed companies
(end of the year)

	controlled companies						non-controlled companies						total	
	majority controlled ¹		weakly controlled ²		controlled by a shareholders' agreement ³		cooperative companies		widely held ⁴		non-widely held ⁵		no.	% market cap ⁶
	no.	% market cap ⁶	no.	% market cap ⁶	no.	% market cap ⁶	no.	% market cap ⁶	no.	% market cap ⁶	no.	% market cap ⁶		
1998	122	31.2	33	21.8	28	8.3	10	3.1	10	24.1	13	11.5	216	100.0
2010	128	20.6	53	43.0	51	12.4	8	3.4	11	20.3	19	0.3	270	100.0
2011	123	22.3	55	45.8	48	12.0	8	3.2	8	16.4	18	0.3	260	100.0
2012	125	22.8	49	44.0	42	10.1	8	3.2	10	19.2	17	0.7	251	100.0
2013	122	24.1	48	40.1	38	10.4	8	3.3	10	21.6	18	0.5	244	100.0

Source: Consob. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. ¹ Companies not controlled by a shareholders' agreement where a single shareholder owns more than half of the ordinary shares. ² Companies neither controlled by a shareholders' agreement nor majority controlled, included in one of the following categories: *i*) a single shareholder holds at least 30% of the ordinary shares; *ii*) a single shareholder holds a stake *a*) at least equal to 20% of the ordinary shares and *b*) higher than half of the sum of the ordinary shares held by all the major shareholders (i.e. by shareholders with more than 2%). ³ Classified in one of the following categories: *i*) listed companies, not controlled by a single shareholder, on whose capital exists a shareholders' agreement regarding at least 20% of the ordinary shares; *ii*) listed companies controlled by an unlisted company, not controlled by a single shareholder, on whose capital exists a shareholders' agreement regarding the majority of the capital. ⁴ Companies neither controlled by a single shareholder (majority controlled and weakly controlled) nor by a shareholders' agreement with a free float higher than 70% of the ordinary shares. ⁵ Companies not included in any of the previous models. ⁶ Market value of ordinary shares of companies in each group in percentage of the market capitalisation of ordinary shares of all listed companies.

Table 1.3 – Ownership concentration in Italian listed companies
(end of the year)

	largest shareholder ¹		other major shareholders ²		market ³		controlling share ⁴	
	simple mean	weighted mean ⁵	simple mean	weighted mean ⁵	simple mean	weighted mean ⁵	simple mean	weighted mean ⁵
1998	48.7	34.7	14.7	10.0	36.5	55.3	51.7	35.0
2010	46.2	34.0	17.7	13.5	36.1	52.5	49.6	34.6
2011	46.1	35.7	17.6	11.4	36.3	52.9	49.7	35.7
2012	46.8	34.8	16.9	9.4	36.4	55.8	49.6	34.4
2013	46.8	34.8	16.5	10.2	36.7	55.0	48.9	34.2

Source: Consob. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Cooperatives are excluded. ¹ Means of the ordinary shares held by the largest shareholder of all Italian listed companies. ² Means of the ordinary shares held by all major shareholders other than the largest. ³ Means of the ordinary shares not held by major shareholders (i.e. by shareholders with less than 2%). ⁴ Means of the ordinary shares held by the largest shareholder in companies not controlled by a shareholders' agreement and held by the coalition in companies controlled by a shareholders' agreement. The controlling stake is assumed zero in widely held companies. ⁵ Weighted by the market value of ordinary shares.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 1.4 – Identity of the 'ultimate controlling agent' (UCA) in Italian listed companies by market index
(end of 2013)

	Ftse Mib			Mid Cap ¹			Star ¹			other			total		
	no.	weight ²	% market cap ³	no.	weight ²	% market cap ³	no.	weight ²	% market cap ³	no.	weight ²	% market cap ³	no.	weight ²	% market cap ³
families	15	39.5	23.6	22	55.0	54.0	50	74.6	79.0	62	62.6	34.0	149	61.1	29.6
state and local authorities	10	26.3	40.3	4	10.0	13.3	2	3.0	3.9	5	5.1	4.4	21	8.6	34.7
financial institutions	0	0.0	0.0	2	5.0	4.1	1	1.5	1.9	6	6.1	4.6	9	3.7	0.7
mixed ⁴	3	7.9	6.1	3	7.5	7.5	1	1.5	5.4	9	9.1	40.4	16	6.6	7.2
no UCA ⁵	10	26.3	30.1	9	22.5	21.1	13	19.4	9.9	17	17.2	16.6	49	20.0	27.8

Source: Consob. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. ¹ Companies both in the Star and in the Mid Cap indexes are included only in the Star category. ² Number of companies in each group in percentage of the total number of companies included in each market index. ³ Market value of ordinary shares of companies in each group in percentage of market capitalisation of ordinary shares of all companies included in each market index. ⁴ Companies not included in any of the previous category (e.g. companies controlled by both financial institutions and families or controlled by many natural persons). ⁵ Non-controlled companies (i.e. cooperative companies, widely held, non-widely held – see Table 1.2) and listed companies controlled by a non-controlled company.

Table 1.5 – Identity of the 'ultimate controlling agent' (UCA) in Italian listed companies by industry
(end of 2013)

	financial			industrial			services			total		
	no.	weight ¹	% market cap ²	no.	weight ¹	% market cap ²	no.	weight ¹	% market cap ²	no.	weight ¹	% market cap ²
families	15	28.3	12.1	106	77.9	48.6	28	50.9	19.7	149	61.1	29.7
state and local authorities	2	3.8	2.1	7	5.1	41.4	12	21.8	66.6	21	8.6	34.7
financial institutions	2	3.8	0.8	5	3.7	0.9	2	3.6	0.2	9	3.7	0.7
mixed ³	3	5.7	5.3	5	3.7	6.3	8	14.5	11.1	16	6.6	7.2
no UCA ⁴	31	58.5	79.6	13	9.6	2.8	5	9.1	2.4	49	20.0	27.8

Source: Consob. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Industry classification by Borsa Italiana spa. ¹ Number of companies in each group in percentage of the total number of companies included in each industry. ² Market value of ordinary shares of companies in each group in percentage of market capitalisation of ordinary shares of all companies included in each industry. ³ Companies not included in any of the previous category (e.g. companies controlled by both financial institutions and families). ⁴ Non-controlled companies (i.e. cooperative companies, widely held, non-widely held – see Table 1.2) and listed companies controlled by a non-controlled company.

Table 1.6 – Major institutional investors' shareholdings in Italian listed companies
(end of the year)

	at least one institutional investor		at least one Italian institutional investor		at least one foreign institutional investor	
	no. of companies	mean shareholding ¹	no. of companies	mean shareholding ¹	no. of companies	mean shareholding ¹
2009	92	6.4	57	5.2	47	6.2
2010	98	7.3	56	6.0	57	6.6
2011	92	7.2	58	6.1	50	6.1
2012	92	7.2	53	5.9	54	6.4
2013	96	6.2	42	5.9	62	5.6

Source: Consob. Data on Italian listed companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Major institutional investors are defined as those which are subject to reporting obligations according to Consob rules (art. 119 bis, par. 7 and 8 of the Issuers Regulation) and whose shareholdings are lower than 10%. The underlying hypothesis is that investors holding more than 10% of a company's capital are not institutional. Major shareholdings disclosure thresholds have changed twice in the observed period. Firstly, asset managers holding more than 5% of a company's capital have been exempted from reporting obligation with Consob Resolution no. 16850, adopted on 1st April 2009. Later, with Consob Resolution no. 18214, adopted on 9th May 2012, the exemption has been widened to include also alternative funds such as private equity and venture capital. Consequently, in order to make the series comparable across time, in each year shareholdings by asset managers, private equity and venture capital are included if higher than 5%, while other investors are included if their stake is higher than 2%.

¹ Simple mean of shareholdings by institutional investors in all listed companies where at least one institutional investor of the relevant category is present.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 1.7 – Major institutional investors' shareholdings in Italian listed companies by market index
(end of 2013)

	at least one institutional investor		at least one Italian institutional investor		at least one foreign institutional investor	
	no. of companies	mean shareholding ¹	no. of companies	mean shareholding ¹	no. of companies	mean shareholding ¹
Ftse Mib	22	5.5	4	3.0	18	6.0
Mid Cap ²	25	6.3	9	5.8	21	5.0
Star ²	25	5.4	10	4.3	16	5.8
other	24	7.7	19	7.5	7	6.1
<i>total</i>	<i>96</i>	<i>6.2</i>	<i>42</i>	<i>5.9</i>	<i>62</i>	<i>5.6</i>

Source: Consob. Data on Italian listed companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Major institutional investors are defined as those which are subject to reporting obligations according to Consob rules (art. 119 bis, par. 7 and 8 of the Issuers Regulation) and whose shareholdings are lower than 10%. The underlying hypothesis is that investors holding more than 10% of a company's capital are not institutional. Major shareholdings disclosure thresholds have changed twice in the observed period. Firstly, asset managers holding more than 5% of a company's capital have been exempted from reporting obligation with Consob Resolution no. 16850, adopted on 1st April 2009. Later, with Consob Resolution no. 18214, adopted on 9th May 2012, the exemption has been widened to include also alternative funds such as private equity and venture capital. Consequently, in order to make the series comparable across time, in each year shareholdings by asset managers, private equity and venture capital are included if higher than 5%, while other investors are included if their stake is higher than 2%.¹ Simple mean of shareholdings by institutional investors in all listed companies where at least one institutional investor of the relevant category is present. ² Companies both in the Star and in the Mid Cap indexes are included only in the Star category.

Table 1.8 – Major institutional investors' shareholdings in Italian listed companies by industry
(end of 2013)

	at least one institutional investor		at least one Italian institutional investor		at least one foreign institutional investor	
	no. of companies	mean shareholding ¹	no. of companies	mean shareholding ¹	no. of companies	mean shareholding ¹
financial	32	6.9	14	6.7	21	6.1
industrial	44	5.9	18	5.4	30	5.4
services	20	5.9	10	5.7	11	5.4
<i>total</i>	<i>96</i>	<i>6.2</i>	<i>42</i>	<i>5.9</i>	<i>62</i>	<i>5.6</i>

Source: Consob. Data on Italian listed companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Industry classification by Borsa Italiana spa. Major institutional investors are defined as those which are subject to reporting obligations according to Consob rules (art. 119 bis, par. 7 and 8 of the Issuers Regulation) and whose shareholdings are lower than 10%. The underlying hypothesis is that investors holding more than 10% of a company's capital are not institutional. Major shareholdings disclosure thresholds have changed twice in the observed period. Firstly, asset managers holding more than 5% of a company's capital have been exempted from reporting obligation with Consob Resolution no. 16850, adopted on 1st April 2009. Later, with Consob Resolution no. 18214, adopted on 9th May 2012, the exemption has been widened to include also alternative funds such as private equity and venture capital. Consequently, in order to make the series comparable across time, in each year shareholdings by asset managers, private equity and venture capital are included if higher than 5%, while other investors are included if their stake is higher than 2%.¹ Simple mean of shareholdings by institutional investors in all listed companies where at least one institutional investor of the relevant category is present.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 1.9 – Stakes held by major institutional investors in Italian listed companies
(end of the year)

	asset managers		banks and insurance companies		private equity, venture capital and sovereign funds		total	
	no. of stakes ¹	mean stake ²	no. of stakes ¹	mean stake ²	no. of stakes ¹	mean stake ²	no. of stakes ¹	mean stake ²
2009	32	6.5	75	4.2	11	5.9	118	5.0
2010	35	6.3	88	4.1	28	4.7	151	4.7
2011	30	5.8	80	4.3	30	4.8	140	4.7
2012	31	6.2	79	4.2	29	4.5	139	4.7
2013	33	6.3	60	4.4	36	3.6	129	4.6

Source: Consob. Data on Italian listed companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Major institutional investors are defined as those which are subject to reporting obligations according to Consob rules (art. 119 bis, par. 7 and 8 of the Issuers Regulation) and whose shareholdings are lower than 10%. The underlying hypothesis is that investors holding more than 10% of a company's capital are not institutional. Major shareholdings disclosure thresholds have changed twice in the observed period. Firstly, asset managers holding more than 5% of a company's capital have been exempted from reporting obligation with Consob Resolution no. 16850, adopted on 1st April 2009. Later, with Consob Resolution no. 18214, adopted on 9th May 2012, the exemption has been widened to include also alternative funds such as private equity and venture capital. Consequently, in order to make the series comparable across time, in each year shareholdings by asset managers, private equity and venture capital are included if higher than 5%, while other investors are included if their stake is higher than 2%.

¹ Number of stakes held by major institutional investors. ² Simple mean of stakes held by major institutional investors.

Table 1.10 – Stakes held by major Italian institutional investors in Italian listed companies
(end of the year)

	asset managers		banks and insurance companies		private equity, venture capital and sovereign funds		total	
	no. of stakes ¹	mean stake ²	no. of stakes ¹	mean stake ²	no. of stakes ¹	mean stake ²	no. of stakes ¹	mean stake ²
2009	5	6.5	54	4.3	5	6.1	64	4.6
2010	5	6.3	56	4.6	7	6.6	68	4.9
2011	5	6.3	59	4.6	8	6.5	72	4.9
2012	4	5.0	58	4.5	5	6.8	67	4.7
2013	1	5.1	47	4.6	5	5.2	53	4.7

Source: Consob. Data on Italian listed companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Major institutional investors are defined as those which are subject to reporting obligations according to Consob rules (art. 119 bis, par. 7 and 8 of the Issuers Regulation) and whose shareholdings are lower than 10%. The underlying hypothesis is that investors holding more than 10% of a company's capital are not institutional. Major shareholdings disclosure thresholds have changed twice in the observed period. Firstly, asset managers holding more than 5% of a company's capital have been exempted from reporting obligation with Consob Resolution no. 16850, adopted on 1st April 2009. Later, with Consob Resolution no. 18214, adopted on 9th May 2012, the exemption has been widened to include also alternative funds such as private equity and venture capital. Consequently, in order to make the series comparable across time, in each year shareholdings by asset managers, private equity and venture capital are included if higher than 5%, while other investors are included if their stake is higher than 2%.

¹ Number of stakes held by major institutional investors. ² Simple mean of stakes held by major institutional investors.

3

December 2014

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 1.11 – Stakes held by major foreign institutional investors in Italian listed companies by industry
(end of the year)

	asset managers		banks and insurance companies		private equity, venture capital and sovereign funds		total	
	no. of stakes ¹	mean stake ²	no. of stakes ¹	mean stake ²	no. of stakes ¹	mean stake ²	no. of stakes ¹	mean stake ²
2009	27	6.5	21	3.9	6	5.7	54	5.4
2010	30	6.3	32	3.1	21	4.1	83	4.5
2011	25	5.7	21	3.4	22	4.2	68	4.5
2012	27	6.4	21	3.6	24	4.0	72	4.8
2013	32	6.4	13	3.4	31	3.3	76	4.6

Source: Consob. Data on Italian listed companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Major institutional investors are defined as those which are subject to reporting obligations according to Consob rules (art. 119 bis, par. 7 and 8 of the Issuers Regulation) and whose shareholdings are lower than 10%. The underlying hypothesis is that investors holding more than 10% of a company's capital are not institutional. Major shareholdings disclosure thresholds have changed twice in the observed period. Firstly, asset managers holding more than 5% of a company's capital have been exempted from reporting obligation with Consob Resolution no. 16850, adopted on 1st April 2009. Later, with Consob Resolution no. 18214, adopted on 9th May 2012, the exemption has been widened to include also alternative funds such as private equity and venture capital. Consequently, in order to make the series comparable across time, in each year shareholdings by asset managers, private equity and venture capital are included if higher than 5%, while other investors are included if their stake is higher than 2%.

¹ Number of stakes held by major institutional investors. ² Simple mean of stakes held by major institutional investors.

Table 1.12 – Corporate groups in Italian listed companies

(end of the year)

	1998		2010		2011		2012		2013	
	weight ¹	% market cap ²								
horizontal group	5.1	6.1	4.4	2.1	5.4	1.8	3.2	1.5	3.3	1.5
pyramidal group	36.1	75.0	15.6	43.4	16.2	51.6	17.1	60.1	15.2	33.3
of which										
parent company	13.4	50.9	6.7	29.6	6.2	31.4	6.8	44.3	6.1	26.1
subsidiary	22.7	24.1	8.9	13.8	9.2	14.0	10.4	15.8	9.0	7.2
mixed group	2.8	3.2	4.4	15.8	4.6	17.1	4.4	4.5	6.1	25.8
of which										
parent company	0.5	2.5	1.1	10.9	1.2	11.6	1.2	3.2	2.0	19.6
subsidiary	1.9	0.5	1.9	2.4	1.9	3.0	2.0	0.5	2.5	2.3
horizontal structure	0.5	0.2	1.5	2.4	1.5	2.4	1.2	0.7	1.6	3.9
stand-alone companies	56.0	15.6	75.6	38.7	73.8	29.6	75.3	33.9	75.4	39.5

Source: Consob. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Companies belonging to an horizontal groups are those under the control of a single unlisted owner and are not linked by controlling relationships; pyramidal groups are groups where at least one listed company controls another listed company; mixed groups are groups where the two previous structures combine.

¹ Number of companies in each group in percentage of the total number of all listed companies. ² Market value of ordinary shares of companies in each group in percentage of market capitalisation of ordinary shares of all listed companies.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 1.13 – Separation between ownership and control in Italian listed companies belonging to pyramidal or mixed groups
(end of the year)

	number of companies belonging to pyramidal or mixed groups			leverage ¹			wedge ²		
	mean	min	max	mean	min	max	mean	min	max
1998	3.3	2.0	6.0	3.5	1.0	24.7	24.2	0.0	70.8
2010	2.9	2.0	5.0	1.9	1.0	6.5	16.8	0.0	65.7
2011	3.1	2.0	5.0	2.2	1.0	11.6	17.1	0.0	65.7
2012	3.1	2.0	5.0	2.3	1.0	13.0	17.9	0.0	65.7
2013	3.1	2.0	5.0	2.3	1.0	15.1	16.9	0.0	65.7

Source: Consob. Data on Italian companies with ordinary shares listed on Borsa Italiana spa – Mta Stock Exchange. ¹ Ratio between the units of capital controlled (on the basis of voting rights in ordinary shareholders' meetings) and the units of capital owned (on the basis of cash flow rights pertaining to the controlling shareholder). ² Difference between the units of capital controlled (on the basis of voting rights in ordinary shareholders' meetings) and the units of capital owned (on the basis of cash flow rights pertaining to the controlling shareholder).

Table 1.14 – Italian listed companies issuing non-voting shares
(end of the year)

	savings shares			preference shares			all non-voting shares		
	no.	weight ¹	share of capital ²	no.	weight ³	share of capital ⁴	no.	weight ⁵	share of capital ⁶
1992	104	36.9	10.8	25	8.9	3.2	120	42.6	14.0
1998	69	31.9	8.2	10	4.6	1.1	70	32.4	9.4
2010	36	13.3	5.3	5	1.8	1.7	37	13.7	7.0
2011	36	13.8	5.5	6	2.3	1.5	37	14.2	7.0
2012	31	12.3	4.7	3	1.2	0.2	32	12.6	4.9
2013	27	11.1	4.9	1	0.4	0.2	28	11.5	5.1

Source: Consob. Data on Italian companies listed on Borsa Italiana spa – Mta Stock Exchange. ¹ Number of companies with savings shares in percentage of the total number of listed companies. ² Savings shares in percentage of the capital. ³ Number of companies with preference shares in percentage of the total number of listed companies. ⁴ Preference shares in percentage of the capital. ⁵ Number of companies with non-voting shares in percentage of the total number of listed companies. ⁶ Non-voting shares in percentage of the capital.

Table 1.15 – Control enhancing mechanisms in Italian listed companies by industry
(end of 2013)

	no. ¹	weight ²	% market cap ³	average cash flow rights	average voting rights	average wedge
financial	13	24.5	50.1	32.7	47.9	15.1
industrial	26	19.1	19.6	36.3	53.9	17.6
services	11	20.0	21.2	22.7	48.1	25.4
<i>total</i>	<i>50</i>	<i>20.5</i>	<i>30.0</i>	<i>32.4</i>	<i>51.1</i>	<i>18.7</i>

Source: Consob. Data on Italian companies with ordinary shares listed on Borsa Italiana spa – Mta Stock Exchange. Industry classification by Borsa Italiana spa. ¹ Number of companies controlled by another listed company and/or issuing non-voting shares. ² Number of companies envisaging control enhancing mechanisms in each group in percentage of the total number of listed companies included in each industry. ³ Market value of ordinary shares of companies envisaging control enhancing mechanisms in each group in percentage of the market value of ordinary shares of all companies included in each industry.

1. Ownership and control structure**2. Corporate boards****3. Annual general meetings****4. Related party transactions**

Corporate boards

The evidence on corporate boards of Italian listed companies confirms the predominance of the traditional management and control system, with only 7 companies out of 244 envisaging an alternative system at the end of 2013 (12 at the end of 2009; Table 2.1).

Average board size keeps being stable over time, recording around 10 members since 2008, whereas the supervisory body has become larger passing from 12.4 in 2008 to 17.4 in 2013 (Table 2.2).

Financial firms record on average the highest number of independent directors (i.e., directors meeting the criteria set forth by the Corporate Governance Code and the Consolidated Finance Law), followed by services and industrial companies (Table 2.3). These latter have at least one minority director in 49 cases, followed by firms operating in the services sector (25) and in the financial sector (18). On average, 1.7 directors are appointed by minority shareholders (Table 2.4).

The majority of the Italian firms shows at least one director holding multiple directorships in other listed companies (interlocker), although in most cases, interlockers represent less than half of the board. In detail, the weight of interlockers is lower than one-fourth of the board in 86 companies and ranges from 25 to 50 percent in other 57 cases. There are no interlockers in 70 small-sized companies, representing 3.4 percent of total market capitalisation. As for the sector, the weight of interlockers is higher in industrial firms (Table 2.5).

On average each company has two interlockers, who represent about one-fifth of the board. The number and the weight of interlockers in the board is higher in Ftse Mib and Mid Cap firms, where four and three directors respectively hold multiple directorships in other listed companies. As for infra versus extra-group interlocking, in the large majority of companies interlockers hold other board seats in firms belonging to different groups. Specifically, in 120 companies interlockers have only extra-group multiple directorships and in other 42 companies interlockers sit in both infra and extra-group other boards. In larger companies the presence of extra-group interlockers is prevalent (Table 2.6).

The remuneration committee is established in 210 companies, while 216 firms have the internal control and risk management committee (Tables 2.7 and 2.9). The number of companies adopting the nomination committee has largely increased in the last three years, from 52 in 2011 to 112 in 2013, probably following the end-2011 revision of the Corporate Governance Code, which recommended its institution (Tables 2.8 and 2.10).

At the end of 2013, 181 companies (accounting for 76.4 percent of the market) declare to have performed the board self-evaluation recommended by the Corporate Governance Code. The number of companies which

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

established succession plans rose to 20 (16 related to directors and 4 to executives; Table 2.11) from the 7 firms recorded at the end of 2011 (Table 2.12).

This Section reviews board diversity of Italian listed companies with respect to gender, age, education and nationality of directors. Moreover, board meeting attendance is compared across different aspects of diversity, including the presence of family directors, i.e. directors who are either controlling shareholders or family members of the controlling shareholders.

As for gender diversity, the share of all board seats held by women is equal to more than 22.2 percent at the end of June 2014, up from 11.6 percent in 2012. Diverse-board companies are overall 220 (from 126 in 2008), implying that 9 out of 10 firms currently have both genders represented in the board of directors (Table 2.14).

The increase in women's board representation was driven by the Law 120/2011, which mandated gender quotas for the three board appointments subsequent August 2012. The Law sets out a minimum objective of one-third of the corporate board seats for members of the under-represented gender, lowered to one-fifth for the first term. In the 138 companies (representing 71.4 percent of market capitalisation) which underwent the first board appointment by the end of the first semester of 2014, women hold on average 2.5 board seats and account for over one-fourth of total board size. These figures rise further in the six companies already in the second term, with women holding on average 3.8 directorships and weighting 39 percent of the board. Women's positions drop to nearly 1.5 seats, corresponding to 15.2 percent of the board size, in the 99 firms which have not applied gender quotas yet (Table 2.15).

In Ftse Mib and Mid Cap companies, there are on average three women per board, one more than in smaller firms. Moreover, women account for about one-fourth of the diverse boards in all companies but those in the Star index, recording a marginally lower presence (22.4 percent; Table 2.16).

Women's board positions are slightly higher in the financial sector (2.8 seats on average), as compared to industrial companies and utilities (2.2 and 2.4 respectively). The share of all board seats held by women is slightly higher in diverse-board utilities companies (25.8 percent versus about 24 percent for financial and industrial firms; Table 2.17).

As for role, only 15 small-sized companies, representing overall one percent of total market capitalisation, had a woman CEO, whereas 16 women (3.1 percent) serve as chairman (or honorary chairman) in 15 larger companies accounting for 27.5 of total market value. The large majority, namely 333 representing 64 percent of the women on boards, holds a position as independent director (244 and 59.8 percent respectively at the end of June 2013). Over the period June 2013 – June 2014, the number of female directors appointed by minority shareholders almost doubled, from 20 to 37 (in relative terms, from 4.9 to 7.1 percent of women directors). This phenomenon involves 32 large firms, representing about 60 percent of total market value (versus the

1. Ownership and control structure**2. Corporate boards****3. Annual general meetings****4. Related party transactions**

18 firms accounting for 27 percent of the market capitalisation at the end of June 2013; Table 2.18).

Besides gender composition, board diversity in Italian listed companies has been analyzed also with respect to some directors' attributes such as age, education, nationality and family ties (i.e. family relationship with the controlling shareholders). At the end of 2013 (when women represent almost 18 percent of all directors), board members are aged on average 57.3, whereas foreigner directors are nearly 6 percent of the total. As for the educational background, almost 85 percent of directors hold a first degree, while 16.5 of them hold also a postgraduate diploma (Table 2.19). Almost 50 percent of directors holds a first degree in economics, 15.8 percent in law and 13.6 percent in engineering. As for professional background, 75 percent of board members can be classified as managers, 16.3 percent as professionals/consultants and only 8.1 percent as academics (Table 2.20).

Board diversity shows some variability across industry sectors. In more detail, the services sector records the highest percentage of graduated directors (87.3 percent) as well as of board members holding also a postgraduate degree or a PhD (19.8 percent). Moreover, in the services sector foreigner directors are more represented than elsewhere, accounting for 6.3 percent of all members (Table 2.19).

Board composition varies also according to the identity of the ultimate controlling agent. Firms controlled by financial institutions have younger and more educated boards, with a higher presence of women and foreigner directors. On the contrary, firms controlled by families and non-controlled companies have boards with a lower educational background, whereas women and foreigner directors are less represented in State-controlled companies (Table 2.21).

Board members' attributes differ across *family* and *non-family* directors, i.e. depending on whether they represent (as family members) or are the controlling shareholders. At the end of 2013, 381 directors out of 2,332 board members (i.e. about 16 percent) can be classified as 'family'. However, as shown by the breakdown by gender, the proportion of family members is higher among women directors (18 percent). Non-family directors (either men or women) have on average a stronger educational background, since 88 percent of them hold a first degree (versus 69.3 percent of family directors) and 17 percent of them hold also a postgraduate degree (versus 12.9 percent of the family group). While the prevailing professional background is managerial, academics and professionals/consultants are more common among non-family members, especially women (Table 2.22).

Board hires made after the Law 120/2011, which came into force in August 2012, contributed to raise board diversity. Directors appointed after December 31 2012 are better educated (especially women) and are rarely family affiliated to the controlling shareholder. Moreover, new hired women directors are professionals/consultants more frequently than old hired women (35.5 percent versus 17.3; Table 2.23).

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Data on board diversity are also put in relation with the attendance rate at board meetings. During 2013, directors attended on average 91 percent of board meetings. The breakdown by the identity of the ultimate controlling agent shows that this figure is quite homogenous across companies, with the exception of those controlled by the State, where the attendance rate is almost 4 percentage points higher (94.8 percent; Table 2.21).

Non-family directors record an average attendance rate slightly lower than family board members (92.7 versus 90.9 percent). This evidence is ascribable to male directors' behaviour, while the opposite holds true for women, with non-family board members participating more at meetings (Table 2.22). Finally, attendance rates are greater on average for board hires made after the implementation of the Law 120/2011 (Table 2.23).

In this paragraph we report evidence on the use and on the main characteristics of the agreements between Italian listed companies and their high-level executives (CEOs) granting a severance pay upon early termination of the mandate (so called *golden parachutes*), as described in the remuneration reports published in 2013 for the 2012 fiscal year.

Golden parachutes are envisaged in 55 firms, representing 23.1 percent of all listed companies. In most cases, the CEO is employed by the company, either as a general manager (41.8 percent) or as an employee other than the general manager (16.4 percent). In 36 firms, golden parachutes are envisaged on a discretionary basis rather than existing agreements; in such cases companies state the possibility of corresponding severance payments to the CEO in the event of end of office or termination of employment (Table 2.24).

In almost 60 percent of the agreements, the triggering event is resignation for cause (such as substantial reduction of powers attributed to the CEO, envisaged in 27 cases) and no-cause dismissal. These agreements include also a change-of-control provision in 10 cases (Table 2.25). As for pay provisions, CEOs are frequently entitled to benefit of multiples of annual/monthly salary and additional lump sum payments (46 percent of the cases), whereas a fixed amount bonus is envisaged in almost 9 percent of the firms. In almost 8 percent of the companies the compensation agreement refers to the salary accrued through the contract's expiration date or through a specified minimum contract period (Table 2.26).

Agreements are in place also for severance payments due upon the expiration of the mandate in 35 firms, while in 10 firms they are envisaged on a discretionary basis. In most of the cases, the CEO is employed by the company. Moreover, 44 firms envisage non-compete agreements, which are on a discretionary basis in 28 cases (Table 2.27).

The use of golden parachute differs across companies depending on size and industry. First, the CEO's entitlement to severance payments is positively correlated with firm size, as shown by the evidence on the percentage of Ftse Mib companies envisaging golden parachute (56.8 percent; Table 2.28). Second, golden parachute (either discretionary or not) are mainly

1. Ownership and control structure**2. Corporate boards****3. Annual general meetings****4. Related party transactions**

adopted by services firms (47.3), followed by financial (42.3) and industrial companies (32.8 percent; Table 2.29).

The breakdown by companies' control models highlights that golden parachutes (including those on a discretionary basis) are present mainly in widely held companies (66.7 percent), compared to majority controlled companies (30.5 percent) and cooperatives (37.5 percent; Table 2.30). Moreover, firms with state/local authorities as the ultimate controlling agent account for a higher frequency of such agreements, differently from family firms (Table 2.31).

The provision of severance payments is linked also to directors' family affiliation and education. First, golden parachutes are mostly in place for non-family CEOs, i.e. CEOs who are neither a family member of the controlling shareholder nor a controlling shareholder themselves (almost 33 percent of them versus 3.8 of family CEOs). Second, almost 26 percent of graduated board members benefit from such agreements (included those defined on a discretionary basis), three times as much as the figure recorded for non-graduated directors. Similarly, postgraduate education is associated with a significantly higher percentage of board members entitled to golden parachutes (48.4 percent *versus* 19.3 of non-post-graduated directors; Table 2.32).

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 2.1 – Italian listed companies by management and control system
(end of the year)

	2009		2010		2011		2012		2013	
	no.	% market cap ¹								
single-tier ²	4	0.1	3	0.1	3	0.1	2	0.1	2	0.1
two-tier ³	7	11.7	7	8.3	7	8.1	6	7.5	5	8.6
traditional	267	88.2	260	91.7	250	91.8	243	92.4	237	91.3
<i>total</i>	<i>278</i>	<i>100.0</i>	<i>270</i>	<i>100.0</i>	<i>260</i>	<i>100.0</i>	<i>251</i>	<i>100.0</i>	<i>244</i>	<i>100.0</i>

Source: Consob. Data on Italian companies with ordinary shares listed on Borsa Italiana spa – Mta Stock Exchange. ¹ Market value of ordinary shares of companies in each group in percentage of the market value of ordinary shares of all listed companies. ² The single-tier model envisages a board of director appointed by shareholders' meeting and a management control committee made up of non-executive independent members of the board. ³ The two-tier model envisages a supervisory board appointed by shareholders' meeting and a management board appointed by the supervisory board.

Table 2.2 – Average size of corporate boards in Italian listed companies
(end of the year)

	board of directors	management board	supervisory board
2008	9.9	7.7	12.4
2009	9.9	7.7	12.4
2010	10.0	7.4	13.0
2011	10.2	6.5	14.3
2012	10.0	6.3	14.2
2013 ¹	9.9	6.6	17.4

Source: corporate governance reports and proprietary shareholdings published in 2014 for the 2013 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa – Mta Stock Exchange. ¹ Figures refer to companies whose corporate governance reports and proprietary shareholdings were available (237 out of 244).

Table 2.3 – Independent directors on corporate boards of Italian listed companies
(end of 2013)

	independent directors (by the Consolidated Law on Finance – Tuf)		independent directors (by the Corporate Governance Code)		independent directors (by Corporate Governance Code and/or Tuf) ¹	
	mean	weight ²	mean	weight ²	mean	weight ²
financial	6.2	49.2	5.1	42.3	6.1	48.4
industrial	3.8	41.4	3.5	38.0	3.8	41.7
services	4.6	46.6	4.5	45.5	4.8	48.7
<i>total</i>	<i>4.5</i>	<i>44.3</i>	<i>4.1</i>	<i>40.7</i>	<i>4.6</i>	<i>44.8</i>

Source: corporate governance reports and proprietary shareholdings published in 2014 for the 2013 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa – Mta Stock Exchange. Industry classification by Borsa Italiana spa. Figures refer to companies whose corporate governance reports and proprietary shareholdings were available (237 out of 244). ¹ Directors who are independent according to both definitions are counted only once. ² Percentage of independent directors on corporate boards.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 2.4 – Minority directors on corporate boards of Italian listed companies
(end of 2013)

	companies with at least one minority director	minority directors			minority and/or independent directors ¹	
		mean ²	(1.7)	weight ³	mean	weight ⁴
financial	18	0.7	(1.7)	5.6	6.4	50.9
industrial	49	0.6	(1.7)	7.2	3.9	43.1
services	25	0.9	(1.8)	9.6	5.0	50.1
<i>total</i>	<i>92</i>	<i>0.7</i>	<i>(1.7)</i>	<i>7.4</i>	<i>4.7</i>	<i>46.4</i>

Source: corporate governance reports and proprietary shareholdings published in 2014 for the 2013 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Industry classification by Borsa Italiana spa. Figures refer to companies whose corporate governance reports and proprietary shareholdings were available (237 out of 244). Figures do not include the companies adopting the two-tier system, whose supervisory boards included members appointed by minorities in 4 cases. The average number of minority directors was 4.4. ¹ Directors who are both minority and independent are counted only once. ² Mean number of minority directors. The first number is computed on all listed companies; figures in brackets are referred to the subsample of companies with at least one minority director. ³ Percentage of minority directors on corporate boards. ⁴ Percentage of minority and/or independent directors on corporate boards.

Table 2.5 – Multiple directorship (interlocking) in Italian listed companies by industry
(end of June 2014)

percentage of interlockers on the board of directors	financial		industrial		services		total	
	no. of companies	% market cap ¹	no. of companies	% market cap ¹	no. of companies	% market cap ¹	no. of companies	% market cap ²
0%	9	3.0	49	4.5	12	1.9	70	3.4
< 25%	19	59.8	45	12.3	22	61.5	86	40.0
from 25% to 50% ³	20	36.7	26	61.1	11	18.7	57	42.5
from 50% to 75% ³	4	0.6	14	21.8	8	17.8	26	13.9
≥ 75%	--	--	2	0.3	2	0.2	4	0.2
<i>total</i>	<i>52</i>	<i>100.0</i>	<i>136</i>	<i>100.0</i>	<i>55</i>	<i>100.0</i>	<i>243</i>	<i>100.0</i>

Source: Consob. Data on corporate boards of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Companies under liquidation at the reference date are excluded. ¹ Market value of ordinary shares of companies in each group in percentage of market value of ordinary shares of all companies included in each industry. ² Market value of ordinary shares of companies in each group in percentage of market value of ordinary shares of all listed companies. ³ The interval includes the lower threshold.

Table 2.6 – Infra and extra-group interlocking in Italian listed companies by market index
(end of June 2014)

	interlockers		companies with no interlocker		companies with infra-group interlockers		companies with extra-group interlockers		companies with both infra and extra-group interlockers	
	average weight ¹	average no.	no.	% market cap ²	no.	% market cap ²	no.	% market cap ²	no.	% market cap ²
Ftse Mib	31.5	3.95	2	1.0	1	2.6	18	52.1	16	44.3
Mid Cap ³	24.8	3.05	6	11.3	--	--	20	58.6	12	30.1
Star ³	15.2	1.53	22	20.4	--	--	38	70.5	4	9.0
other	19.2	1.69	40	19.3	10	5.3	44	61.6	10	13.8
<i>total</i>	<i>20.9</i>	<i>2.21</i>	<i>70</i>	<i>3.4</i>	<i>11</i>	<i>2.3</i>	<i>120</i>	<i>53.8</i>	<i>42</i>	<i>40.5</i>

Source: Consob. Data on corporate boards of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Companies under liquidation at the reference date are excluded. ¹ Percentage of interlocking directors on total board size. ² Market value of ordinary shares of companies in each group in percentage of market value of ordinary shares of all companies included in each market index. ³ Companies both in the Star and in the Mid Cap indexes are included only in the Star category.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 2.7 – Remuneration committee in Italian listed companies by industry
(end of 2013)

	adopted		size and composition			average no. of meetings
	no. of companies ¹	% market cap ²	average no. of members	average no. of women	average no. of independent directors ³	
financial	48	99.8	3.4	0.8	2.8	5.0
industrial	113	97.7	3.0	0.5	2.4	3.1
services	49	99.6	3.1	0.6	2.5	3.9
<i>total</i>	<i>210</i>	<i>98.9</i>	<i>3.1</i>	<i>0.6</i>	<i>2.5</i>	<i>3.7</i>

Source: corporate governance reports and proprietary shareholdings published in 2014 for the 2013 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Industry classification by Borsa Italiana spa. Figures refer to companies whose corporate governance reports and proprietary shareholdings were available (237 out of 244). ¹ Number of companies which have established the committee. 76 companies combined the remuneration committee with the nomination committee. ² Market value of ordinary shares of companies which have established the committee in each group in percentage of market value of ordinary shares of all companies included in each industry. ³ Average number of independent directors meeting the independence criteria set forth by the Corporate Governance Code or, if no director met the criteria of the Code, in the Consolidated Finance Law.

Table 2.8 – Nomination committee in Italian listed companies by industry
(end of 2013)

	adopted		size and composition			average no. of meetings
	no. of companies ¹	% market cap ²	average no. of members	average no. of women	average no. of independent directors ³	
financial	32	92.5	3.9	0.7	2.8	5.4
industrial	56	69.5	3.1	0.5	2.5	3.1
services	24	81.1	3.2	0.5	2.5	4.8
<i>total</i>	<i>112</i>	<i>79.9</i>	<i>3.3</i>	<i>0.6</i>	<i>2.6</i>	<i>4.1</i>

Source: corporate governance reports and proprietary shareholdings published in 2014 for the 2013 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Industry classification by Borsa Italiana spa. Figures refer to companies whose corporate governance reports and proprietary shareholdings were available (237 out of 244). ¹ Number of companies which have established the committee. 76 companies combined the remuneration committee with the nomination committee. ² Market value of ordinary shares of companies with the committee included in each industry in percentage of the market value of ordinary shares of all companies included in each industry. ³ Average number of independent directors meeting the independence criteria set forth by the Corporate Governance Code or, if no director met the criteria of the Code, in the Consolidated Finance Law.

Table 2.9 – Internal control and risk management committee in Italian listed companies by industry
(end of 2013)

	adopted		size and composition			average no. of meetings
	no. of companies ¹	% market cap ²	average no. of members	average no. of women	average no. of independent directors ³	
financial	50	99.1	3.7	1.2	3.1	10.1
industrial	114	98.7	3.0	0.6	2.5	5.7
services	52	99.9	3.2	0.7	2.6	6.7
<i>total</i>	<i>216</i>	<i>99.1</i>	<i>3.2</i>	<i>0.7</i>	<i>2.6</i>	<i>6.9</i>

Source: corporate governance reports and proprietary shareholdings published in 2014 for the 2013 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Industry classification by Borsa Italiana spa. Figures refer to companies whose corporate governance reports and proprietary shareholdings were available (237 out of 244). ¹ Number of companies which have established the committee. ² Market value of ordinary shares of companies with the committee in each group in percentage of market value of ordinary shares of all companies included in each industry. ³ Average number of independent directors meeting the independence criteria set forth by the Corporate Governance Code or, if no director met the criteria of the Code, in the Consolidated Finance Law.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 2.10 – Board committees in Italian listed companies by year
(end of the year)

	remuneration committee		nomination committee		internal control and risk management committee	
	no. of companies ¹	weight ²	no. of companies ¹	weight ²	no. of companies ¹	weight ²
2011	225	87.9	52	20.3	228	89.0
2012	215	88.8	95	39.2	220	90.9
2013	210	88.6	112	47.2	216	91.1

Source: corporate governance reports and proprietary shareholdings published in 2014, 2013, 2012 for the 2013, 2012, 2011 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Figures refer to companies whose corporate governance reports and proprietary shareholdings were available (256 in 2011, 242 in 2012 and 237 in 2013). ¹ Number of companies which have established the committee. ² Number of companies which have established the committee in percentage of the total number of listed companies.

Table 2.11 – Self-evaluation of the management board and succession plan in Italian listed companies by industry
(end of 2013)

	self-evaluation		succession plan	
	no. of companies ¹	weight ²	no. of companies ³	weight ²
financial	45	19.0	4	1.7
industrial	101	42.6	11	4.6
services	35	14.8	5	2.1
<i>total</i>	<i>181</i>	<i>76.4</i>	<i>20</i>	<i>8.4</i>

Source: corporate governance reports and proprietary shareholdings published in 2014 for the 2013 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Industry classification by Borsa Italiana spa. Figures refer to companies whose corporate governance reports and proprietary shareholdings were available (237 out of 244). ¹ Number of companies declaring that the board performed the self-evaluation process. ² Number of companies in each group in percentage of the total number of listed companies. ³ Number of companies declaring the existence of a succession plan. It includes four cases in which the plan does not relate to the directors but only to executives. Two companies declare they are evaluating the possible introduction of a succession plan.

Table 2.12 – Self-evaluation of the management board and succession plan in Italian listed companies by year
(end of the year)

	self-evaluation		succession plan	
	no. of companies ¹	weight ²	no. of companies ³	weight ²
2011	176	68.7	7	2.7
2012	177	73.1	13	5.4
2013	181	76.4	20	8.4

Source: corporate governance reports and proprietary shareholdings published in 2014, 2013 and 2012 for the 2013, 2012 and 2011 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Figures refer to companies whose corporate governance reports and proprietary shareholdings were available (256 in 2011, 242 in 2012 and 237 in 2013). ¹ Number of companies declaring that the board performed the self-evaluation process. ² Number of companies in each group in percentage of the total number of listed companies. ³ Number of companies declaring the existence of a succession plan.

Table 2.13 – Board of statutory auditors of Italian listed companies by industry
(end of 2013)

	average no. of members	average no. of minority auditors	average no. of meetings
financial	3.3	0.6	20.2
industrial	3.1	0.5	9.1
services	3.1	0.6	10.1
<i>total</i>	<i>3.2</i>	<i>0.5</i>	<i>11.7</i>

Source: corporate governance reports and proprietary shareholdings published in 2014 for the 2013 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Industry classification by Borsa Italiana spa. Figures refer to companies whose corporate governance reports and proprietary shareholdings were available (237 out of 244).

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 2.14 – Female representation on corporate boards of Italian listed companies
(end of the year; for 2014, end of June)

	female directorship ¹		diverse-board companies ²	
	no.	weight ³	no.	weight on total number of companies
2008	170	5.9	126	43.8
2009	173	6.3	129	46.4
2010	182	6.8	133	49.6
2011	193	7.4	135	51.7
2012	288	11.6	169	66.8
2013	421	17.8	202	83.5
2014	520	22.2	220	90.5

Source: Consob. Data on corporate boards of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Companies under liquidation at the reference date are excluded. ¹ Figures refer to the board seats held by women. ² Diverse-board companies are firms where at least one female director sits on the board. ³ Weight on total number of female directorships

Table 2.15 – Female representation on corporate boards of Italian listed companies and application of Law 120/2011
(end of June 2014)

	no. of companies	% market cap ¹	average no. of female directors	average weight of female directors
first term	138	71.4	2.5	26.6
second term	6	1.6	3.8	39.0
not applied yet	99	26.9	1.5	15.2
<i>total</i>	<i>243</i>	<i>100.0</i>	<i>2.1</i>	<i>22.2</i>

Source: Consob. Data on corporate boards of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange; industry classification by Borsa Italiana spa. Companies under liquidation at the reference date are excluded. ¹ Market value of ordinary shares of companies in each group in percentage of market value of ordinary shares of all companies.

Table 2.16 – Female representation on corporate boards of Italian listed companies by market index
(end of June 2014)

	diverse-board companies ¹			average weight of women on boards	
	no. of companies	% market cap ²	average no. of female directors	in all listed companies	in diverse-board companies ¹
Ftse Mib	36	99.3	3.1	24.7	25.4
Mid Cap ³	36	96.2	2.8	22.8	24.1
Star ³	58	91.2	2.1	20.3	22.4
other	90	92.3	2.1	22.1	25.5
<i>total</i>	<i>220</i>	<i>98.4</i>	<i>2.4</i>	<i>22.2</i>	<i>24.4</i>

Source: Consob. Data on corporate boards of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Companies under liquidation at the reference date are excluded. ¹ Diverse-board companies are firms where at least one female director sits on the board. ² Market value of ordinary shares of companies in each group in percentage of market value of ordinary shares of all companies included in each market index. ³ Companies both in the Star and in the Mid Cap indexes are included only in the Star category.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 2.17 – Female representation on corporate boards of Italian listed companies by industry
(end of June 2014)

	diverse-board companies ¹		average no. of female directors	average weight of women on boards	
	no. of companies	% market cap ²		in all listed companies	in diverse-board companies ¹
financial	50	99.8	2.8	23.2	24.1
industrial	117	96.5	2.2	20.6	24.0
services	53	99.9	2.4	24.9	25.8
<i>total</i>	<i>220</i>	<i>98.4</i>	<i>2.4</i>	<i>22.2</i>	<i>24.4</i>

Source: Consob. Data on corporate boards of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange; industry classification by Borsa Italiana spa. Companies under liquidation at the reference date are excluded. ¹ Diverse-board companies are firms where at least one female director seats on the board. ² Market value of ordinary shares of companies in each group in percentage of market value of ordinary shares of all companies included in each industry.

Table 2.18 – Positions held by female directors in Italian listed companies
(end of June 2014)

	female directorship ¹				diverse-board companies			
	2013		2014		2013		2014	
	no. of directors	weight ²	no. of directors	weight ²	no. of companies	% market cap	no. of companies	% market cap
CEO	13	3.2	16	3.1	12	0.7	15	1.0
chairman or honorary chairman	10	2.5	16	3.1	9	0.4	15	27.5
deputy chairman or member of the executive committee	33	8.1	32	6.1	33	8.2	32	7.5
independent director ³	244	59.8	333	64.0	138	63.1	168	93.5
minority director	20	4.9	37	7.1	18	26.9	32	58.9

Source: Consob. Data on corporate boards of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Companies under liquidation at the reference date are excluded. ¹ Figures refer to the board seats held by women. ² Weight on total number of female directorships. ³ Number of independent directors meeting the independence criteria set forth by the Corporate Governance Code or, if no director meets the criteria of the Code, in the Consolidated Finance Law.

Table 2.19 – Board diversity in Italian listed companies by industry
(end of 2013)

	no. of directors	% women	average age	% first degree	% postgraduate degree ¹	% foreigners	% manager
financial	619	19.1	57.8	84.2	17.5	5.2	71.6
industrial	1,186	17.4	57.2	84.2	14.4	5.6	77.8
services	527	17.6	57.1	87.3	19.8	6.3	71.7
<i>total</i>	<i>2,332</i>	<i>17.8</i>	<i>57.3</i>	<i>84.9</i>	<i>16.5</i>	<i>5.7</i>	<i>74.8</i>

Source: Consob and corporate governance reports and proprietary shareholdings published in 2014 for the 2013 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Industry classification by Borsa Italiana spa. Figures refer to 237 companies and to those directors for whom information was available. ¹ Number of graduated directors who attended a postgraduate course and/or hold a PhD in percentage of the total number of graduated directors in each industry.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 2.20 – Educational and professional background of board members in Italian listed companies
(end of 2013)

		no. of directors	weight ¹
degree	economics	1,015	46.0
	law	349	15.8
	engineering	300	13.6
	political sciences	81	3.7
	other ²	200	9.1
	more than one degree	35	1.6
	no degree	228	10.3
	<i>total</i>	<i>2,208</i>	<i>100.0</i>
professional background	manager	1,744	75.0
	consultant/professional	381	16.3
	academic	190	8.1
	other	11	0.4
	<i>total</i>	<i>2,326</i>	<i>100.0</i>

Source: Consob. Data on Italian companies with ordinary shares listed on Borsa Italiana spa – Mta Stock Exchange. Figures refer to 237 companies and to those directors for whom information was available. ¹ Number of directors in each category in percentage of the total number of board members for whom information was available. ² In 11 cases the information on the subject of the degree is not available.

Table 2.21 – Directors' attributes and board meeting attendance in Italian listed companies by typology of 'ultimate controlling agent'
(end of 2013)

	% women	average age	% first degree	% postgraduate degree ¹	% foreigners	average attendance ²
families	18.1	57.1	83.8	13.9	4.9	91.1
state and local authorities	14.8	58.2	87.0	17.6	2.8	94.8
financial institutions	22.1	52.5	95.6	38.5	17.6	91.0
mixed ³	16.6	58.4	91.2	24.1	12.2	90.8
no UCA ⁴	18.7	57.7	82.9	13.3	4.6	90.5
<i>total</i>	<i>17.9</i>	<i>57.3</i>	<i>84.9</i>	<i>16.5</i>	<i>5.7</i>	<i>91.2</i>

Source: Consob and corporate governance reports and proprietary shareholdings published in 2014 for the 2013 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa – Mta Stock Exchange. Figures refer to 237 companies and to those directors for whom information was available. ¹ Number of graduated directors who attended a postgraduate course and/or hold a PhD in percentage of the total number of graduated directors in each category. ² Average percentage of board meetings attended by directors in each category (directors appointed during the year who have been in charge for less than 200 days are excluded). ³ Companies not included in any of the previous categories (i.e. companies controlled by both financial institutions and families). ⁴ Non-controlled companies (i.e. cooperative companies, widely held, non-widely held) and listed companies controlled by a non-controlled company.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 2.22 – Directors' attributes and board meeting attendance in Italian listed companies by gender and relationship with the controlling shareholder
(end of 2013)

		no.	average attendance ¹	education		professional background			
				% first degree	% postgraduate degree ²	% manager	% consultant /professional	% academic	% other
director	family ³	381	92.7	69.3	12.9	95.8	4.0	0.3	0.0
	non-family	1,951	90.9	88.0	17.0	70.9	18.8	9.7	0.6
female	family ³	76	88.5	60.5	15.2	90.7	9.3	0.0	0.0
	non-family	341	91.6	92.7	24.4	57.4	26.5	15.6	0.6
male	family ³	305	93.8	71.5	12.4	97.0	2.6	0.3	0.0
	non-family	1,610	90.8	87.0	15.4	73.8	17.2	8.5	0.6

Source: Consob and corporate governance reports and proprietary shareholdings published in 2014 for the 2013 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa – Mta Stock Exchange. Figures refer to 237 companies and to those directors for whom information was available. ¹ Average percentage of board meetings attended by the directors included in each category (directors appointed during the year who have been in charge for less than 200 days are excluded). ² Number of graduated directors who attended a postgraduate course and/or hold a PhD in percentage of the total number of graduated directors in each category. ³ The director is either a family member of the controlling shareholder or is the controlling shareholder.

Table 2.23 – Directors' attributes and board meeting attendance in Italian listed companies by gender and tenure
(end of 2013)

	hires	no.	average age	average attendance ¹	% family ²	education		professional background			
						% first degree	% postgraduate degree ³	% manager	% consultant /professional	% academic	% other
director	new ⁴	328	52.1	93.7	5.2	86.6	23.2	66.0	23.5	8.3	2.2
	old	2,004	58.2	90.9	18.2	84.6	15.3	76.4	15.2	8.1	0.2
female	new ⁴	140	47.5	93.0	4.3	90.7	25.2	52.9	35.5	10.9	0.7
	old	277	51.6	90.2	25.3	84.8	22.1	68.6	17.3	13.7	0.4
male	new ⁴	188	55.6	94.4	5.9	83.5	21.7	75.8	14.5	6.5	3.2
	old	1,727	59.2	91.1	17.0	84.6	14.2	77.7	14.9	7.2	0.2

Source: Consob and corporate governance reports and proprietary shareholdings published in 2014 for the 2013 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa – Mta Stock Exchange. Figures refer to 237 companies and to those directors for whom information was available. ¹ Average percentage of board meetings attended by the directors included in each category (directors appointed during the year who have been in charge for less than 200 days are excluded). ² Number of directors linked through a family connection to the controlling shareholder (being the controlling shareholder himself or a close relative) in percentage of the total number of directors included in each category. ³ Number of graduated directors who attended a postgraduate course and/or hold a PhD in percentage of the total number of graduated directors in each category. ⁴ Directors appointed after December 31, 2012.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 2.24 – Indemnities in the event of early termination of the mandate ('golden parachutes') envisaged for chief executive officers in Italian listed companies
(end of 2012)

compensation	CEO employed by the company				CEO not employed by the company		CEO employed in the group ²		total	
	general manager		employed ¹		no.	weight	no.	weight	no.	weight
	no.	weight	no.	weight						
yes	23	41.8	9	16.4	22	40.0	1	1.8	55	23.1
envisaged on a discretionary basis	3	8.3	5	13.9	27	75.0	1	2.8	36	15.1
no	13	8.8	20	13.6	108	73.5	6	4.0	147	61.8

Source: remuneration reports published in 2013 for the 2012 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Figures refer to companies whose remuneration reports were available (238 companies). Data do not include companies whose remuneration policy regarding golden parachutes is defined with exclusive reference to the collective bargaining agreement. When a CEO cannot be identified, we have selected the executive director earning the highest wage, i.e. the board chairman in 11 cases, an executive director in 2 cases and the general manager in one case. When more than one CEO is appointed (31 cases), we have selected the CEO earning the highest wage. ¹ CEOs employed in the company (excluding general managers). ² CEOs employed in a controlled or controlling company belonging to the same group.

Table 2.25 – Triggering events of 'golden parachutes' envisaged for chief executive officers in Italian listed companies
(end of 2012)

triggering events	no. of companies	weight
termination for cause		
resignation for cause or revocation without cause	44	48.4
resignation for cause or revocation without cause and change of control	10	11.0
other termination ¹	11	12.1
not available	26	28.6
	<i>total</i>	<i>91</i>
		<i>100.0</i>

Source: remuneration reports published in 2013 for the 2012 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Figures refer to companies whose remuneration reports were available (238 companies). Data do not include companies whose remuneration policy regarding golden parachutes is defined with exclusive reference to the collective bargaining agreement. When a CEO cannot be identified, we have selected the executive director earning the highest wage, i.e. the board chairman in 11 cases, an executive director in 2 cases and the general manager in one case. When more than one CEO is appointed (31 cases), we have selected the CEO earning the highest wage. Data include golden parachutes envisaged on a discretionary basis. ¹ In two cases the triggering event is the dismissal by the company.

Table 2.26 – Pay provisions of 'golden parachutes' envisaged for chief executive officers in Italian listed companies
(end of 2012)

pay provisions	no. of companies	Weight	
multiple of the remuneration	no. of annual or monthly remuneration and possible additional provisions (additional lump sums, <i>floor</i> , <i>cap</i>)	42	46.2
fixed amount	forfeit with possible additional lump sum payments	8	8.8
residual remuneration	salary accrued through a specified date with additional lump sum payments	7	7.7
not available		34	37.4
	<i>total</i>	<i>91</i>	<i>100.0</i>

Source: remuneration reports published in 2013 for the 2012 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Figures refer to companies whose remuneration reports were available (238 companies). Data do not include companies whose remuneration policy regarding golden parachutes is defined with exclusive reference to the collective bargaining agreement. When a CEO cannot be identified, we have selected the executive director earning the highest wage, i.e. the board chairman in 11 cases, an executive director in 2 cases and the general manager in one case. When more than one CEO is appointed (31 cases), we have selected the CEO earning the highest wage. Data include golden parachutes envisaged on a discretionary basis.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 2.27 – Indemnities in case of termination of the mandate on expiry date and non-competition agreements envisaged for chief executive officers in Italian listed companies
(end of 2012)

compensation	CEO employed by the company				CEO not employed by the company		CEO employed in the group ²		total	
	general manager		employed ¹		no.	weight	no.	weight	no.	weight
	no.	weight	no.	weight						
termination of the mandate on expiry date	10	28.6	6	17.1	18	51.4	1	2.9	35	14.7
termination of the mandate on expiry date (discretionary)	1	10.0	2	20.0	7	70.0	0	0.0	10	4.2
non-compete agreements	7	43.8	3	18.8	5	31.3	1	6.3	16	6.7
non-compete agreements (discretionary)	7	25.0	6	21.4	53.6	53.6	0	0.0	28	11.8

Source: remuneration reports published in 2013 for the 2012 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Figures refer to companies whose remuneration reports were available (238 companies). Data do not include companies whose remuneration policy regarding indemnities in case of termination of the mandate on expiry date is defined with exclusive reference to the collective bargaining agreement. When a CEO cannot be identified, we have selected the executive director earning the highest wage, i.e. the board chairman in 11 cases, an executive director in 2 cases and the general manager in one case. When more than one CEO is appointed (31 cases), we have selected the CEO earning the highest wage. ¹ CEOs employed in the company (excluded general managers). ² CEOs employed in a controlled or controlling company belonging to the same group.

Table 2.28 – 'Golden parachutes' envisaged for chief executive officers in Italian listed companies by market index
(end of 2012)

	yes		envisaged on a discretionary basis		no	
	no. of companies	weight ¹	no. of companies	weight ¹	no. of companies	weight ¹
Ftse Mib	21	56.8	2	5.4	14	37.8
Mid Cap	11	28.9	7	18.4	20	52.6
Star	9	13.4	15	22.4	43	64.2
other	14	14.6	12	12.5	70	72.9
<i>total</i>	<i>55</i>	<i>23.1</i>	<i>36</i>	<i>15.1</i>	<i>147</i>	<i>61.8</i>

Source: Source: remuneration reports published in 2013 for the 2012 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Figures refer to companies whose remuneration reports were available (238 companies). Industry classification by Borsa Italiana spa. Data do not include companies whose remuneration policy regarding golden parachutes is defined with exclusive reference to the collective bargaining agreement. When a CEO cannot be identified, we have selected the executive director earning the highest wage, i.e. the board chairman in 11 cases, an executive director in 2 cases and the general manager in one case. When more than one CEO is appointed (31 cases), we have selected the CEO earning the highest wage. ¹ Number of companies in each group in percentage of the total number of listed companies included in each market index.

Table 2.29 – 'Golden parachutes' envisaged for chief executive officers in Italian listed companies by industry
(end of 2012)

	yes		envisaged on a discretionary basis		no	
	no. of companies	weight ¹	no. of companies	weight ¹	no. of companies	weight ¹
financial	13	25.0	9	17.3	30	57.7
industrial	22	16.8	21	16.0	88	67.2
services	20	36.4	6	10.9	29	52.7
<i>total</i>	<i>55</i>	<i>23.1</i>	<i>36</i>	<i>15.1</i>	<i>147</i>	<i>61.8</i>

Source: Source: remuneration reports published in 2013 for the 2012 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Figures refer to companies whose remuneration reports were available (238 companies). Industry classification by Borsa Italiana spa. Data do not include companies whose remuneration policy regarding golden parachutes is defined with exclusive reference to the collective bargaining agreement. When a CEO cannot be identified, we have selected the executive director earning the highest wage, i.e. the board chairman in 11 cases, an executive director in 2 cases and the general manager in one case. When more than one CEO is appointed (31 cases), we have selected the CEO earning the highest wage. ¹ Number of companies in each group in percentage of the total number of listed companies included in each industry.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 2.30 – 'Golden parachutes' envisaged for chief executive officers in Italian listed companies by control model
(end of 2012)

	yes		envisaged on a discretionary basis		no	
	no. of companies	weight ¹	no. of companies	weight ¹	no. of companies	weight ¹
majority controlled	17	14.0	20	16.5	84	69.4
weakly controlled	16	35.6	6	13.3	23	51.1
controlled by a shareholders' agreement	10	25.6	6	15.4	23	59.0
cooperatives	1	12.5	2	25.0	5	62.5
widely held	6	66.7	0	0.0	3	33.3
non controlled non-widely held	5	31.3	2	12.5	9	62.5
<i>total</i>	<i>55</i>	<i>23.1</i>	<i>36</i>	<i>15.1</i>	<i>147</i>	<i>61.8</i>

Source: remuneration reports published in 2013 for the 2012 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Figures refer to companies whose remuneration reports were available (238 companies). Data do not include companies whose remuneration policy regarding golden parachutes is defined with exclusive reference to the collective bargaining agreement. When a CEO cannot be identified, we have selected the executive director earning the highest wage, i.e. the board chairman in 11 cases, an executive director in 2 cases and the general manager in one case. When more than one CEO is appointed (31 cases), we have selected the CEO earning the highest wage. For a definition of control models see Table 1.2. ¹ Number of companies in each group in percentage of the total number of listed companies included in each control model.

Table 2.31 – 'Golden parachutes' envisaged for chief executive officers in Italian listed companies by 'ultimate controlling agent'

(end of 2012)

	yes		envisaged on a discretionary basis		No	
	no. of companies	weight ¹	no. of companies	weight ¹	no. of companies	weight ¹
families	19	13.2	21	14.6	104	72.2
state and local authorities	11	50.0	4	18.2	7	31.8
financial institutions	2	25.0	1	12.5	5	62.5
mixed ²	8	42.1	4	21.1	7	36.8
no UCA ³	15	33.3	6	13.3	24	53.3
<i>total</i>	<i>55</i>	<i>23.1</i>	<i>36</i>	<i>15.1</i>	<i>147</i>	<i>61.8</i>

Source: remuneration reports published in 2013 for the 2012 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Figures refer to companies whose remuneration reports were available (238 companies). Data do not include companies whose remuneration policy regarding golden parachutes is defined with exclusive reference to the collective bargaining agreement. When a CEO cannot be identified, we have selected the executive director earning the highest wage, i.e. the board chairman in 11 cases, an executive director in 2 cases and the general manager in one case. When more than one CEO is appointed (31 cases), we have selected the CEO earning the highest wage. ¹ Number of companies in each group in percentage of the total number of listed companies included in each category of ultimate controlling agent. ² Companies not included in any of the previous categories (i.e. companies controlled by both financial institutions and families). ³ Non-controlled companies (i.e. cooperative companies, widely held, non-widely held) and listed companies controlled by a non-controlled company.

Table 2.32 – 'Golden parachutes' envisaged for chief executive officers in Italian listed companies by directors' attributes
(end of 2012)

		yes		envisaged on a discretionary basis		no		total
		no.	weight ¹	no.	weight ¹	no.	weight ¹	
director	family ²	3	3.8	11	13.9	65	82.3	79
	non family	52	32.7	25	15.7	82	51.6	159
degree	yes	52	25.4	28	13.7	125	61.0	205
	no	3	9.1	8	24.2	22	66.7	33
postgraduate	yes	15	48.4	2	6.5	14	45.2	31
	no	40	19.3	34	16.4	133	64.3	207

Source: Consob and remuneration reports published in 2013 for the 2012 fiscal year of Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange. Data do not include companies whose remuneration policy regarding golden parachutes is defined with exclusive reference to the collective bargaining agreement. When a CEO cannot be identified, we have selected the executive director earning the highest wage, i.e. the board chairman in 11 cases, an executive director in 2 cases and the general manager in one case. When more than one CEO is appointed (31 cases), we have selected the CEO earning the highest wage. ¹ Number of directors in each group in percentage of the total number of directors in each category. ² Director linked through a family connection to the controlling shareholder, being the controlling shareholder himself or a close relative.

1. Ownership and control structure
2. Corporate boards
- 3. Annual general meetings**
4. Related party transactions

Annual general meetings

Shareholders' attendance at the Annual General Meetings (AGMs) of large and medium sized companies (i.e. companies in FtseMib and MidCap indexes) has remained stable over the last three years at around two thirds of the share capital. Institutional investors' participation has instead risen, with a share of capital at the 2014 AGM equal on average to 19 percent, up from about 15 percent in 2013 and 13 percent in 2012. This trend is driven by foreign institutional investors, whose presence has reached 18 percent of share capital (up by 6 percentage points with respect to 2012), whereas Italian investors are stable at around one percent (Table 3.1).

FtseMib and MidCap financial and services companies recorded the highest attendance of the institutional investors, which represented around one fifth of the share capital at the AGM. Moreover, services firms show the highest participation of the Italians (on average, 1.3 of the share capital versus 0.9 percent of the other industry sectors; Table 3.2).

Attendance by major institutional investors at 2014 AGMs of large and medium sized firms varies by investors' nationality and type. Major Italian investors are mainly banks and insurance companies, with an average stake equal to 4 percent of the share capital and an average share of votes equal to 7 percent. Conversely, foreign major investors are primarily investment funds, holding an average 5.7 percent stake and weighing on the capital at the AGM slightly less than 9 percent. In 2014, Italian investors attended 12 AGMs (up from 8 in 2013) versus 36 AGMs attended by foreigners (up from 26 in 2013; Table 3.3).

As for non-major institutional investors, the presence of Italians continues being negligible, although during the last proxy season they attended more AGMs than previously (from 31 in 2012 and 27 in 2013 to 44 in 2014). Foreign investment funds has kept rising over the last three years, both in terms of the average stake held (from about 10 to 14 percent in 2012 and 2014, respectively) and in terms of capital represented at the AGM (from 16 to about 22 percent; Table 3.4).

As for the so-called say-on-pay mechanism, in 2014 institutional investors' dissent accounted for almost 31 percent of institutional investors' vote, in line with past years. The disagreement of other investors reached about 3 percent, up from almost one in 2013 and slightly more than 2 percent in 2012 (Table 3.5).

However, dissent on remuneration policies exhibits different patterns depending on firm size. In Ftse Mib companies, disagreement by institutional investors was equal to 27.7 percent of institutional votes, down from about 32 percent in 2013 and around 37 percent in 2012. The same trend emerges with respect to institutional investors' dissent on total votes, equal to 7.9 in 2014

1. Ownership and control structure**2. Corporate boards****3. Annual general meetings****4. Related party transactions**

(down from 10.3 in 2012). Total dissent was instead substantially stable with respect to the previous year (respectively, 9.7 and 9.5 percent) and slightly lower than the 2012 figure (11.9 percent). In Ftse Mid Cap companies, differently from past years, say-on-pay disagreement has grown. The proportion of institutional investors' voting against remuneration policies has risen by 6 percentage points with respect to 2012, up to almost 34 percent. Moreover, dissent expressed by both all the shareholders and the institutional investors almost doubled in 2014 as compared to the 2012-2013 records, reaching respectively 9.2 and 6.8 percent of the AGM (Table 3.6).

General dissent on remuneration policies is sensibly higher among listed utilities, being on average 12.9 percent of the share capital represented at the meeting. Focusing on institutional investors votes only though, dissent is larger among industrial companies and considerably lower in the financial sector (Table 3.7).

The breakdown of shareholders' disagreement by control model shows that both general and institutional investors' disagreement is higher in weakly-controlled companies, where a dissenting opinion was conveyed by shareholders representing 13 percent of the AGM and over 36 percent of the votes casted by institutional investors did not support the remuneration policy (Table 3.8).

Finally, total dissent is higher in companies with boards having at least one minority director and with independent board members holding the majority of seats. However, institutional investors have behaved inversely, voting against the remuneration policy for over one-third of the shares held in companies with no minority directors and in companies with independent directors representing less than fifty percent of the board members (Table 3.9).

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 3.1 – Attendance at the AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes

		no. of participants		share of capital at the AGM			
		total	institutional investors	total	institutional investors	Italian institutional investors	foreign institutional investors
2012	mean	612	471	69.3	13.3	1.3	12.0
	min	4	--	44.5	0.0	0.0	0.0
	max	4,825	3,705	91.7	47.7	9.6	47.2
	median	213	195	70.9	12.0	0.1	10.3
2013	mean	601	496	69.5	15.3	0.9	14.4
	min	7	4	44.4	0.0	0.0	0.0
	max	3,886	3,850	90.5	48.6	9.5	47.6
	median	276	245	70.8	15.5	0.0	13.5
2014	mean	583	506	67.7	19.1	1.0	18.0
	min	14	--	27.7	0.0	0.0	0.0
	max	4,282	3,304	91.3	57.2	11.1	54.8
	median	298	270	69.8	18.0	0.1	15.9

Source: data from the minutes of Italian listed companies AGMs approving the balance sheet in 2012, 2013 and 2014. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange included in the Ftse Mib and Mid Cap indexes; cooperatives are excluded; for 2014, attendance is drawn from say-on-pay votes reported in the AGMs minutes published until 30 September 2014 (data on 73 companies in 2012; 64 in 2013 and 67 in 2014).

Table 3.2 – Attendance at the 2014 AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes by industry

		no. of participants		share of capital at the AGM			
		total	institutional investors	total	institutional investors	Italian institutional investors	foreign institutional investors
financial	mean	748	667	61.6	20.3	0.9	19.4
	min	14	--	27.7	0.0	0.0	0.0
	max	2,124	2,056	85.4	50.0	4.9	49.3
	median	464	451	65.5	19.3	0.3	16.8
industrial	mean	453	438	71.3	18.0	0.9	17.1
	min	33	28	44.7	1.3	0.0	0.0
	max	3,356	3,304	91.3	57.2	7.1	54.9
	median	168	165	72.9	15.7	0.0	15.6
services	mean	682	507	66.2	20.2	1.3	18.4
	min	48	29	38.7	3.4	0.0	3.4
	max	4,282	1,922	80.2	49.6	11.1	49.5
	median	304	279	66.1	20.2	0.1	18.3

Source: data from the minutes of Italian listed companies AGMs approving the balance sheet in 2014. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange included in the Ftse Mib and Mid Cap indexes; cooperatives are excluded; attendance is drawn from say-on-pay votes reported in the AGMs minutes published until 30 September 2014 (data on 67 companies).

1. Ownership and control structure
2. Corporate boards
- 3. Annual general meetings**
4. Related party transactions

Table 3.3 – Attendance of major institutional investors at the AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes

		Italian major institutional investors		foreign major institutional investors	
		share on total capital ¹	share on capital at the AGM ²	share on total capital ¹	share on capital at the AGM ²
2012	investment funds ³	2.0	3.0	3.1	4.7
	banks and insurance companies	3.6	5.2	1.0	1.4
	<i>no. of companies</i>		12		25
2013	investment funds ³	0.6	1.2	3.7	5.5
	banks and insurance companies	4.5	6.4	0.7	1.1
	<i>no. of companies</i>		8		26
2014	investment funds ³	0.4	0.8	5.7	8.6
	banks and insurance companies	4.0	7.1	0.2	0.4
	<i>no. of companies</i>		12		36

Source: data from the minutes of Italian listed companies AGMs approving the balance sheet in 2012, 2013 and 2014 where at least one major Italian/foreign institutional investor attended the meeting. Major institutional investors are here defined as those which are either investment funds or banks and insurance companies and reported a stake lower than 10% to Consob in compliance with major shareholdings disclosure obligations. The underlying hypothesis is that investors holding more than 10% of a company's capital are not institutional. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange included in the Ftse Mib and Mid Cap indexes; cooperatives are excluded; for 2014, attendance is drawn from say-on-pay votes reported in the AGMs minutes published until 30 September 2014 (data on 73 companies in 2012; 64 in 2013 and 67 in 2014). ¹ Ordinary shares on ordinary total capital. ² Ordinary shares on ordinary capital represented at the AGM. ³ Investment funds comprise asset managers (pension funds included) and other funds such as private equity, venture capital and sovereign funds.

Table 3.4 – Attendance of non-major institutional investors at the AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes

		Italian non-major institutional investors		foreign non-major institutional investors	
		share on total capital ¹	share on capital at the AGM ²	share on total capital ¹	share on capital at the AGM ²
2012	investment funds ³	0.3	0.6	10.1	16.0
	banks and insurance companies	0.7	1.2	0.6	0.9
	<i>no. of companies</i>		31		71
2013	investment funds ³	0.3	0.5	11.7	18.1
	banks and insurance companies	0.4	0.6	0.9	1.3
	<i>no. of companies</i>		27		64
2014	investment funds ³	0.4	0.6	14.2	21.9
	banks and insurance companies	0.1	0.1	1.1	1.7
	<i>no. of companies</i>		44		65

Source: data from the minutes of Italian listed companies AGMs approving the balance sheet in 2012, 2013 and 2014 where at least one Italian/foreign non-major institutional investor attended the meeting. Non-major institutional investors are here defined as banks, insurance companies or investment funds which are not subject to Consob major shareholdings disclosure obligations. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange included in the Ftse Mib and Mid Cap indexes; cooperatives are excluded; for 2014, attendance is drawn from say-on-pay votes reported in the AGMs minutes published until 30 September 2014 (data on 73 companies in 2012; 64 in 2013 and 67 in 2014). ¹ Ordinary shares on ordinary total capital. ² Ordinary shares on ordinary capital represented at the AGM. ³ Investment funds comprise asset managers (pension funds included) and other funds such as private equity, venture capital and sovereign funds.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 3.5 – Shareholders' say-on-pay at the AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes

		institutional investors			other investors		
		share on total capital ²	share on capital at the AGM ³	share on institutional votes ⁴	share on total capital ²	share on capital at the AGM ³	share on other investors votes ⁴
2012	yes	9.3	15.0	67.4	53.6	76.7	97.7
	no ¹	3.8	6.4	32.4	0.9	1.8	2.1
2013	yes	10.9	17.5	70.7	52.6	75.3	99.1
	no ¹	4.3	6.5	29.0	0.4	0.6	0.9
2014	yes	15.2	23.2	69.0	47.9	67.2	96.7
	no ¹	5.1	7.3	30.8	1.4	2.2	3.3

Source: elaborations on data from the minutes of Italian listed companies AGMs approving the balance sheet in 2012, 2013 and 2014. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange included in the Ftse Mib and Mid Cap indexes; cooperatives are excluded; for 2014, attendance is drawn from say-on-pay votes reported in the AGMs minutes published until 30 September 2014 (data on 73 companies in 2012; 64 in 2013 and 67 in 2014). ¹ Dissent-votes include abstentions. ² Ordinary shares on ordinary total capital. ³ Ordinary shares on ordinary capital represented at the AGM. ⁴ Ordinary shares on total votes by institutional investors/other investors.

Table 3.6 – Shareholders' say-on-pay at the AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes by index

		total dissent ²		institutional investors dissent on total votes ³		institutional investors dissent on total votes by institutional investors ⁴	
		mean	max	mean	max	mean	max
2012	Ftse Mib	11.9	51.7	10.3	37.3	37.6	83.4
	Mid Cap ¹	4.8	33.8	3.0	21.8	27.5	92.7
	<i>total</i>	<i>8.2</i>	<i>51.7</i>	<i>6.5</i>	<i>37.3</i>	<i>32.4</i>	<i>92.7</i>
2013	Ftse Mib	9.5	39.2	9.2	39.2	31.7	85.3
	Mid Cap ¹	4.7	25.0	3.8	25.0	26.4	97.7
	<i>total</i>	<i>7.1</i>	<i>39.2</i>	<i>6.5</i>	<i>39.2</i>	<i>29.0</i>	<i>97.7</i>
2014	Ftse Mib	9.7	53.8	7.9	31.6	27.7	87.8
	Mid Cap ¹	9.2	71.7	6.8	27.1	33.8	98.3
	<i>total</i>	<i>9.5</i>	<i>71.7</i>	<i>7.3</i>	<i>31.6</i>	<i>30.8</i>	<i>98.3</i>

Source: elaborations on data from the minutes of Italian listed companies AGMs approving the balance sheet in 2012, 2013 and 2014. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange included in the Ftse Mib and Mid Cap indexes; cooperatives are excluded; for 2014, attendance is drawn from say-on-pay votes reported in the AGMs minutes published until 30 September 2014 (data on 73 companies in 2012; 64 in 2013 and 67 in 2014). ¹ Companies both in the Star and in the Mid Cap indexes are included only in the Star category. ² Dissent-votes (including abstentions) in percentage of total votes. ³ Institutional investors dissent-votes (including abstentions) in percentage of total votes. ⁴ Institutional investors' dissent-votes (including abstentions) in percentage of total votes by institutional investors.

1. Ownership and control structure
2. Corporate boards
- 3. Annual general meetings**
4. Related party transactions

Table 3.7 – Shareholders' say-on-pay at the AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes by industry

		total dissent ¹		institutional investors dissent on total votes ²		institutional investors dissent on total votes by institutional investors ³	
		mean	max	mean	max	mean	max
2012	financial	5.2	21.8	4.9	21.8	21.7	75.4
	industrial	8.5	51.7	7.1	37.3	28.6	78.9
	services	9.7	33.8	6.7	31.4	46.7	92.7
2013	financial	7.7	25.0	6.1	25.0	30.1	97.7
	industrial	6.8	39.2	6.8	39.2	25.3	85.3
	services	7.1	32.1	6.5	31.4	34.9	78.2
2014	financial	6.5	20.5	6.4	20.5	22.7	73.5
	industrial	8.7	53.8	7.2	27.1	33.9	98.3
	services	12.9	71.7	8.2	31.6	30.8	88.6

Source: elaborations on data from the minutes of Italian listed companies AGMs approving the balance sheet in 2012, 2013 and 2014. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange included in the Ftse Mib and Mid Cap indexes; cooperatives are excluded; for 2014, attendance is drawn from say-on-pay votes reported in the AGMs minutes published until 30 September 2014 (data on 73 companies in 2012; 64 in 2013 and 67 in 2014). Industry classification by Borsa Italiana spa. ¹ Dissent-votes (including abstentions) in percentage of total votes. ² Institutional investors dissent-votes (including abstentions) in percentage of total votes. ³ Institutional investors' dissent-votes (including abstentions) in percentage of total votes by institutional investors.

Table 3.8 – Shareholders' say-on-pay at the 2014 AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes by control model

control model	total dissent ¹		institutional investors dissent on total votes ²		institutional investors dissent on total votes by institutional investors ³	
	mean	max	mean	max	mean	max
majority controlled	7.9	71.7	5.6	20.5	30.8	94.8
weakly controlled	13.2	53.8	10.7	31.6	36.7	98.3
companies controlled by a shareholders' agreement	7.1	20.0	5.7	20.0	29.7	78.2
widely held	7.1	12.6	7.0	12.6	10.6	16.8
non-widely held	16.5	16.5	5.2	5.2	15.2	15.2

Source: elaborations on data from the minutes of Italian listed companies AGMs approving the balance sheet in 2014. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange included in the Ftse Mib and Mid Cap indexes; cooperatives are excluded; attendance is drawn from say-on-pay votes reported in the AGMs minutes published until 30 September 2014 (data on 67 companies). ¹ Dissent-votes (including abstentions) in percentage of total votes. ² Institutional investors dissent-votes (including abstentions) in percentage of total votes. ³ Institutional investors' dissent-votes (including abstentions) in percentage of total votes by institutional investors.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 3.9 – Shareholders' say-on-pay at the 2014 AGMs of Italian listed companies in the Ftse Mib and Mid Cap indexes by some board features

existence of some board characteristics		total dissent ¹		institutional investors dissent on total votes ²		institutional investors dissent on total votes by institutional investors ³	
		mean	max	mean	max	mean	max
minority director	yes	12.0	71.7	7.7	31.6	28.1	98.3
	no	7.0	25.5	7.0	25.5	33.4	94.8
independent directors >50%	yes	10.2	71.7	6.2	31.6	26.0	90.7
	no	8.8	27.1	8.4	27.1	35.2	98.3

Source: elaborations on data from the minutes of Italian listed companies AGMs approving the balance sheet in 2014. Data on Italian companies with ordinary shares listed on Borsa Italiana spa - Mta Stock Exchange included in the Ftse Mib and Mid Cap indexes; cooperatives are excluded; attendance is drawn from say-on-pay votes reported in the AGMs minutes published until 30 September 2014 (data on 67 companies). ¹ Dissent-votes (including abstentions) in percentage of total votes. ² Institutional investors dissent-votes (including abstentions) in percentage of total votes. ³ Institutional investors' dissent-votes (including abstentions) in percentage of total votes by institutional investors.

1. Ownership and control structure
2. Corporate boards
3. Annual general meetings
- 4. Related party transactions**

Related party transactions

In 2013, pursuant to the disclosure regime envisaged by Consob Regulation on Related Party Transactions (hereinafter RPTs), Italian listed companies reported 76 material RPTs (28 in the first half of 2014), i.e. transactions exceeding specified quantitative thresholds. As in the previous years, such transactions were often entered into by a same company, frequently small-sized and operating in the financial or industrial sectors (Tables 4.1 and 4.2).

According to the tunneling taxonomy developed by Atanasov et al. (2008), RPTs can be categorized into three major types – asset, cash flow and equity tunneling – based on the nature of resources transferred to the possible benefit of company's insiders. Most of the RPTs reported since 2011 till 2013, mainly financing contracts and less frequently sponsorship or other contracts, may be regarded as cash flow tunneling (54.8 percent of the total), i.e. as operations involving the transfer of a portion of companies' cash flow, which does not affect long-term productive assets though. About 26 percent of material transactions disclosed over the same time period regard the transfer of major long-term assets, which influences firms' productive capacity. Finally, 19.4 percent of material RPTs, including reserved capital increase, mergers and other transactions increasing the weight of the insider's shareholding, enabled the related party to rearrange ownership claims over the firm (equity tunneling; Table 4.3).

As for the related counterparty of the transactions, almost 83 percent of all RPTs have been entered into with the controlling agent or with other shareholders exerting significant influence over the company. Infra-group transactions, namely those entered into with subsidiary or associate companies, account for nearly 12 percent of the total, while few material RPTs took place with non-shareholder directors or key managers or with firms affiliated with them (5.3 percent of the total; Table 4.3). Transactions disclosed in the first semester of 2014 are mostly in line with past years, being primarily cash flow tunneling operations (about 64 percent), entered into with controlling or significant shareholders (85.7 percent; Table 4.4).

Listed companies have also entered a bulk of material, arm's length RPTs in the ordinary course of business. These transactions are not subject to the approval and disclosure obligations set forth by Consob Regulation, given that they pose a limited risk of minority exploitation. From the beginning of 2011 until the end of June 2014, listed firms entered into 102 material RPTs in the ordinary course of business, which were reported to Consob. Such transactions very often involve Ftse Mib companies (Table 4.5) and firms operating in the utilities and industrial sectors (Table 4.6).

1. Ownership and control structure**2. Corporate boards****3. Annual general meetings****4. Related party transactions**

Nearly two-thirds of the transactions fall among the operating activities of the listed company, thus involving the supply of typical goods and services for non-financial companies and financing contracts for banks (respectively, 42.2 and 21.6 percent of all material RPTs in the ordinary course of business). In addition, pursuant to Consob Regulation, one-third of funding transactions undertaken by non-financial firms were regarded as in the ordinary course of business (being closely related to the operating business). Material RPTs in the ordinary course of business mostly occur with controlling or major shareholders (representing on average 81.4 percent of the sample Table 4.7).

As for the 14 ordinary transactions reported in the first half of 2014, records show that they more frequently involve the supply of goods or services to related businesses, owned either by the controlling agent or by the listed company itself. Moreover, material financing transactions are mainly entered into by non-financial groups and with the controlling parties (Table 4.8).

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 4.1 – Material related party transactions disclosed by Italian listed companies by market index
(for 2014, first semester)

	2011		2012		2013		2014	
	transactions	companies	transactions	companies	transactions	companies	transactions	companies
Ftse Mib	6	9	6	4	10	7	1	1
Mid Cap ¹	13	7	14	10	14	7	--	--
Star ¹	9	7	5	4	7	3	2	2
other	52	25	54	23	45	26	25	15
<i>total</i>	<i>80</i>	<i>42</i>	<i>79</i>	<i>41</i>	<i>76</i>	<i>43</i>	<i>28</i>	<i>18</i>

Source: Consob. Data on Italian companies listed on Borsa Italiana spa - Mta Stock Exchange. ¹ Companies both in the Star and in the Mid Cap indexes are included only in the Star category.

Table 4.2 – Material related party transactions disclosed by Italian listed companies by industry
(for 2014, first semester)

	2011		2012		2013		2014	
	transactions	companies	transactions	companies	transactions	companies	transactions	companies
financial	39	15	43	17	23	12	14	5
industrial	24	16	17	14	27	19	8	7
services	17	11	19	10	26	13	6	6
<i>total</i>	<i>80</i>	<i>42</i>	<i>79</i>	<i>41</i>	<i>76</i>	<i>43</i>	<i>28</i>	<i>18</i>

Source: Consob. Data on Italian companies listed on Borsa Italiana spa - Mta Stock Exchange; industry classification by Borsa Italiana spa.

Table 4.3 – Material related party transactions disclosed by Italian listed companies according to transaction and counterparty
(for 2014, first semester)

	object ¹			counterparty		
	asset ²	cash flow ²	equity ²	controlling or major shareholder ²	subsidiary or associate company ²	director ²
2011	25.0	56.3	18.8	75.0	17.5	7.5
2012	22.8	54.4	22.8	78.5	15.2	6.3
2013	34.2	50.0	15.8	94.7	1.3	3.9
2014	14.3	64.3	21.4	85.7	14.3	--
<i>total</i>	<i>25.9</i>	<i>54.8</i>	<i>19.4</i>	<i>82.9</i>	<i>11.8</i>	<i>5.3</i>

Source: Consob. Data on companies listed on Borsa Italiana spa - Mta Stock Exchange. ¹ The transaction classification is based on the tunneling taxonomy developed by Atanasov, Black and Ciccotello (2008). Cash flow tunneling involves the company's cash flow but does not affect long-term productive assets (e.g. purchase/sale of inputs or outputs, loans). Asset tunneling consists of the transfer of major long-term assets from or to the firm, with a long term effect on its cash-generating capacity. Equity tunneling increases the controller's share of the firm's value compared to that of minority shareholders (e.g. mergers with related parties, reserved capital increase). ² Percentage of material RPTs falling in the relevant category on the total number of material RPTs disclosed in the relevant year.

3

December 2014

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 4.4 – Material related party transactions disclosed by Italian listed companies in the first half of 2014 according to transaction and counterparty

object ¹	counterparty			total ²
	controlling or major shareholder ²	subsidiary or associate company ²	director ²	
asset	14.3	--	--	14.3
cash flow	57.1	7.1	--	64.3
equity	14.3	7.1	--	21.4
<i>total</i>	<i>85.7</i>	<i>14.3</i>	<i>--</i>	<i>100.0</i>

Source: Consob. Data on companies listed on Borsa Italiana spa - Mta Stock Exchange. ¹ The transaction classification is based on the tunneling taxonomy developed by Atanasov, Black and Ciccotello (2008). Cash flow tunneling involves the company's cash flow but does not affect long-term productive assets (e.g. purchase/sale of inputs or outputs, loans). Asset tunneling consists of the transfer of major long-term assets from or to the firm, with a long term effect on its cash-generating capacity. Equity tunneling increases the controller's share of the firm's value compared to that of minority shareholders (e.g. mergers with related parties, reserved capital increase). ² Percentage of material RPTs falling in the relevant category on the total number of material RPTs disclosed in the first semester of 2014.

Table 4.5 – Material related party transactions in the ordinary course of business exempted from disclosure and approval requirements by market index

(for 2014, first semester)

	2011		2012		2013		2014	
	transactions	companies	transactions	companies	transactions	companies	transactions	companies
Ftse Mib	14	4	20	6	10	4	11	5
Mid Cap ¹	4	4	1	1	4	4	2	2
Star ¹	1	1	3	3	5	4	1	1
other	19	10	4	3	3	3	--	--
<i>total</i>	<i>38</i>	<i>19</i>	<i>28</i>	<i>13</i>	<i>22</i>	<i>15</i>	<i>14</i>	<i>8</i>

Source: Consob. Data on Italian companies listed on Borsa Italiana spa - Mta Stock Exchange. ¹ Companies both in the Star and in the Mid Cap indexes are included only in the Star category.

Table 4.6 – Material related party transactions in the ordinary course of business exempted from disclosure and approval requirements by industry

(for 2014, first semester)

	2011		2012		2013		2014	
	transactions	companies	transactions	companies	transactions	companies	transactions	companies
financial	9	6	8	4	4	3	3	2
industrial	13	7	7	5	9	7	6	3
services	16	6	13	4	9	5	5	3
<i>total</i>	<i>38</i>	<i>19</i>	<i>28</i>	<i>13</i>	<i>22</i>	<i>15</i>	<i>14</i>	<i>8</i>

Source: Consob. Data on Italian companies listed on Borsa Italiana spa - Mta Stock Exchange. Industry classification by Borsa Italiana spa.

1. Ownership and control structure

2. Corporate boards

3. Annual general meetings

4. Related party transactions

Table 4.7 – Material related party transactions in the ordinary course of business exempted from disclosure and approval requirements according to nature of the transaction and counterparty
(for 2014, first semester)

	nature of the transaction				counterparty		
	supply of goods and services ¹	financing/ financial services by banks ¹	financing by other companies	other transfers ¹	controlling or major shareholder ¹	subsidiary or associate company ¹	director ¹
2011	50.0	23.7	26.3	--	86.8	2.6	10.5
2012	25.0	28.6	35.7	10.7	78.6	14.3	7.1
2013	45.5	13.6	40.9	--	72.7	22.7	4.5
2014	50.0	14.3	35.7	--	85.7	14.3	--
<i>total</i>	<i>42.2</i>	<i>21.6</i>	<i>33.3</i>	<i>2.9</i>	<i>81.4</i>	<i>11.8</i>	<i>6.9</i>

Source: Consob. Data on Italian companies listed on Borsa Italiana spa - Mta Stock Exchange. ¹ Percentage of RPTs falling in the relevant category on the total number of material RPTs in the ordinary course of business reported to Consob in the relevant year.

Table 4.8 – Material related party transactions in the ordinary course of business exempted from disclosure and approval requirements in the first half of 2014 according to nature of the transaction and counterparty

nature of the transaction	counterparty			total ¹
	controlling or major shareholder ¹	subsidiary or associate company ¹	director ¹	
supply of goods and services	42.9	7.1	--	50.0
financing/financial services by banks	7.1	7.1	--	14.3
financing by other companies	35.7	--	--	35.7
<i>total</i>	<i>85.7</i>	<i>14.3</i>	<i>--</i>	<i>100.0</i>

Source: Consob. Data on companies listed on Borsa Italiana spa - Mta Stock Exchange. ¹ Percentage of material RPTs falling in the relevant category on the total number of material RPTs in the ordinary course of business reported to Consob in the first semester of 2014.