

# **CORPORATE GOVERNANCE REPORT**

The logo consists of a solid blue square with the word "DiaSorin" written in white, serif font, centered within the square.

**DiaSorin**

## **DIASORIN S.p.A.**

Website: [www.diasorin.com](http://www.diasorin.com)

Year to which Report refers: 2009

Date Report approved: 22 March, 2010

(prepared in accordance with arts. 124-*bis* of the Consolidated Finance Law, 89-*bis* of Consob Issuer Regulations, and art. I.A. 2.6 of the Stock Exchange Regulation Instructions)

## REPORT ON CORPORATE GOVERNANCE AND THE COMPANY'S OWNERSHIP STRUCTURE

On July 19, 2007, the shares of Diasorin S.p.A. (hereinafter also referred to as the “**Issuer**” or “**Diasorin**”) began trading on the *Star* segment of the Online Stock Market organized and operated by Borsa Italiana S.p.A. (hereinafter referred to as “**MTA**,” its abbreviation in Italian”).

On February 12, 2007, the Board of Directors of Diasorin S.p.A. agreed to upgrade its system of corporate governance and make it consistent with the recommendations of the Corporate Governance Code published by the *Committee for the Corporate Governance of Listed Companies* (the “**Corporate Governance Code**”) currently in force. Diasorin's system of corporate governance, as described in this Report, is consistent with the main recommendations of the Corporate Governance Code. This Report reviews the corporate governance structure as set forth in the Bylaws approved by the Company's Extraordinary Shareholders' Meeting on February 12, 2007, as amended by Resolutions adopted on March 26, 2007 and June 13, 2007 in accordance with the requirements of Law No. 262/2005, as amended.

### 1. Structure of the Company's share capital and information about share ownership (pursuant to Article 123 bis of the Uniform Financial Code)

As of the date of this Report, a breakdown of the Company's subscribed and fully paid-in share capital is as follows:

Share capital	No. of shares	% of total share capital	Where traded
55,000,000	55,000,000	100	MTA/Start Segment

The Issuer's shares are traded on the STAR Segment of the Online Stock Market. Each share conveys the right to cast one vote. The rights and obligations of the shareholders are those set forth in Articles 2346 and following of the Italian Civil Code.

There are no restrictions or limitations on the transferability of the shares or of the voting rights they convey.

The Issuer is not aware of any significant shareholders' agreements, as defined in Article 122 of Legislative Decree No. 58 of February 24, 1998 (hereinafter referred to as “**TUF**,” its abbreviation in Italian).

There are no financial instruments that convey the right to acquire through subscription newly issued shares and Diasorin has not issued any securities that convey special control rights.

Neither the Issuer nor its subsidiaries are parties to agreements the enforcement of which is subject or related to a transaction producing a change of Diasorin's control.

On March 26, 2007, the Shareholders' Meeting authorized the Board of Directors to increase the Issuer's share capital, all at once or on multiple occasions, in accordance with Article 2443 of the Italian Civil Code. Pursuant to this authorization, which was granted as a result of the approval of a new stock incentive plan (“**Stock Option Plan**”) by the Ordinary shareholders' Meeting, the Board of Directors may increase the share capital, in a lump sum or fractionally, at any time, all at once or on multiple occasions, until March 26, 2012, for the purpose of implementing the Stock Option Plan. The capital increase, which may not exceed 1,000,000.00 euros will be carried out by issuing 1,000,000 common shares, par value 1.00 euro each, regular ranking for dividends, which the beneficiaries of the Stock Option Plan may acquire for consideration through subscription, the

preemptive rights of other shareholders being suspended pursuant to Article 2441, Section 8, of the Italian Civil Code.

The Issuer has no employee stock ownership plan, as defined in Article 123-*bis*, Letter e, of the TUF.

The Diasorin Stock Option Plan document, which is available on the Issuer’s website ([www.diasorin.com](http://www.diasorin.com)), was published and disclosed to the market by means of the Prospectus required pursuant to Article 84-*bis* of the Issuers’ Regulations adopted by the Consob with Resolution No. 11971/1999, as amended (“**Issuers’ Regulations**”).

The Issuer and its Executive Directors recently executed agreements calling for the payment of severance indemnities in the event of resignation or dismissal without sufficient grounds or if the employment relationship is terminated due to a change in majority shareholders, as allowed under Article 93 of the TUF.

## 2. Significant Equity Interests (\*)

As of the date of this Report, based on the communications received pursuant to Article 120 of the TUF, the following shareholders held significant equity interests in Diasorin, as defined in Article 123-*bis* of the TUF:

Reporting shareholder	Direct shareholder	How held	% interest
		Asset manager	2.017
<b>William Blair &amp; Company LLC</b>	William Blair & Company LLC	<b>Total</b>	2.017
<b>Threadneedle Asset Management Holdings Ltd</b> (as manager of the European Smaller Companies Fund, which owns a 2.074% interest)	Threadneedle Asset Management Holdings Ltd	Asset manager	2.023
		<b>Total</b>	2.023
<b>Oppenheimerfunds Inc.</b>	Oppenheimerfunds Inc.	<b>Total</b>	2.023
		Owner	44.090
<b>Finde SS</b>	IP Investimenti e Partecipazioni Srl	<b>Total</b>	44.090
		Asset manager	4.395
<b>Carlo Rosa</b>	Sarago Srl	<b>Total</b>	4.395
		Owner	4.286
	Carlo Rosa	<b>Total</b>	4.286
		<b>Total</b>	<b>8.681</b>
		Owner	3.198
<b>Chen Menachem Even</b>	Chen Menachem Even	<b>Total</b>	3.198
		Owner	2.149
<b>Antonio Boniolo</b>	Antonio Boniolo	<b>Total</b>	2.149

(\*) Source: Significant Equity Interests published by the Consob as of March 22, 2010.

Direct and indirect ownership by the reporting shareholder (parties at the top of the ownership chain). The percentage interest held is computed as the ratio of exercisable voting right conveyed by common shares to the share capital represented by common shares.

Even though Article 2497-*sexies* of the Italian Civil Code states that “*unless proof to the contrary is provided, it is presumed that management and coordination authority over a company is exercised*”

by the company or entity who is required to consolidate that company's financial statements or otherwise controls it pursuant to Article 2359," The Company believes that neither Finde Società Semplice nor Investimenti e Partecipazioni S.r.l., the transferee of the equity investment held by Finde SpA, formerly IP Investimenti e Partecipazioni S.p.A., exercise management and coordination authority over Diasorin.

Specifically, the Issuer believes that in its corporate and entrepreneurial endeavors it *de facto* operates independently of Finde Società Semplice, its controlling company, and IP Investimenti e Partecipazioni S.r.l.

Moreover, the Issuer's relationship with Finde Società Semplice and IP Investimenti e Partecipazioni S.r.l. is limited to the normal exercise by these companies of the administrative and ownership rights inherent to their status as shareholders (vote at Shareholders' Meetings, collection of dividends).

### **3. Issuer's governance structure**

Diasorin is organized in accordance with the conventional management and control model referred to in Articles 2380-*bis* and following of the Italian Civil Code. Accordingly, it includes a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors.

Pursuant to a resolution approved by the Shareholders' Meeting of February 12, 2007, the independent auditing function was awarded to Deloitte & Touche S.p.A., a company listed in the Register of Independent Auditors established pursuant to Article 161 of the TUF.

This assignment, which began on the date when the Issuer's shares began trading on the Online Stock Market (July 19, 2007), will expire with the approval of the financial statements at December 31, 2015.

### **4. Composition and functioning of the Board of Directors**

#### ***4.1 Election, composition and term of office***

The Issuer is managed by a Board of Directors comprised of at least seven and not more than 16 members. At the time of election, the Ordinary Shareholders' Meeting determined the size of the Board of Directors, within the abovementioned limits, and its term of office, which may not exceed three years. The Board of Directors will cease to be in office on the date of the Shareholders' Meeting convened to approve the financial statements for the last year of its term of office. Directors may be reelected.

The provisions of the Bylaws that govern the composition and election of the Issuer's Board of Directors have been designed to ensure compliance with the relevant regulations introduced by Law No. 262/2005, as amended (Article 147-*ter* of the TUF), which are summarized below.

The ability to serve as a Director is subject to the candidate meeting the requirements set forth in the statutory and regulatory provisions currently in force (for the independence requirements of the members of the Board of Directors, see Section 4.3).

Article 11 of the Bylaws requires that the Board of Directors be elected by a voting system based on slates of candidates filed by shareholders who, alone or in combination with others, represent at least 2.5% of the shares that convey the right to vote at Ordinary Shareholders' Meetings, or any other percentage that may apply pursuant to the applicable laws or regulations. Each shareholder,

shareholders who are parties to a shareholders' agreement that qualifies as such pursuant to Article 122 of the TUF, the Company's controlling party, its subsidiaries and joint ventures that qualify as such pursuant to Article 93 of the TUF may not file or participate in the filing, directly or through a third party or a nominee, of more than one slate and may not vote for multiple slates. Each candidate can be included on only one slate, on penalty of losing the right to be elected. Votes cast in violation of this provisions will not be allocated to any slate.

Notwithstanding additional statutory disclosure and filing requirements, including those set forth in regulations currently in effect, slates filed by shareholders, duly signed by the filers, must be deposited at the Company's registered office, where they must be available to anyone upon request, at least 15 days prior to the date of the first calling of the Shareholders' Meeting. The slates must be accompanied by the following documentation:

- (i) Information identifying the shareholders who are filing the slates and showing the total percentage interest held, together with a statement by an intermediary qualified pursuant to law that certifies the ownership of the abovementioned equity interest;
- (ii) Affidavits by which the individual candidates accept their nomination and attest, under their responsibility, that there are no issues that would make them incompatible or unelectable and that they meet the requirements of their respective offices;
- (iii) A curriculum vitae setting forth the personal and professional qualifications of each candidate and indicating whether a candidate qualifies as an independent Director.

Slates that are filed without complying with these requirements will be treated as if they not been filed at all.

The election of Directors is carried out as follows:

- a) All except one of the Directors that need to be elected shall be taken from the slate that received the highest number of votes cast by the shareholders, in the sequence in which they are listed on the slate;
- b) The remaining Director shall be taken from a minority slate that is not connected in any way, directly or indirectly, with the shareholders who filed or voted for the slate referred to in paragraph a) above and has received the second highest number of votes cast by the shareholders, selecting for election the first candidate listed in the slate's numerical sequence.

However, should the minority slate referred to in paragraph b) above fail to receive a percentage of the votes equal at least to half the required percentage for filing a slate, as stated above, all of the Directors that need to be elected shall be taken from the slate that received the highest number of votes referred to in paragraph a) above.

If the candidates elected in the manner described above do not include a sufficient number of Directors who meet the independence requirements that apply to Statutory Auditors pursuant to Article 148, Section 3, of the TUF to achieve the minimum statutory percentage of the total number of elected Directors, the non-independent candidate elected last in the sequence listed in the slate that received the highest number of votes, as referred to in paragraph a) above, shall be replaced with the first non-elected independent candidate who is listed next sequentially in the same slate or, alternatively, by the first non-elected candidate listed sequentially on other slates, based on the number of votes received by each slate. This replacement procedure shall be applied repeatedly until the Board of Directors includes a number of Directors who meet the requirements of Article 148, Section 3, of the TUF equal to at least the statutory minimum. As a further alternative, the replacement candidates may be elected by means of a resolution approved by the Shareholder's Meeting with a relative majority, provided candidates have been placed in nomination in accordance with statutory requirements.

If only one slate is filed or if no slate is filed, the Shareholders' Meeting shall approve its resolutions with the majorities required by law without being required to comply with the procedure described above.

Lastly, pursuant to Article 11 of the Bylaws, if one or more Directors ceases to be in office during the course of the year, provided the majority of Board members are still Directors elected by the Shareholders' Meeting, they shall be replaced in the manner described below, in accordance with the provisions of Article 2386 of the Italian Civil Code:

- (i) The Board of Directors nominates as replacements candidates taken from the same slate to which the Directors no longer in office belonged and the Shareholders' Meeting votes with the majorities required pursuant to law and in accordance with the principle described above;
- (ii) Should there be no unelected candidates or eligible candidates left in the abovementioned slate or if the provisions of paragraph (i) above cannot be complied with for any reason, the Board of Directors and the Shareholders' Meeting elect replacements with the majorities required pursuant to law, without using a slate voting system.

If the majority of the Directors elected by the Board of Directors ceases to be in office, the entire Board of Directors shall be deemed to have resigned and a Shareholders' Meeting must be convened promptly by the Directors still in office to elect a new Board.

Additional information about the procedures for the election of the Board of Directors is provided in Article 11 of the Bylaws.

Consob published Resolution No. 17148/2010 setting at 2% the minimum ownership percentage required to file slates of candidates.

The Issuer's Board of Directors in office as of the date of this Report was elected by the Ordinary Shareholders' Meeting of March 26, 2007 (without using a slate voting system and in accordance with the Bylaws in force before the beginning of trading of the Issuer's shares on the Online Stock Market) for a term of office that will end on the date of the Shareholders' Meeting convened to approve the financial statements for the year ended December 31, 2009. It comprises the following nine members:

<b>FIRST AND LAST NAME</b>	<b>PLACE AND DATE OF BIRTH</b>	<b>POST HELD</b>	<b>DATE ELECTED</b>
Gustavo Denegri	Turin, March 17, 1937	Chairman (non-executive Director)	March 26, 2007
Antonio Boniolo	Venice, January 4, 1951	Deputy Chairman and Executive Director	March 26, 2007
Carlo Rosa	Turin, January 15, 1966	Chief Executive Officer	March 26, 2007
Chen Menachem Even	Ashkelon (Israel), March 18, 1963	Executive Director	March 26, 2007
Enrico Mario Amo	Turin, September 17, 1956	Non-executive Director	March 26, 2007
Michele Denegri	Turin, January 7, 1969	Non-executive Director	March 26, 2007
Giuseppe Alessandria	Novello Moncherio (CN), May 15, 1942	Independent Director	March 26, 2007
Franco Moschetti	Tarquinia (VT), October 9, 1951	Independent Director	March 26, 2007
Ezio Garibaldi	Turin, February 2, 1938	Independent Director	March 26, 2007

The Directors' professional curricula are on file at the Issuer's registered office.

For the sake of full disclosure, the posts held by Directors at other Diasorin Group companies or at other companies are listed in Schedule 1 annexed to this Report, which should be consulted for additional information.

With regard to the posts held by Diasorin Directors on management and oversight bodies at other companies, the Board of Directors does not believe that, at this point, it would be appropriate to introduce preset quantitative limits. Without prejudice to the obligation of each Director to assess whether he can discharge diligently the duties of his office while serving as a Director or Statutory Auditor of other companies with shares traded on regulated markets or financial, banking or insurance companies or companies of a significant size, the Board concluded that the number and quality of the posts held by its members in companies of the types listed above does not interfere and is compatible with the effective discharge of the duties of their offices at the Issuer.

The Shareholders' Meeting convened for April 27, 2010 will be asked to elect a new Board of Directors in accordance with the rules and procedures described above.

#### - **4.2 Nominating Committee**

The Issuer's Board of Directors, consistent with the provisions of the Corporate Governance Code and in view of the fact that the Bylaws require the use of a slate-voting system to elect the Board of Directors, established an internal Nominating Committee, the majority of its members being non-executive independent Directors, the purpose of which is to ensure that the filing of slates of candidates in accordance with the Bylaws is carried out correctly and transparently, in accordance with the applicable provisions of the law and the Bylaws. Once it has verified compliance with the slate filing procedure, particularly with regard to the completeness of the documents that must be submitted together with the slates and compliance with the filing deadline, the abovementioned Committee is responsible for carrying out the process required to submit the slates of candidates to the Shareholders' Meeting convened to elect the Board of Directors.

Pursuant to Article 6.C.2, Letter c) of the Corporate Governance Code, the Nominating Committee is also responsible for providing the Board of Directors with advice about the Board's size and makeup, should the Committee believe that such advice is in order.

On February 12, 2007, the Issuer's Board of Directors established an internal Nominating Committee. The members of the Committee, the majority of whom are non-executive, independent Directors, are: Franco Moscetti (independent Director), who serves as Chairman; Giuseppe Alessandria (independent Director) and Michele Denegri (non-executive Director).

A need to hold a meeting of the Nominating Committee never arose in 2007 (see Schedule 2 annexed to this Report). The Committee will review the slate filing process in connection with the election of a new Board of Directors at the Shareholders' Meeting convened for April 27, 2010 to cast ballots for the candidates placed in nomination.

#### - **4.3 Non-executive Directors, independent Directors and Lead Independent Director**

The number and authoritativeness of the Board's non-executive Directors and independent Directors is sufficient to ensure that their opinion has a significant impact on the decision-making process of the Issuer's Board of Directors. Non-executive Directors and independent Directors contribute specific professional expertise to Board meetings and help the Board adopt resolutions that are in the Company's interest. The slate-voting system required by Article 11 of the Bylaws is designed to ensure the election of a number of Directors that meet the independence requirements set forth in Article 148, Section 3, of the TUF equal to the minimum percentage required by the applicable laws, based on the total number of Directors serving on the Board.

In the case of Directors of issuers that qualify for STAR listing, the number of Directors and the independence requirements are those set forth in the Regulations for Markets Organized and

Operated by Borsa Italiana (“**Stock Exchange Regulations**”), the related Instructions and Article 3 of the Corporate Governance Code.

The Issuer’s Board of Directors includes the following independent Directors: Franco Moscetti, Giuseppe Alessandria and Ezio Garibaldi.

At a meeting held on March 19, 2009, the Board of Directors ascertained that the independent Directors met the independence requirements of Article 148, Section 3, of the TUF. The same process was repeated for the current year at a Board meeting held on March 22, 2010.

On March 22, 2010, acting in accordance with Article 3.C.5 of the Corporate Governance Code, the Board of Statutory Auditors reviewed the correct implementation of the criteria and procedures applied by the Board of Directors to verify the independence of its members.

At a meeting held on March 26, 2007, the Board of Directors selected Giuseppe Alessandria, an independent Director, to serve as Lead Independent Director and, in such capacity provide a reference point for and coordinate issues relevant to non-executive Directors and independent Directors in particular.

## **5. Functions and attributions of the Board of Directors**

The Board of Directors performs a pivotal role within the corporate organization. Its task and responsibilities include setting strategic and organizational guidelines and ensuring that adequate controls to monitor the performance of the Issuer and the other companies of the Diasorin Group are in place.

All members of the Board of Directors are required to make informed and independent decisions, pursuing the goal of creating value for the shareholders, and must be willing to devote to the tasks they perform at the Issuer the time required to discharge diligently their duties, irrespective of the posts held at companies outside the Diasorin Group, being fully cognizant of the responsibilities entailed by the office they hold.

With this in mind, all candidates to the post of Director, prior to accepting their appointment at the Issuer and irrespective of existing statutory and regulatory restrictions on the total number of posts that may be held, must determine whether they will be able to perform the tasks assigned to them with the required attention and effectiveness, taking into account their overall effort that will be required of them in connection with the posts held outside the Diasorin Group.

All members of the Board of Directors are also required to inform the Board of any new appointments to Boards of Directors or Boards of Statutory Auditors at other companies, in order to allow the Board of Directors to comply with the relevant statutory and regulatory disclosure requirements.

Pursuant to Article 15 of the Bylaws, the Board of Directors enjoys the most ample powers to manage the Issuer.

In accordance with the abovementioned article of the Bylaws and pursuant to Article 2365 of the Italian Civil Code, the Board of Directors also has jurisdiction (which may not be delegated to anyone but may be ceded to the Shareholders’ Meeting) over the adoption of resolutions concerning the following:

- mergers and demergers, when permissible pursuant to law;
- the opening and closing of secondary offices;
- reductions of share capital when shareholders elect to request the reimbursement of their shares;



- amendments to the Bylaws required pursuant to law;
- moving the Issuer's registered office to another location in Italy.

In 2009, the Board of Directors relied on the support of the Internal Control Committee, the Internal Control Officer and the Corporate Accounting Documents Officer for the purpose of assessing the effectiveness of the guidelines of the system of internal control, specifically with regard to the procedures and control implemented pursuant to Law No. 262/2005.

Pursuant to Article 13 of the Bylaws, on the occasion of Board meetings but not less frequently than once a quarter, the governance bodies to whom powers have been delegated informed the Board of Directors and the Board of Statutory Auditors about the performance of the Issuer and its subsidiaries, its business outlook and transactions that have a material impact on its income statement, balance sheet and financial position, focusing on transactions which Directors may have an interest, directly or through third parties, or which may have been influenced by a party with management and coordination authority.

Based on timeliness requirements, the abovementioned information may also be provided to the Board of Statutory Auditors directly or at meetings of the Executive Committee.

Pursuant to Article 15 of the Bylaws, the Board of Directors, which is required to act with the mandatory input of the Board of Statutory Auditors, has jurisdiction over the appointment and dismissal of the **Corporate Accounting Documents Officer** required pursuant to Article 154-*bis* of the TUF and the determination of his or her compensation. The Company's Corporate Accounting Documents Officer must meet the integrity requirements of the relevant statutes currently in force for those who perform administrative and management functions, as well as professional requirements that include specific expertise in administrative and accounting issues. Expertise in these areas must be verified by the Board of Directors and must be the result of work performed in a position of sufficiently high responsibility for an adequate length of time.

On February 12, 2007, the Issuer's Board of Directors, after verifying compliance with the requirements of integrity and professional expertise referred to above, appointed Andrea Senaldi (who serves as Manager of the Issuer's Accounting, Finance and Control Department) to the post of Corporate Accounting Documents Officer, granting him the powers required pursuant to Article 154-*bis* of the TUF.

Pursuant to Article 17 of the Bylaws, the Board of Directors can appoint one or more General Managers and determine their powers, which may include the power to appoint representatives or grant powers of attorney for specific transactions or classes of transactions. General Managers attend Board of Directors and Executive Committee meetings and are entitled to make non-binding recommendations with regard to the items on the Agenda.

Pursuant to Article 15 of the Bylaws, the Board of Directors may establish committees, determining their composition and tasks. For information about the internal committees of the Issuer's Board of Directors, please see Section 4.2 above for the Nominating Committee and Sections 6.1 and 7.3 below for the Compensation Committee and the Internal Control Committee, respectively.

Pursuant to Article 13 of the Bylaws, the Board of Directors meets at the Company's registered office, or elsewhere, whenever the Chairman deems it necessary or when a meeting is requested by the Chief Executive Officer (if one has been appointed) or by at least three Directors, without prejudice to the right of other parties to call a Board meeting pursuant to law. If the Chairman is absent or incapacitated, Board meetings are called by the person who replaces him pursuant to Article 12 of the Bylaws (i.e., the Deputy Chairman or the oldest Director, in that order).

Meetings of the Board of Directors are validly convened when a majority of the Directors in office is in attendance and resolutions are adopted with a majority of the votes cast by the Directors

attending the meeting. In the event of a tie, the Chairman has the tie-breaking vote (Article 14 of the Bylaws).

- **5.1 Powers of the Chairman, Deputy Chairman, Chief Executive Officer and General Manager**

The Board of Directors elects one of its members to the post of **Chairman**. The Chairman convenes and chairs the meetings of the Board of Directors, coordinates its activities and ensures that sufficient information about the items on the Agenda is provided to all Directors. Moreover, he chairs the Shareholders' Meeting, verifies that it has been properly convened, checks the identity of the parties attending the Shareholders' Meeting and their right to attend, manages the activities carried out at the Shareholders' Meeting and verifies its outcome, as required by Article 10 of the Bylaws.

The Chairman represents the Issuer before third parties and in legal actions.

On March 26, 2007, the Ordinary Shareholders' Meeting, upon electing the Board of Directors, appointed the Director Gustavo Denegri Chairman.

The Board of Directors may also elect a **Deputy Chairman**, who can replace the Chairman in the functions described above, should the latter be absent or incapacitated.

On March 26, 2007, the Ordinary Shareholders' Meeting elected the Director Antonio Boniolo Deputy Chairman of the Board of Directors.

Pursuant to Article 15 of the Bylaws, the Board of Directors may select some of its members to staff an Executive Committee, to which it may delegate some of its powers, except for those that the law reserves expressly for the Board of Directors, determining the Committee's composition, powers and rules of operation.

As of the date of this Report, the Board of Directors had not appointed an Executive Committee.

The Board of Directors may also delegate some of its powers to one or more of its members, specifying the limits of the delegated powers, and entrust to these members special tasks, which would then have the right to act as the Issuer's legal representatives.

On March 26, 2007, Diasorin's Board of Directors appointed the Director Carlo Rosa to the posts of **Chief Executive Officer and General Manager**, granting him the power to handle all ordinary and extraordinary business transactions over which the Board of Directors has jurisdiction, with the exception of those that are expressly reserved for the Board of Directors pursuant to law and the Bylaws. The following powers are reserved for the Board of Directors and may not be delegated:

- approving the annual budget;
- buying, acquiring through subscription or selling equity investments;
- buying, selling or leasing businesses and business operations;
- buying and selling real estate;
- investing in capital assets in addition to the capital expenditures contemplated in the budget when the amount involved exceeds 1,000,000.00 (one million) euros per year; securing loans, credit lines and bank advances; discounting promissory notes and obtaining overdraft facilities involving amounts in excess of 9,500,00.00 (nine million five hundred thousand) euros for each transaction,

excluding credit lines for sureties and except for factoring contracts, which are covered by the delegated powers without amount limitations;

- granting mortgages, pledges and liens on Company assets involving amounts in excess of 500,000 (five hundred thousand) euros for each transaction;
- granting sureties involving amounts in excess of 500,000 (five hundred thousand) euros for each transaction;
- hiring and firing managers;

Any changes to the compensation paid to managers must be implemented by means of an order signed jointly by the Chief Executive Officer and one of the non-executive Directors. The compensation for the management function performed by Mr. Rosa as Chief Executive Officer is determined jointly by the Chairman of the Board of Directors and the Chairman of the Compensation Committee.

## **6. Compensation of Directors and managers**

Pursuant to Article 16 of the Bylaws, Directors are entitled to be reimbursed for expenses incurred in connection with their office. In addition, they are provided with an annual compensation approved by the Ordinary Shareholders' Meeting that elects them. The Shareholders' Meeting may set a total amount as compensation for all of the Directors, except for those who have been delegated to perform operational functions, whose compensation is determined by the Board of Directors with the input of the Board of Statutory Auditors. Alternatively, the Shareholders' Meeting may exercise its right to set a total amount as compensation for all of the Directors, including those entrusted with special tasks.

Diasorin pursues a compensation policy for governance bodies to whom powers have been delegated and senior executives that calls for incentives tied to the Company's profitability and may include corporate incentive plans that include stock option awards.

If a Company executive also serves as a Director, under Diasorin's rules no fee will be owed for serving on the Board of Directors and such post will be granted and accepted without compensation.

### ***6.1 Compensation Committee***

The Issuer's Board of Directors, consistent with the provision of the Stock Exchange Regulations for issuers that qualify for STAR Segment listing and the Corporate Governance Code, established an internal Compensation Committee staffed with non-executive Directors, the majority of whom are independent Directors. The Compensation Committee is responsible for:

- (i) submitting to the Board of Directors proposals concerning the compensation of the Chief Executive Officer and of all other Directors who perform special tasks and for monitoring the proper implementation of approved resolutions;
- (ii) submitting to the Board of Directors general recommendations concerning the compensation of Diasorin Group managers with strategic responsibilities, taking into account the information and indications provided by the Chief Executive Officer, and assessing on a regular basis the criteria adopted to determine the compensation of the abovementioned managers.

The Compensation Committee will also be expected to participate in managing any future stock option plans that may be approved by the Issuer's relevant corporate governance bodies.

The Issuer's Board of Directors appointed the following Directors to the Compensation Committee: Giuseppe Alessandria (independent Director), who serves as Chairman; Ezio Garibaldi (independent Director) and Michele Denegri (non-executive Director).

The Compensation Committee was not provided with financial resources because the Committee uses the Issuer's resources and organization to discharge its duties.

The number of Committee meetings and the attendance percentage are listed in Schedule 2 annexed to this Report, which should be consulted for additional information.

## **7. System of internal control**

The Board of Directors is responsible for defining the guidelines of the system of internal control, which is a set of processes designed to monitor the efficiency of the Company's operations, the reliability of the financial information, the degree of compliance with laws and regulations and the level of protection of the Company's assets.

The Board of Directors (i) is responsible for the prevention and monitoring of business risks to which the Issuer and the Group are exposed by defining control system guidelines that can be used to properly identify, adequately measure, monitor, manage and assess the abovementioned risks, in accordance with the goal of protecting the corporate assets and consistent with the principles of sound management; and (ii) verifies on a regular basis (at least once a year) that the system of internal control is adequate, effective and functions correctly.

In performing these functions, the Board of Directors is supported by an executive Director responsible for supervising the system of internal control and ascertaining that it is functioning correctly (the "**Supervisory Director**"), whose responsibilities are described below, and by an **Internal Control Committee** comprised of non-executive Directors, the majority of whom must be independent Directors, whose responsibilities are described in Section 7.3 below. The Board of Directors also takes into account the organizational and management model adopted by the Diasorin Group pursuant to Legislative Decree No. 231/2001 (the "**Model**").

Acting upon on a recommendation by the Supervisory Director and with the input of the Internal Control Committee, the Board of Directors established the post of **Internal Control Officer**, to which it appointed the manager of the Internal Audit Department, a function currently performed by Fabio Brai.

The Issuer's Board of Directors agreed to: (i) assign to the Supervisory Director the tasks described in Section 7.1 below; and (ii) assign to the Internal Control Officer the tasks described in Section 7.2 below.

The Internal Control Officer shall be supplied with sufficient resources to perform the assigned tasks, including those involving the operational structure and the internal organizational procedures for accessing the information needed to discharge his responsibilities.

The following Directors are members of the Internal Control Committee: Ezio Garibaldi (independent Director), who serves as Chairman; Franco Moschetti (independent Director) and Enrico Mario Amo (non-executive Director).

The Issuer approved and implemented a Group **Code of Ethics**. This Code was adopted to provide all employees with consistent rules of conduct and to define their rights and obligations, as they apply to the performance of any activity that may affect the Issuer's interests. The Code sets forth the general principles that define the values that underpin the Issuer's operations.

The Code of Ethics has since been adopted by all Diasorin Group companies.

In addition, as required by the provisions of Article 2.2.3, Section 3, Letter k), of the Stock Exchange Regulations and in order to ensure that all business transactions and corporate activities are carried out

fairly and transparently, protect the Company's position and image, meet the expectations of its shareholders and protect the jobs of its employees, the Board of Directors adopted the model required by Legislative Decree No. 231/2001 in connection with the Company's administrative liability for crimes committed by its employees (also referred to as the "Model") and appointed the related **Oversight Board**.

This model was developed taking into account the provisions of Legislative Decree No. 231/2001, the guidelines provided by relevant trade associations (particularly those of Assobiomedica) and the guidelines published by Confindustria.

Moreover, the Issuer revised its Organizational Model to make it consistent with the new requirements of Legislative Decree No. 123/2007 and the rules on market abuse introduced by the TUF. The revised model includes two new Special Sections that concern violations of the accident prevention rules of Legislative Decree No. 81 of 2008 (Uniform Occupational Safety Code), formerly governed by the provisions of Legislative Decree No. 626/94 prior to it being repealed, and crimes involving market abuse (and manipulation) and abuse of insider information.

On December 18, 2007, the Board of Directors appointed a new Oversight Board (also referred to as the "OB"). Currently, the members of the OB are: Marco Minolfo, Manager of the Corporate Counsel and Corporate Affairs Department; Fabio Brai, the Issuer's Internal Control Officer; and Paola Francone, an outside professional specialized in occupational safety law, whose presence became necessary in view of the new requirements introduced by Legislative Decree No. 123/2007. The OB is responsible for ensuring that the organizational and management model adopted pursuant to Legislative Decree No. 231/2001 is functioning correctly, is effective and is being complied with, and for recommending updates to the model and Company procedures, when appropriate.

Once a year, the OB presents to the Board of Directors the findings of its oversight activity, subsequent to discussing them with the Internal Control Committee.

A detailed description of the main characteristics of the risk management and internal control system applied to financial reporting, including consolidated financial statements, as required by Article 123-bis, Section 2, Letter b), of the TUF, is provided in the Report on the Company's Operations annexed to the statutory and consolidated financial statements.

- ***7.1 Supervisory Director responsible for the effective implementation of the system of internal control***

The Supervisory Director is responsible for overseeing the effective implementation of the system of internal control, with the support of the Internal Control Committee.

The Supervisory Director, working within and in accordance with the guidelines established by the Board of Directors, is responsible for:

- (a) Identifying corporate risks, based on the characteristics of the Issuer's businesses and of the industries in which it operates, both directly and through Group companies;
- (b) Designing, constructing and managing the system of internal control;
- (c) Monitoring the efficiency, adequacy and effective implementation of the system of internal control;
- (d) Making sure that the system of internal control is updated to address any issues that may have arisen during the monitoring process or as a result of the evolution of the Company's organization or operational structure, changes in the Company's business and changes in the statutory and regulatory framework that may be relevant to the Group.

In performing these tasks, the Supervisory Director relies on the support of the Internal Control Officer and reports to the Board of Directors about the work performed upon request or whenever the Supervisory Director deems it necessary in connection with the occurrence of specific problems.

On July 20, 2007, the Board of Directors appointed Carlo Rosa, the Issuer's Chief Executive Officer and General Manager, to the post of Supervisory Director.

During the course of the year, the Supervisory Director:

- Identified the main corporate risks (strategic, operational, financial and compliance related), taking into account the characteristics of the businesses carried out by the Issuer and its subsidiaries, and submitted them to the Board of Directors for review on a regular basis;
- Implemented the guidelines defined by the Board of Directors, designing, constructing and managing the system of internal control, monitoring the system's overall adequacy, effectiveness and efficiency on an ongoing basis;
- Updated the system in response to changes in operating conditions and in the relevant regulatory framework;
- Submitted to the Board of Directors a proposal to appoint an Internal Control Officer.

#### - **7.2 Internal Control Officer**

The Internal Control Officer, who is not responsible for any operational unit and does not report to any manager of an operational unit, was appointed by the Board of Directors upon a proposal by the Supervisory Director. He is required to perform the following tasks:

- (i) Verify the efficiency, adequacy and effective implementation of the system of internal control;
- (ii) Assist the Supervisory Director in performing the tasks assigned to him;
- (iii) Report at least quarterly to the Supervisory Director, preferably with a written report, and provide the Internal Control Committee and the Board of Statutory Auditors with regular semiannual reports;
- (iv) Inform immediately the Supervisory Director, the Board of Directors and the Internal Control Committee whenever an operational review process uncovers risk profiles that could have a material impact on the Issuer or developments that, potentially, could have a material adverse effect on the Issuer;
- (v) Attend meetings of the Board of Directors and the Internal Control Committee whenever the presence of the Internal Control Officer is requested;
- (vi) Perform any additional tasks that the Board of Directors may choose to assign to the Internal Control Officer, particularly in the area of internal auditing.

On July 20, 2007, the Issuer's Board of Directors appointed to the post of Internal Control Officer the manager of the Internal Audit Department, a function currently performed by Fabio Brai. The Internal Control Officer:

- Was provided with direct access to all of the information needed to discharge his duties;
- Reported about the work performed to the Internal Control Committee and the Board of Statutory Auditors;
- Reported about the work performed to the Supervisory Director.

#### - **7.3 Internal Control Committee**

The Board of Directors established an Internal Control Committee to which it appointed non-executive independent Directors. The Chairman of the Board of Statutory Auditors, or another Statutory Auditor designated by the abovementioned Chairman, attends Committee Meetings. The Supervisory Director and, at the Committee's invitation, the Internal Control Officer or other employees whose presence may be deemed useful for the proceedings may also attend Committee meetings.

The Internal Control Committee provides consulting support and makes recommendations to the Board of Directors. Specifically, it is required to do the following:

- (i) It assists the Board of Directors in performing tasks related to the system of internal control, particularly with regard to defining the system's guidelines and assessing on a regular basis the adequacy, efficiency and effective implementation of the system of internal control;
- (ii) At the request of the Supervisory Director, it provides advice on specific issues related to the identification of corporate risks and the design, construction and management of the system of internal control;
- (iii) It reviews the work plan prepared by the Internal Control Officer and the reports that the Internal Control Officer submits every six months;
- (iv) Together with the Accounting Documents Officer and the independent auditors, it assesses the adequacy of the accounting principles used by the Company and the consistency of their use in preparing the consolidated financial statements;
- (v) It evaluates proposals submitted by the independent auditors in connection with the award of the audit assignment, as well as their audit work plan and the conclusions presented in the audit report and the management letter, in addition to monitoring the effectiveness of the auditing process;
- (vi) It reports to the Board of Directors at least once every six months, on the occasion of the approval of the Annual Report and the Semiannual Report, about the work performed and the adequacy of the system of internal control;
- (vii) It performs any additional tasks that the Board of Directors may choose to assign to the Committee, specifically in areas related to the interaction with the independent auditors, the work performed by the Oversight Board pursuant to Legislative Decree No. 231/2001 and the provision of consulting support with regard to transactions with related parties.

The following Directors are members of the Internal Control Committee: Ezio Garibaldi (independent Director), who serves as Chairman; Franco Moscetti (independent Director) and Enrico Mario Amo (non-executive Director), who has significant expertise in the areas of accounting and finance.

The number of Committee meetings and the attendance percentage are listed in Schedule 2 annexed to this Report, which should be consulted for additional information.

In 2009, the Internal Control Committee carried out a review of the internal control system. In the performance of its functions, the Internal Control Committee is authorized to access the information and corporate services it needs to discharge its duties and may retain the support of outside consultants, within limits determined by the Board of Directors.

The Internal Control Committee was not provided with financial resources because the Committee uses the Issuer's resources and organization to discharge its duties. The Chairman of the Board of Statutory Auditors attended the meetings of the Internal Control Committee.

## **8. Transactions with related parties**

With regard to transactions with related parties, on May 15, 2007, the Issuer adopted an **internal procedure** to regulate reporting and procedural issues for transactions that have a material impact on the Company's income statement, balance sheet and financial position, specifically with regard to transactions with related parties, in accordance with the recommendations of the Corporate Governance Code, the provisions of Article 2391-*bis* of the Italian Civil Code and regulatory provisions scheduled for enactment in the future.

## **9. Shareholders' Meeting**

Meeting in ordinary session, the Shareholders' Meeting has jurisdiction over the following areas:

- (a) It approves the financial statements;
- (b) It elects and dismisses the Directors, Statutory Auditors and the Chairman of the Board of Directors and the Accounting Control Officer, when one is required;
- (c) It determines the compensation of Directors and Statutory Auditors;
- (d) It votes on resolutions concerning the responsibility of Directors and Statutory Auditors;
- (e) It votes on resolutions concerning other matters over which it has jurisdiction pursuant to law and issues any authorizations that the Bylaws may require in connection with activities carried out by Directors, who are responsible for the actions they perform;
- (f) It approves regulations governing the handling of Shareholders' Meetings;
- (g) It votes on resolutions concerning any other issue over which it has jurisdiction pursuant to law.

The Extraordinary Shareholders' Meeting approves resolutions concerning amendments to the Bylaws; the appointment, replacement and powers of liquidators; and any other issue over which it has specific jurisdiction pursuant to law. The Board of Directors has jurisdiction over the areas listed in Article 15 of the Bylaws, it being understood that it can cede jurisdiction over these issues to the Shareholders' Meeting convened in extraordinary session.

The relevant provisions of the law shall be applied to determine whether an Ordinary or Extraordinary Shareholders' Meeting has been validly convened and its resolutions validly adopted.

Pursuant to Article 9 of the Bylaws, only shareholders who caused the communication required pursuant to Article 2370, Section Two, of the Italian Civil Code to be delivered to the Issuer two business days prior to the date of each Shareholders' Meeting may attend the Shareholders' Meeting, it being understood that the above requirement is subject change, if necessary to comply with future laws.

At present, the Issuer finds no need to adopt special regulations to govern the handling of Shareholders' Meetings, since it believes that the governance of the Meeting exercised by the Chairman, in accordance with attendance rules summarized by the Chairman at the beginning of each session, is adequate.

## **10. Treatment of insider information**

Insofar as the issues related to the treatment of insider information are concerned, the Issuer's Board of Directors has adopted the initiatives and/or procedures summarized below, which are designed to



monitor access to and circulation of insider information prior to their disclosure to the public and ensure compliance with statutory and regulatory confidentiality requirements.

- **10.1 Register of parties with access to insider information**

Specifically with regard to the obligation incumbent upon issuers of listed securities, parties linked with them through a control relationship or parties who act in their name or on their behalf to set up the register of parties with access to insider information required pursuant to Article 115-*bis* of the TUF, at a meeting held on February 12, 2007, the Issuer's Board of Directors agreed to adopt a Procedure for Managing the Register of Parties with Access to Insider Information. On May 15, 2007, it appointed to the post of Manager of the Register of parties with access to insider information the Manager of the Corporate Counsel and Corporate Affairs Department, a function currently performed by Marco Minolfo.

- **10.2 Internal Dealing**

On February 12, 2007, in order to address to the disclosure requirements that arise from the new internal dealing regulations set forth in Article 114, Section 7 of the TUF and Articles 152-*sexies*, 152-*septies* and 152-*octies* of the Issuers' Regulations, the Issuer's Board of Directors agreed to adopt a **Procedure to comply with internal dealing requirements**, appointing to the post of Internal Dealing Officer the Manager of the Corporate Counsel and Corporate Affairs Department, a function currently performed by Marco Minolfo.

- **10.3 Procedure for the public disclosure of insider information**

On May 15, 2007, with regard to additional issues related to the handling of insider information, the Board of Directors adopted a procedure to regulate the internal handling and public disclosure of price sensitive information.

## **11. Investor Relations**

The Issuer's departments with jurisdiction over this area are actively engaged in an ongoing dialog with the shareholders and with institutional investors.

As part of this process and pursuant to Article 2.2.3, Section 3, Letter j, of the Stock Exchange Regulations, the Company appointed Laura Villa manager of the Investor Relations Department, which is responsible for handling relations with all shareholders, including institutional investors, and may be asked to perform additional tasks in connection with the handling of price sensitive information and relations with the Consob and Borsa Italiana.

Consequently, communications with Diasorin should be e-mailed to [laura.villa@diasorin.it](mailto:laura.villa@diasorin.it).

The disclosure of information to investors will also be accomplished by making the more significant corporate information available promptly and on a regular basis on the Issuer's website ([www.diasorin.com](http://www.diasorin.com)).

## **12. Board of Statutory Auditors**

Pursuant to Article 18 of the Bylaws, the Board of Statutory Auditors is comprised of three Statutory Auditors and two Alternates, who are elected for a three-year term of office and may be reelected.

Statutory Auditors must meet the requirements of the relevant laws currently in force, also with regard to the limits on the number of governance posts they may hold. Specifically, in the areas of professional requirements, for the purposes of the provisions (when applicable) of Article 1, Section 3, of Ministerial Decree No. 162 of March 30, 2000, which makes reference to Section 2, Letters b) and c), of the abovementioned Article 1, it shall be understood that the expression “subject matters closely related to the businesses in which the Issuer is engaged” shall be understood to mean those related to the health-care and medical industries.

The Board of Statutory Auditors performs the tasks and activities required pursuant to law.

Moreover, Statutory Auditors, acting collectively or individually, may ask the Directors to provide information, clarify previous disclosures and, more in general, furnish data about the Company’s operating performance or specific transactions. They may also carry out at any time inspections and controls and request information pursuant to law. Two Statutory Auditors, acting jointly, have the right to convene a Shareholders’ Meeting.

The Board of Statutory Auditors is required to meet at least once every 90 days.

The provisions of the Issuer’s Bylaws (Article 18) that govern the election of the Board of Statutory Auditors effectively ensure compliance with the requirements of Article 148, Section 2-*bis*, of the TUF introduced by Law No. 262/2005, as amended, which are summarized below.

The Board of Statutory Auditors is elected on the basis of slates of candidates filed by shareholders. Each shareholder, shareholders belonging to a shareholders’ agreement that meet the requirements of Article 122 of the TUF, the Company’s controlling party, its subsidiaries and joint ventures that qualify as such pursuant to Article 93 of the TUF may not file or participate in the filing, directly or through a third party or a nominee, of more than one slate and may not vote for multiple slates. Each candidate can be included on only one slate, on penalty of losing the right to be elected. Votes cast in violation of this requirement will not be attributed to any slate of candidates.

Only shareholders who represent at least 2% of the voting shares may file slates of candidates. Slates filed by shareholders must be deposited at the Company’s registered office at least 15 days prior to the date of the first calling of the Shareholders’ Meeting, on penalty of becoming invalid, together with the documents required by the Bylaws. The abovementioned documents must include the following:

- (i) Information identifying the shareholders who are filing the slates and showing the total percentage interest held, together with a certification attesting to the ownership of the abovementioned equity interest;
- (ii) An affidavit by the shareholders different from those who hold, jointly or individually, a controlling or relative majority interest attesting that they are not linked with the latter as a result of transactions such as those defined in the relevant laws and regulations currently in force;
- (iii) Detailed information about the candidates’ backgrounds, affidavits by the candidates attesting that they meet statutory requirements and accept the nomination and listings of any management and control posts held by the candidates at other companies.

If the conditions set forth above are not complied with, the affected slate shall be treated as if it had never been filed.

The election system set forth in the Bylaws is as follows:

(a) The Statutory Auditor candidate listed first in the slate that received the second highest number of votes and is not in any way linked, directly or indirectly, with the shareholders who filed the slate that received the highest number of votes is elected to the post of Chairman of the Board of Statutory Auditors;

(b) The candidates listed, respectively, first and second in the slate that received the highest number of votes are elected to the post of Statutory Auditor. Alternate candidates who are listed first in the slates that received the highest and second highest number of votes are elected to the post of Alternate.

If two or more slates receive the same number of votes, a new balloting is held.

If the outcome of the second balloting is still a tie, the slate filed by the shareholders controlling the largest equity interest or, failing that, the slate filed by the largest number of shareholders shall prevail.

If only one slate of candidates is filed, the Statutory Auditors and Alternates are elected from that slate.

If no slates are filed, the Shareholders' Meeting shall adopt the relevant resolutions with the majorities required pursuant to law.

If a Statutory Auditor needs to be replaced, he/she is replaced by an Alternate taken from the same slate as the Statutory Auditor who is being replaced. The Alternate thus elected will serve until the next Shareholders' Meeting.

If the Chairman of the Board of Statutory Auditors needs to be replaced, the Chairmanship will pass to the Statutory Auditor elected from the same minority slate.

When the Shareholders' Meeting needs to elect replacement Statutory Auditors and/or Alternates, it shall proceed as follows: if the Statutory Auditors that need to be replaced had been elected from the majority slate, they shall be elected by a plurality of the votes, without any slate requirements; if, on the other hand, the Statutory Auditors that need to be replaced had been elected from the minority slate, the Statutory Auditors are elected by a plurality of the votes taking them from the slate to which the Statutory Auditors who are being replaced belonged. If, for any reason, the use of the abovementioned procedures would not result in the replacement of Statutory Auditors designated by minority shareholders, the Shareholders' Meeting shall act by a plurality of the votes. However, in the ballot counting process, the votes cast by shareholders who, based on disclosures provided pursuant to current laws, control, directly or indirectly or jointly with other members of a shareholders' agreement, as defined in Article 122 of the TUF, a majority of the votes that may be cast at a Shareholders' Meeting and shareholders who control, are controlled by or are subject to joint control by the former shall not be counted.

Additional information about the method used to elect the Board of Statutory Auditors is provided in Article 18 of the Bylaws. The Board of Statutory Auditors in office as of the date of this Report was elected by the Ordinary Shareholders' Meeting of March 26, 2007 (without using the slate-voting system, in accordance with the Bylaws in force before the listing of the Issuer's shares on the Online Stock Market) for a term of office that ends with the approval of the financial statements for the year ended December 31, 2009. Following the death of Luigi Martino, who served as Chairman of the Board of Statutory Auditors, on February 26, 2010, the composition of the Board of Statutory Auditors changed, in accordance with Article 2401 of the Italian Civil Code, with the oldest Alternate Auditor (i.e., Maria Carla Bottini) joining the Board as a Statutory Auditor and the oldest Statutory Auditor (i.e., Bruno Marchina) becoming Chairman.

These new posts are being held until the next Shareholders' Meeting.

The members of the Board of Statutory Auditors currently in office are listed below:

<b>First and last name</b>	<b>Place and date of birth</b>	<b>Post held</b>	<b>Domicile</b>
Bruno Marchina	Turin, February 11, 1941	Chairman	Turin - C.so Tassoni 4
Vittorio Moro	Tortona (AL), June 2, 1944	Statutory Auditor	Tortona (AL), Str.Valle 4
Maria Carla Bottini	Legnano (MI), July 7, 1960	Statutory Auditor	Milan - Corso Garibaldi 72/1
Alessandro Aimo Boot	Turin, May 22, 1969	Alternate	Turin - C.so Vittorio Emanuele II, 102

Pursuant to Articles 144 *octies* and 144 *decies* of the Issuers' Regulations, the professional curricula of the Statutory Auditors and the Alternates are available at the Issuer's registered office.

The Board of Statutory Auditors, taking also into account the requirements for Directors that are set forth in the Corporate Governance Code, assesses the independence of its members upon their election and at least once a year while they are in office.

The Board of Statutory Auditors assesses periodically the independence of the Independent Auditors and provides each year its opinion on this issue in a report to the Shareholders' Meeting.

In discharging its duties, the Board of Statutory regularly coordinated its activity with the Internal Auditing Department and the Internal Control Committee, and interfaced with the manager of the Internal Auditing Department.

The schedule that follows lists the other companies with shares traded on regulated markets or financial, banking or insurance companies or companies of a significant size in which the members of the Board of Statutory Auditors currently serve in a management, governance or oversight capacity or held investments as shareholders.

<b>POST HELD AT DIASORIN</b>	<b>FIRST AND LAST NAME</b>	<b>OTHER POSTS HELD</b>
Chairman of the Board of Statutory Auditors	Bruno Marchina	
Statutory Auditor	Vittorio Moro	Fin Piemonte Partecipazioni S.p.A. Statutory Auditor
Statutory Auditor	Maria Carla Bottini	Montefibre S.p.A. Statutory Auditor (ended on 4/16/09)  Madiventura S.p.A Statutory Auditor  Caffaro Chimica srl in liquidation Statutory Auditor (ended on 6/9/09) Ideal Standard Italia S.p.A. Statutory Auditor
Alternate	Alessandro Aimo Boot	Scarpe & Scarpe S.p.A. Statutory Auditor

The term of office of the Board of Statutory Auditors ends with the approval of the financial statements at December 31, 2009. Consequently, the Shareholders' Meeting convened for April 27, 2010 on the first calling will be asked to vote for the election of the members of the Board of Statutory Auditors who will serve until the date when the financial statements at December 31, 2012 are approved, in accordance with the terms and procedures described above.

**SCHEDULE 1**  
**POSTS HELD BY DIRECTORS OF THE ISSUER DIASORIN S.p.A.**

(including posts held at other companies with shares traded on regulated markets  
or financial, banking or insurance companies or companies of a significant size)

<b>FIRST AND LAST NAME</b>	<b>COMPANY WHERE THE DIRECTOR SERVES ON A GOVERNANCE BODY OR IN WHICH HE HOLDS AN EQUITY INTEREST</b>	<b>POST OR EQUITY INTEREST HELD</b>
Gustavo Denegri	Finde S.p.A.	Chairman of the Board of Directors
	IP Investimenti e Partecipazioni S.r.l.	Chairman of the Board of Directors
	Industria & Finanza SGR S.p.A.	Chairman of the Board of Directors
	Emmegi Detergents S.p.A.	Director
	Aurelia S.p.A.	Chairman of the Board of Directors
	Tavan S.S.	Director – Shareholder
	Viridina S.S.	Director – Shareholder
	Viridissima S.S.	Director – Shareholder
Antonio Boniolo	Finde S.S.	Director – Shareholder
	Diasorin SA NV	Shareholder
	Diasorin Iberia SA	Shareholder
	Diasorin SA	Shareholder
Carlo Rosa	Diasorin Inc	Director
	Sarago S.r.l.	Shareholder – Sole Director
	BioInvestment SA	Shareholder
	Diasorin SA	Shareholder
	Diasorin Ltda	Shareholder
	TOP S.r.l.	Director
	CID Investments srl	Shareholder
Chen Even	Diasorin INC	Director
	Diasorin Mexico SA de CV	Shareholder
	Glycominds LTD (Israel)	Director – Shareholder
	Diasorin Ltd	Director
	CID Investments srl	Shareholder – Director
	Diasorin SA NV	Director
	Diasorin SA	Director – Shareholder
	Diasorin INC	Director
	Diasorin Ltd (sine JV)-	Director
	Diasorin Iberia SA	Director
	Diasorin Mexico SA de CV	Director
	Biotrin Group Limited	Director
	Biotrin Holdings Limited	Director
	Biotrin International Ltd	Director
Biotrin Old Limited	Director	
Biotrin Intellectual Property Limited	Director	
Enrico Amo	IP Investimenti e Partecipazioni S.r.l.	Director
	Industria & Finanza SGR S.p.A.	Director
	Panem Italia S.p.A.	Director
	CID srl	Director
Michele Denegri	Finde S.p.A.	Chief Executive Officer - Shareholder
	IP Investimenti e Partecipazioni S.r.l.	Chief Executive Officer
	CID srl	Director
	Aurelia S.p.A.	Chief Executive Officer
	Tavan S.S.	Shareholder
	Viridina S.S.	Shareholder
	Viridissima S.S.	Shareholder
Finde S.S.	Shareholder	
Giuseppe Alessandria	Euren Intersearch	Director – Shareholder
	Lobe S.r.l.	Chairman of the Board of Directors – Shareholder
Franco Moscetti	Fideuram Investimenti SGR s.p.a.	Director
	Touring Club Italiano	Director
	Amplifon S.p.A.	Chief Executive Officer – General Manager
Ezio Garibaldi	Bimba S.S.	Director – Shareholder
	Chiara S.S.	Director – Shareholder

## SCHEDULE 2: STRUCTURE OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS							INTERNAL CONTROL COMMITTEE		COMPENSATION COMMITTEE		NOMINATING COMMITTEE	
Post held	First and last name	Executive	Non-executive	Independent	****	No. of other posts held**	***	****	***	****	***	****
<b>Chairman</b>	Gustavo Denegri		x		100%	3						
<b>Deputy Chairman Director</b>	Antonio Boniolo	x			100%	1						
<b>Chief Executive Officer</b>	Carlo Rosa	x			100%	1						
<b>Director</b>	Chen M. Even	x			100%	1						
<b>Director</b>	Michele Denegri		x		100%	2			x	100%	x	-
<b>Director</b>	Enrico Amo		x		100%	2	x	100%				
<b>Director</b>	Giuseppe Alessandria			x	100%	0			x	100%	x	-
<b>Director</b>	Franco Moscetti			x	100%	2	X	100%			x	-
<b>Director</b>	Ezio Garibaldi			x	100%	0	X	100%	x	100%		

\*\* Posts held at other companies with shares traded on regulated markets or financial, banking or insurance companies or companies of a significant size.

\*\*\* An x indicates membership in the Committee.

\*\*\*\* This column shows each member's percentage of attendance at Committee meetings during 2009.

## STRUCTURE OF THE BOARD OF DIRECTORS AND THE COMMITTEES

Number of meetings held in 2009	Board of Directors: 07	Internal Control Committee: 03	Compensation Committee: 02	Nominating Committee: 0
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### NOTES

1. The Nominating Committee did not meet in 2009.
2. The Issuer did not establish an Executive Committee.

## BOARD OF STATUTORY AUDITORS

<b>Post held on the Board of Statutory Auditors*</b>	<b>First and last name</b>	<b>Percentage of attendance at meetings of the Board of Statutory Auditors</b>	<b>Number of other posts held**</b>
Chairman since 2/26/10	Bruno Marchina	100%	1
Chairman until 2/26/10***	Luigi Martino	100%	1
Statutory Auditor	Vittorio Moro	100%	1
Statutory Auditor***	Bottini Maria Carla	0%	3
Alternate	Aimo Boot Alessandro		1
Number of meetings held in 2009: 6			
Quorum required for the filing of minority slates of candidates to elect one or more Statutory Auditors (pursuant to Article 148 of TUF): 2%			

\* Board of Statutory Auditors in office since March 26, 2007.

\*\* Posts held at other companies with shares traded on regulated markets or financial, banking or insurance companies or companies of a significant size.

\*\*\* Deceased on 2/26/10. Consequently the posts held changed, pursuant to Article 2401 of the Italian Civil Code (see Section 12 above).

## ADDITIONAL REQUIREMENTS OF THE CODE OF CONDUCT

	YES	NO	Brief explanation of the reasons for any deviation from the Code's recommendations
Proxy system and transactions with related parties			
When delegating power, did the Board of Directors define:	X		
a) limits	X		
b) method of exercise	X		
c) and timing of regular reports?	X		
Did the Board of Directors reserve the right to review and approve material transactions affecting the Company's income statement, balance sheet and financial position (including transactions with related parties)?	X		
Did the Board of Directors define guidelines and criteria to identify material transactions?	X		
Are these guidelines and criteria described in the Report?		X	
Has the Board of Directors established special procedures to review and approve transactions with related parties?	X		
Are the procedures for the approval of transactions with related parties described in the Report?		X	
Procedures followed in the most recent election of Directors and Statutory Auditors			
Were nominations to the Board of Directors filed at least 10 days in advance?		X	As of that date, the Issuer was not listed
Were the nominations to the Board of Directors accompanied by exhaustive information?	X		
Were the nominations to the Board of Directors accompanied by affidavits stating that the candidates qualified as independent?	X		
Were nominations to the Board of Statutory Auditors filed at least 10 days in advance?		X	As of that date, the Issuer was not listed
Were the nominations to the Board of Statutory Auditors accompanied by exhaustive information?	X		
Shareholders' Meetings			
Has the Company adopted Regulations for the Conduct of Shareholders' Meetings?		X	The rules are summarized by the Chairman at the beginning of each session
Have these Regulations been annexed to the Report (or is there an indication where they may be obtained or downloaded)?		X	
Internal Control			
Has the Company appointed Internal Control Officers?	X		
Are the Internal Control Officers hierarchically independent of operating managers?	X		
Department responsible for internal control (as required by Article 9.3 of the Code)	Internal Auditing Department		
Investor Relations			
Has the Company appointed an Investor Relations Manager?	X		
Organizational unit and contact information (address/phone/fax/e-mail) of the Investor Relations Manager	Investor Relations Officer, <a href="mailto:laura.villa@diasorin.it">laura.villa@diasorin.it</a> 0161,487,964		