2007

REPORT ON CORPORATE GOVERNANCE

(Approved by the Board of Directors on March 27, 2008)

This Report on Corporate Governance was approved by the Board of Directors on March 27, 2008. It contains the rules of corporate governance that Pininfarina has developed or adopted pursuant to its obligations as a publicly traded company.

Pininfarina S.p.A.

March 27, 2008

CONTENTS

BOARD OF DIRECTORS

1. FUNCTIONS OF THE BOARD OF DIRECTORS

The Board of Directors is charged with overseeing the Company's operations. The Board of Directors has all of the ordinary and extraordinary powers needed to govern the Company, and has jurisdiction over all matters that the law and the Company's Bylaws do not expressly reserve for the Shareholders' Meeting.

The Board of Directors meets at least once every three months and may be convened by the Chairman, or any other party so empowered pursuant to law, whenever he or she deems it appropriate, and upon written request of at least four Directors or of the governance bodies authorized to do so.

The specific functions of the Board of Directors, which must comprise four independent Directors, are listed below:

a) It defines the rules of corporate governance for the Company and the Group.
b) It reviews and approves operating strategies and forecasts and the corporate structure of the Group headed by the Company.
c) It grants powers to and revokes powers from the Chairman and Chief Executive Officer and the other Directors with executive powers referred to in Article 4 below, defining the scope of their authority and the manner in which they may exercise it. Pursuant to the Bylaws, the Chairman and Chief Executive Officer represents the Company vis-à-vis third parties and in legal proceedings and, consequently, is empowered to take all ordinary and extraordinary management actions that are consistent with the Company's purpose, with the statutory limitations set forth in Article 2384 of the Italian Civil Code. The Chairman and Chief Executive Officer and the Directors with executive powers report to the Board about the activity performed in the exercise of the powers they have received.
d) It determines the compensation of the Chairman and Chief Executive Officer and of other Directors with special assignments, based on recommendations by the Appointments and Compensation Committee and the Board of Statutory Auditors regarding the compensation of Directors and General Managers. It also approves stock option plans for employees of the Pininfarina Group.

The full amount of the compensation payable to the Board of Directors is decided by the Shareholders' Meeting and the Board of Directors determines how it should be allocated among the Directors.

e) It supervises the Company's overall performance, paying special attention to conflict of interest situations, based on the information it receives from the Chairman and Chief Executive Officer, the other Directors and the Consultative Committees, and compares the Company's actual performance with projected results.
f) Without prejudice to the powers it has granted, it must be informed promptly about and be allowed to review material economic, financial and asset transactions executed by the Company and its subsidiaries, with special emphasis on atypical or unusual transactions and transactions that could give rise to a potential conflict of interest, including transactions with related parties.
g) It reviews the Company's overall managerial and administrative organization.
h) It reports to the shareholders on the occasion of Shareholders' Meetings.
i) It assesses each year the effectiveness of the Board of Directors and its Committees, based on the number of their members, their compositions and their rules of operation.

Each Director is required to inform the other Directors and the Board of Statutory Auditors of any interest he or she may hold directly, or on behalf of a third party, in transactions executed by the Company, specifying the nature, terms, origin and scope of said interest. If the Director in question is the Chairman and Chief Executive Officer, he or she must refrain from executing the transaction directly, entrusting it instead to the Board of Directors.

Directors shall agree to serve only if they believe that they can devote sufficient time to perform their duties with diligence, taking into account the posts they may hold on the Boards of Directors and Boards of Statutory Auditors of other companies with shares traded on Italian and foreign regulated markets, finance companies, banks, insurance companies and companies of significant size.

The Board of Directors shall reassess on a regular basis the length of time that Board members should be able to devote to the performance of their duties.

In its Annual Report on Corporate Governance, the Board of Directors, using the information provided by the individual Directors, is required to list the posts of Director or Statutory Auditor that the Company's Directors may hold in any of the companies listed in the previous paragraph.

2. ELECTION OF DIRECTORS

Whenever possible, motions to elect Directors, which the Board of Directors is required to submit to the Shareholders' Meeting, together with the candidates' personal data and professional qualifications, and indications about which candidates may qualify as independent Directors, as defined in Section 7 below, must be deposited at the Company's registered office at least 15 days before the date set for the Shareholders' Meeting.

At the Shareholders' Meeting of May 12, 2006, the Board of Directors was elected by means of votes, carried out by secret ballot and vote count, cast on the only slate that had been filed, as required by Article 147 *ter* of Legislative Decree No. 58/98, subsequently repealed.

The Appointments and Compensation Committee makes recommendations to the Board of Directors in the following instance:

a) when a Director has to be replaced;
b) when motions have to be submitted to the Shareholders' Meeting nominating candidates to the post of independent Director, taking into account suggestions put forth by shareholders;
c) when an assessment has to be made whether the size and composition of the Board of Directors is appropriate or whether the necessary professional skills are represented within the Board.

The Shareholders' Meeting of May 12, 2006 elected a new Board of Directors, as the previous Board's term of office of three years had expired. The current Board will remain in office until a Shareholders' Meeting is convened to approve the statutory financial statements at December 31, 2008.

The current Board of Directors has the following eight members:

- Sergio Pininfarina (*) (Honorary Chairman)
- Andrea Pininfarina (Chairman and Chief Executive Officer);
- Paolo Pininfarina (§) (Deputy Chairman)
- Elisabetta Carli
- Mario Renzo Deaglio (§)
- Edoardo Garrone (*)
- Carlo Pavesio (*) (§)
- Lorenza Pininfarina

(*) Member of the Appointments and Compensation Committee.

(§) Member of the Internal Control Committee.

Following the resignation of the Director Franco Bernabè on September 28, 2007, the Board of Directors, at its meeting of November 12, 2007, agreed not fill the vacancy for the immediate future. At its next Shareholders' Meeting, the Board of Directors will submit a motion to reduce the number of Directors from nine to eight for the remainder of the Board' term of office.

The Board of Directors met six times in 2007, with an average attendance of about 90%.

Some of the Company's Directors serve as officers of other publicly traded companies or companies that are significant because of their size. The posts held by each Director are listed below:

- **Sergio Pininfarina:** Chairman of the Board of Directors of Editrice La Stampa S.p.A., Director of Ferrari S.p.A.
- **Andrea Pininfarina:** At other publicly traded companies, he is a Director of Poltrona Frau S.p.A. and serves on the company's Internal Control and Corporate Governance Committee and Compensation Committee. He is Chairman of the Board of Directors of Unicredit Infrastrutture S.p.A. and a Director of Alenia Aeronautica S.p.A. and Banca Passadore & C. S.p.A.
- **Mario Renzo Deaglio:** At other publicly traded companies, he is Chairman of the Board of Directors of Consel S.p.A. (Consumer Credit of Banca Sella) and a Director of Sella Holding Banca.
- **Edoardo Garrone:** At other publicly traded companies, he is Chairman of the Board of Director of ERG S.p.A., serves as Chairman of the company's Institutional and International Relations Committee and Central Health, Safety and Environment Committee, and is a member of Strategy Committee.
- **Carlo Pavesio:** At other publicly traded companies, he is a Director and serves on the Compensation Committee of BasicNet S.p.A. At other companies, he is Chairman of the Board of Directors of Basic World S.r.l., a Director and the Chairman of the Compensation Committee of Fenera Holding S.p.A., a Director and Chairman of the Oversight Board of Plurifid S.p.A. (BPB-Credito Varesino Group), a Director and a member of the Internal Control Committee and Oversight Board of Reale Mutua Assicurazioni S.p.A. and a Director of Gancia S.p.A. and Fratelli Gancia S.p.A.

3. INFORMATION PROVIDED TO MEMBERS OF THE BOARD OF DIRECTORS

In order to enable the members of the Board of Directors to perform their duties in an informed fashion, the Office of the Secretary to the Board of Directors, working under the direct supervision of the Chairman and the Chief Executive Officer, will strive to ensure that the Directors are informed about major changes in the laws and regulations that affect the Company and its corporate governance bodies

Similar information is also provided to the Board of Statutory Auditors.

4. DIRECTORS WITH EXECUTIVE POWERS

The Board of Directors comprises Directors with and without executive powers.

Directors with executive powers are Directors to whom the Board of Directors has delegated operating authority and Directors who serve in executive positions in the Company.

The appointment of Directors without executive powers to one or more of the Company’s Consultative Committees and/or to the oversight, management and control entity required in accordance with the Company’s organizational model (pursuant to Law No. 231/2001) does not qualify these Directors as possessing executive powers.

The Directors with executive powers include the Chairman and Chief Executive Officer, to whom the Board of Directors may grant powers and authority, in accordance with the Bylaws, for the purpose of managing the Company more efficiently.

When there is more than one Director with executive powers, authority should be allocated in accordance with the principle of separation of assignments.

5. DIRECTORS WITHOUT EXECUTIVE POWERS

Directors without executive powers are those Directors who have no authority over operating matters.

Since Directors with executive powers and Directors without executive powers share the same duties and serve the same function, Directors without executive powers bring specific competencies to the meetings of the Board of Directors and contribute to the adoption of decisions that are consistent with the Company’s interests.

The majority of the members of the Board of Directors are Directors without executive powers.

Four of the eight members of the three Consultative Committees established by the Board of Directors (Appointments and Compensation Committee, Internal Control Committee and Strategy Committee) are independent Directors without executive powers.

6. LEAD INDEPENDENT DIRECTOR

As a result of the resolution adopted on May 12, 2006, by which the Board of Directors, in order to provide the Company with unified leadership, appointed Andrea Pininfarina Chairman and Chief Executive Officer, it became necessary to designate one of the independent Directors as the Lead Independent Director, as recommended by the Code of Conduct.

Accordingly, the independent Directors met on November 10, 2006 and designated Mario Deaglio as the lead independent Director.

The Lead Independent Director is responsible for coordinating the issues raised and the contribution provided by Directors without executive powers, particularly independent Directors. The Lead Independent Director, acting autonomously or at the request of other Directors, is empowered to call meetings open only to independent Directors to discuss topics that are deemed to be of special significance for the effectiveness of the Board of Directors and the sound management of the Company.

7. INDEPENDENT DIRECTORS

As recommended by the Code of Conduct, substance prevails over form in deciding whether a Director qualifies as an independent Director. Specifically, Directors qualify as independent Directors if:

a) They do not own, directly, indirectly or on behalf of third parties, equity investments large enough to enable them to exercise control or a significant influence over the Company.
b) During the previous three years, they were not a major player with regard to the Company, one of its strategically significant subsidiaries or a company or other legal entity that, either directly or through a shareholders' agreement, was able to control the Company or exercise a significant influence over it.
c) Are not or have not been parties during the previous year, whether acting directly, indirectly or on behalf of third parties, to significant commercial, financial or professional transactions with the Company, its subsidiaries, its Directors with executive powers or the shareholder or group of shareholders who controls the Company, when such transactions are large enough to affect the Director's independent judgment.

d) During the previous three years, they were not employed by the parties referred to in Item c) above.
e) They are not receiving, or did not receive during the previous three years, from the Company or one of its subsidiaries compensation of a material amount in addition to the fee for services rendered as a Director of the Company without executive authority, including enrollment in incentive plans tied to the Company's performance.
f) They did not serve as a Company Director for nine of the last 12 years (in such instances, independence will be assesses on a case-by-case basis).

   Mario Deaglio, who qualifies as an independent Director, has been a Company Director for about 12 years. Despite this, the complete lack of any type of business relationship with the Company and his compliance with all of the requirements of Item 3.C.1 of the Code of Conduct enable him to serve on the Board of Directors as an independent Director.
g) They do not serve as Directors with executive authority at another company where a Company Director with executive authority also serves as a Director.
h) They are not shareholders or Directors of a company or other legal entity that serves as the Company's independent auditors.
i) They are not part of the immediate family of a person who is in one of the positions described in the items listed above.

The Chairman and Chief Executive Officer and the other Directors with executive powers can never qualify as independent Directors.

A Director's independent status is not impaired by the following situations: nomination or election to the Company's Board of Directors with the favorable vote of the shareholder or group of shareholders who controls the Company; service as Director on the Board of the Company or its subsidiaries and receipt of the related compensation; and membership on one or more Consultative Committees.

Independence, as defined above, is a suitable tool for effectively reconciling the interests of the different components of the Company's shareholder base and meeting the expectations of the financial markets.

The Board of Directors assesses the independence of Directors at least once a year, on the occasion of its scheduled meetings, based on the information provided directly by the independent Directors about their status and the information available to the Company. The findings of the Board of

Directors are communicated promptly to the financial markets if they show that changes have occurred since the previous communication.

The current Board of Directors includes four independent Directors (Messrs. Deaglio, Garrone and Pavesio), who were elected in this capacity in 2006 and whose independence qualifications have been confirmed.

At a meeting held on March 10, 2008, the Board of Directors determined that no new event have occurred that could undermine the independence of the abovementioned Directors.

The independent Directors meet separately from the other Directors at least once a year.

8. CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman has the powers and attributions reserved for his or her office pursuant to law and the Bylaws.

More specifically, the Chairman convenes the meetings of the Board of Directors and sets each meeting's Agenda.

The Chairman coordinates the activities of the Board of Directors and manages its meetings.
The Chairman makes certain that independent Directors and Directors without executive powers are able to provide their contribution to the Board of Directors in a manner consistent with their function.

Except when special needs arise — in urgent cases and when required for privacy reasons — the Chairman, working through the office of the Secretary to the Board of Directors, ensures that the Directors receive well in advance of a meeting all of the information needed to participate effectively in the discussion and contribute to resolutions of particular significance.

More specifically, ahead of each meeting of the Board of Directors, each Director and Statutory Auditor must be provided, without breaching confidentiality obligations, with a copy of the minutes of the previous meeting, so that he or she may approve them at the forthcoming meeting.

Pursuant to Article 14 of the Bylaws, the Chairman is responsible for ensuring that the Shareholders' Meeting is properly convened and for directing and managing the Meeting and the discussion of the Meeting's Agenda, as well as for determining the order and method of the voting process.

9. COMPENSATION OF DIRECTORS

The fee payable to the Board of Directors, net of the fees owed to Directors who perform special functions, was decided by the Shareholders' Meeting in May 12, 2006, with a vote cast by a show of hands. On the same occasion, before electing the Board of Directors, the Shareholders' Meeting determined the number of Directors who would sit on the Board and the length of their term of office.

The compensation of the Chairman and Chief Executive Officer and other Directors who perform special tasks, as well as the establishment of stock option plans, is decided by the Board of Directors with input from the Board of Statutory Auditors.

The Board of Directors may decide that the total compensation of the Chief Executive Officer should include a variable portion, determined in accordance with guidelines provided by the Board of Directors.

The Board of Directors adopts resolutions on compensation issues after hearing the proposals of the Appointments and Compensation Committee.

Statutory provisions that prevent Directors from voting on resolutions that concern transactions in which they have an interest apply.

10. INFORMATION PROVIDED TO THE BOARD OF DIRECTORS

The Chairman and Chief Executive Officer and other Directors with executive powers report to the Board of Directors promptly, usually when the Board is in session, and at least once every three months, about the work they have performed in the exercise of the powers they have been entrusted with.

They also report about material operating, financial and asset transactions executed by the Company or its subsidiaries for which review by the Board of Directors was not required, with special emphasis on atypical or unusual transactions or transactions that could give rise to a conflict of interest, including transactions with related parties.

Pursuant to Article 18 of the Bylaws, the same information is provided to the Board of Statutory Auditors within the deadlines and in the manner set forth in said Article.

CONSULTATIVE COMMITTEES OF THE BOARD OF DIRECTORS

11. CONSULTATIVE COMMITTEES

The Board of Directors may establish internal Consultative Committees.

The establishment and the activities of the Consultative Committees does not affect the principle of the functional unity of the Board of Directors and of the commonality of the obligations and purposes shared by each Director.

The Internal Control Committee and the Appointments and Compensation Committee elect their own Chairman, and their meetings are convened by the Chairman or his or her deputy.

The Strategy Committee has seven members and no Chairman.

Meetings are convened in writing — which includes fax or e-mail communications — at least five days prior to the date of each meeting. In urgent cases, 24-hour notice is sufficient.

Written minutes are kept of Committee meetings.

Any member of a Consultative Committee who has a personal interest in an item on the Agenda should refrain from voting on that item.

Resolutions of a Consultative Committee must be communicated to the Board of Directors when the Board holds its next meeting.
Such resolutions serve only a consultative and suggestive purpose and are not binding in any way on the Board of Directors.

12. APPOINTMENTS AND COMPENSATION COMMITTEE

The Committee with responsibility for making recommendations regarding the appointment and compensation of Directors submits proposals to the Board of Directors when the Board is required to replace one or more Directors and in those cases where it is asked to submit a motion to the Shareholders’ Meeting nominating candidates to the Board of Directors. The Committee also submits proposals to the Board of Directors concerning the compensation of the Chairman and Chief Executive Officer, the General Manager and Directors performing special assignments.

In formulating its proposals, the Committee takes into account the posts already held by candidates for the office of Director.

The Committee also makes suggestions to the Board of Directors concerning the appointment of Directors to other Consultative Committees, except when the Board takes action on its own.

Lastly, the Committee provides consulting support whenever the Board of Directors requests the Committee’s input on issues under the Committee’s jurisdiction or related to such issues.

The majority of the members of the Committee elected by the Board of Directors on May 12, 2006 are independent Directors without executive powers.

The current members of the Appointments and Compensation Committee are:

- Sergio Pininfarina (Chairman)
- Edoardo Garrone
- Carlo Pavesio

Mr. Pavesio joined the Committee on November 12, 2007, replacing Franco Bernabè, who resigned on September 28, 2007.

The Board of Statutory Auditors and any other party whom the Committee wishes to invite may attend Committee sessions but will not be allowed to vote.

In 2007, the Appointments and Compensation Committee met once, with an attendance of 100%.

13 INTERNAL CONTROL COMMITTEE

The Internal Control Committee provides the Board of Directors with consulting support and proposals in areas related to internal control.

More specifically, the Committee:

a) reports to the Board of Directors on the work it has performed and on the effectiveness of the Company's internal control system;
b) performs any additional tasks entrusted to it by the Board of Directors.

The majority of the members of the current Internal Control Committee, which was appointed by the Board of Directors on May 12, 2006, are independent Directors who do not have executive powers. They are:

- Renzo Mario Deaglio (Chairman)
- Carlo Pavesio
- Paolo Pininfarina

The Board of Directors found that the appointment of Paolo Pininfarina did not conflict with the recommendations of the Code of Conduct because, while he would not qualify for this position due to his status as a Director with executive powers, he currently has no operational responsibility at Pininfarina S.p.A. He currently acts as a Company spokesperson and is not directly involved in managing the Company.

The Committee Chairman has adequate commercial and financial expertise.

The following parties may also attend Committee sessions (but will not be allowed to vote): the Chairman of the Board of Statutory Auditors, the Internal Control Officer and, if invited by the Committee, Directors with executive authority, representative of the independent auditors and any other party whose presence the Committee may find necessary.

In 2007, the Internal Control Committee met four times, with an average attendance of 100%.

14. STRATEGY COMMITTEE

The Board of Directors established a Strategy Committee at a meeting held on November 10, 2006.

The function of this Committee is to provide consulting support to the Chairman and Chief Executive Officer.

The members of the Strategy Committee are:
- Andrea Pininfarina – Chairman and Chief Executive Officer
- Paolo Pininfarina – Deputy Chairman
- Lorenza Pininfarina
- Franco Bernabè
- Mario Deaglio
- Edoardo Garrone
- Carlo Pavesio

The Strategy Committee is responsible for analyzing market trends and reviewing proposals put forth by the Chairman and Chief Executive Officer with the goal of:
- help the Group achieve the best competitive position in the markets in which it operates;
- identify new market segments in which the Group could operate.

In 2007, the Internal Control Committee met twice times, with an average attendance of 93%.

INTERNAL AUDITING

15 INTERNAL AUDITING

The Internal Auditing Department works independently and objectively, providing assurance and support services to increase the effectiveness and efficiency of the Company's business operations, enhance its control capabilities and make its procedures more transparent within the framework of a more broadly defined system of corporate governance. Moreover, it helps the Company's organization pursue its objectives with a professional and systematic approach that creates value added through a process designed to assess and refine the Company's control, risk management and corporate governance processes.

PURPOSE OF THE INTERNAL AUDITING DEPARTMENT

The primary purpose of the Internal Auditing Department is to provide the Board of Directors, the Internal Control Committee, the Chief Executive Officer and the entire management team of Pininfarina S.p.A. with an independent and objective review and assessment of the adequacy and effectiveness of the internal control system, while ensuring compliance with the Company's Code of Ethics in a manner consistent with the Company values of integrity, honesty and quality and with the ability of the Company's operations to generate value added.

The internal control system is the product of a process developed by management to create reasonable assurance that the Company can achieve its stated objectives with regard to:

- the effectiveness and efficiency of its operations;
- the integrity and reliability of its financial reporting;
- compliance with laws, regulations and procedures;
- protection of corporate assets.

ORGANIZATIONAL INDEPENDENCE AND POWERS

In order to allow it to fulfill all of its responsibilities and function without interference, the Internal Auditing Department is functionally under the jurisdiction of the Board of Directors and the Internal Control Committee and reports directly to the Chairman and Chief Executive Officer, who must be informed of all activities carried out by the Internal Auditing Department.

Working within the framework of the Audit Plan, the Internal Auditing Department is free to decide the scope of its audits and is authorized to access and review all documents that it may deem useful for its activity or pertinent to its control function (e.g., sales or supply contracts; information and data concerning employees and, more generally, any type of information, including information classified as "confidential"; data and transactions relating to the financial statements; Company procedures; strategic plans; budgets; revenue forecasts; and, more generally, short-term, medium-term and long-term sales and financial plans).

ORGANIZATION OF THE INTERNAL AUDITING DEPARTMENT

Planning

The head of the Internal Auditing Department is required to develop an action plan, based on risk analysis, that identifies work priorities in a manner consistent with the Company's objectives. The risk analysis upon which the action plan is based must be updated annually, duly taking into account the input of the Managing Board. The activities that should be the target of review should be subprocesses of more complex activities. In this way, it is possible to circumscribe the issue that is being analyzed and link it with an item in the financial statements, while at the same time quantifying in greater detail any internal control problems that may exist.

The plan thus prepared must be adequate and consistent with available resources.

Communication and Approval of the Plan

The action plan must be submitted to the Chairman and Chief Executive Officer for review and approved by the Board of Directors of Pininfarina S.p.A. and by the Internal Control Committee.

If the level of risk associated with the individual operations of the Company should change during the course of the year, the head of the Internal Auditing Department can amend the approved action plan, promptly informing the Board of Directors and the Internal Control Committee in order to secure their approval.

PERFORMANCE OF AUDITS

Activities Listed in the Approved Audit Plan

The start of an audit is preceded by a kickoff meeting attended by all parties involved in the process that is being audited. Notices of the meeting are sent to the attendees by the Internal Auditing Department, with copies to the Chairman and Chief Executive officer and the Chairman of the Internal Control Committee.

Other Activities

The Internal Control Committee or the Chairman and Chief Executive Officer can ask the Internal Auditing Department to carry out special-purpose audits of specific areas. In such cases, the Internal Auditing Department will handle such requests independently. If the request originated with the Internal Control Committee, it must inform the Chief Executive Officer before proceeding with its work, which it must discuss with the employees of the department that is being audited. The Internal Auditing Department will report the results of its audit to the Chairman and Chief Executive Officer and the Internal Control Committee.

Communication of Results

The Internal Auditing Department is responsible for issuing an Audit Report that contains an evaluation of the internal control system and of the level of risk associated with the individual company operations that are the subject of the audit. When communicating this Report, the Internal Auditing Department must also list the objectives and scope of the audit assignment, its recommendations and the action plans offered by management.

Before issuing a formal report, the Internal Auditing Department must share its findings with the head of the operations that are being audited to discuss the objective data developed in the course of the audit, but the head of the Internal Auditing Department will retain the right to accept or reject any explanations or justifications offered by the targets of the audit with regard to any questionable items.

Copies of the Audit Report must be provided to the head (or heads) of the operations that were audited, the Internal Control Committee, the Board of Directors and the Chairman and Chief Executive Officer.

Action Plans

Upon publication of the Report, unless different arrangements are made with the Chairman and Chief Executive Officer and the Chairman of the Internal Control Committee, the managers of the audited operations will have 30 days to prepare an Action Plan to remedy any deficiencies in the internal control system. The Internal Auditing Department is responsible for evaluating such Action Plans to determine whether they are adequate for the purpose of correctly resolving the issues raised in the Report.

Follow up

The Internal Auditing Department is responsible for ascertaining that the Action Plans developed by management are implemented correctly.

The Internal Auditing Department is also responsible for updating the Board of Directors and the Internal Control Committee on the implementation of the Action Plans and the resolution of issues raised in the Report.

INTERACTION WITH THE CORPORATE GOVERNANCE BODIES

The head of the Internal Auditing Department is required to report on a regular basis to the Board of Directors of Pininfarina S.p.A. and to the Managing Board, providing information about the purposes, scope of authority and responsibility of internal auditing projects and on the progress made in implementing Action Plans. These reports must also discuss any situations that entail significant risk, or control or corporate governance issues.

Once a year, the head of the Internal Auditing Department must provide the Board of Directors with a report on the work performed, in which he or she must detail the most significant issues and recommendations that resulted from the audits performed during the year and provide information and explanations about any variances from approved audit plans, budgets and staffing levels.

The head of the Internal Auditing Department provides support to the Internal Control Committee, helping it perform its assigned tasks and achieve its objectives. Accordingly, he or she must establish adequate and effective communications with the Committee through informal meetings held at regular intervals. As part of his or her interaction with the Committee, the head of the Internal Auditing Department is required to:

- Provide an annual report that summarizes the auditing work done within the framework of the assigned mission and audit scope;
- Attend the meetings of the Internal Control Committee and provide regular reports that outline the results of completed audits;
- Inform the Committee of new trends and best practices in the field of internal auditing;
- Control the accuracy and completeness of the information provided to the Committee.

INTERNAL CONTROL

16 INTERNAL CONTROL

The purpose of the internal control system is to enable the Company to achieve the following objectives:

- effective and efficient operations;
- reliable information;
- compliance with the laws and regulations (and internal rules) in force.

The internal control system must be consistent with the applicable statutes currently in force, particularly the provisions that apply to publicly traded companies.

Based on a proposal developed by the Internal Control Committee, the Board of Directors defines the guidelines of the Company's Internal Control System.

The Board of Directors must receive regular reports on the effectiveness and operating performance of the system. More specifically, it must receive a yearly report on the results of the annual self-assessment process, which is designed to verify the system's overall effectiveness and ensure that the Company's main business risks are identified and handled appropriately.

The Board of Directors is required to appoint an Internal Control Officer who is independent of the Company's management organization and reports directly to the Board of Statutory Auditors and the Internal Control Committee.

17 INTERNAL CONTROL OFFICER

At a meeting held on May 11, 2007, the Board of Directors reappointed Elena Bocchino to the post of Internal Control Officer for an additional term of office ending on May 31, 2008. The Internal Control Officer reports to the Internal Control Committee.

The Internal Control Officer was also reappointed to the post of manager of the Internal Audit Department until May 31, 2008. In this capacity, she reports to the Chairman and Chief Executive Officer.

OVERSIGHT BOARD

18 OVERSIGHT BOARD

In 2004, the Company established for the first time an Oversight Board, which is specifically required by the Organization, Management and Control Model referred to in Legislative Decree No. 231/2001. The following members were reappointed on May 11, 2007:
- Carlo Pavesio – Chairman, independent Director
- Gianfranco Albertini – Manager Corporate and Finance Department
- Elena Bocchino – Internal Control Officer

The appointment of a Company executive to the Oversight Board reflects the practical need to establish a direct link between the Oversight Board and the Company's management team and create an ongoing flow of information in both directions.

The current membership provides the Oversight Board with the autonomy, independence, professional skills and continuity of action it needs to perform the tasks entrusted to it.

The current Oversight Board will remain in office until the date of the Shareholders' Meeting convened to approve the financial statements at December 31, 2007.

The Oversight Board must provide regular updates about its work to the Chairman of the Board of Directors, who will communicate this information to the entire Board when Board meetings are held.

The Oversight Board has its own budget, which enables it to function effectively and independently.

The Oversight Board must meet on a regular basis with the Board of Statutory Auditors, the Internal Control Officer, the independent auditors and the Company's management to discuss relevant issues.

BOARD OF STATUTORY AUDITORS

19 ELECTION OF STATUTORY AUDITORS AND PROTECTION OF MINORITY SHAREHOLDERS

The Board of Statutory Auditors comprises three Statutory Auditors and two Alternates.

The process of electing the Board of Statutory Auditors must be carried out with the utmost transparency.

The motions to elect Statutory Auditors that are submitted to the Shareholders' Meeting, and the accompanying personal data and professional qualifications for each candidate, must be deposited at the Company's registered office at least 15 days before a Shareholders' Meeting, in accordance with the terms and procedures set forth in the Bylaws.
Statutory Auditors are selected among candidates who can meet the independence requirements set forth in the Code of Conduct with regard to Directors.
Subsequent to their election, the independence qualifications of Statutory Auditors are reviewed at least once a year.
Statutory Auditors are elected through slate voting.
It is in the Company's best interest to create conditions that would allow the election of Statutory Auditors designated by minority shareholders who, alone or in combination with others, hold a minimum required equity interest in the Company (minimum threshold of 2.5% set by the Consob for 2007), which shareholders or groups of shareholders who own equity interests in the Company consistent with the abovementioned requirements may accomplish by filing slates of candidates.

The Board of Statutory Auditors was elected at the Shareholders' Meeting held on May 12, 2006.
The current members of the Board of Statutory Auditors, who will remain in office until the financial statements at December 31, 2008 are approved, are:

- Giacomo Zunino	Chairman
- Piergiorgio Re	Statutory Auditor
- Fabrizio Cavalli	Statutory Auditor
- Nicola Treves	Alternate
- Pier Vittorio Vietti	Alternate

In 2007, the Board of Statutory Auditors met 9 times, with an average attendance of about 100%.

Some of the Company's Statutory Auditors serve as officers of other publicly traded companies or companies that are significant because of their size. The posts held by each Statutory Auditor are listed below:

- **Giacomo Zunino**: He holds no posts at publicly traded companies but is Chairman of the Board of Statutory Auditors of Cemit Interactive Media S.p.A. (Mondatori Group), Comau S.p.A. (Fiat Group), Consel (Banca Sella Biella Group), Fondazione Antiusura CRT (Uni-Credito Group) and Soiem (Ifil Group), and is a Statutory Auditor of Fondazione Cassa di Risparmio di Torino (Uni-Credito Group).
- **Piergiorgio Re:** At other publicly traded companies, he serves as Chairman of the Board of Statutory Auditors of Reply S.p.A. and of Il Sole 24 Ore S.p.A. At privately held companies, he serves as Chairman of the Board of Directors of Banca Sara (Banca della Rete S.p.A.) and Holding Banca Sara S.p.A.; Chairman of the Board of Statutory Auditors of Ersel Hedge Sgr S.p.A., Fidis S.p.A., Ferrari S.p.A.; Electrolux Italia S.p.A., Editrice La Stampa S.p.A.; Statutory Auditor of Banca Patrimoni e Investimenti S.p.A., Fiat Auto Financial Service S.p.A. and I.P. Investimenti e Partecipazioni S.p.A.; and Director of Sireco Fiduciaria S.r.l., Novit Assicurazioni S.r.l. and Sara Assicurazioni S.p.A.
- **Fabrizio Cavalli:** At other publicly traded companies, he serves as Statutory Auditor of ERG S.p.A. At privately held companies, he is Chairman of Mares S.p.A., Reefer Terminal S.p.A., Sews Cabind S.p.A., Siter Trasporti S.r.l. and Spazio S.p.A.; and Statutory Auditors of ERG Petroli S.p.A., ERG Power & Gas S.p.A., Ionio Gas S.r.l., Officine Meccaniche di Villar Perosa S.p.A. – O.M.V.P. S.p.A., SKF BSS S.p.A. and SKF Industrie S.p.A..

20 RULES OF CONDUCT OF STATUTORY AUDITORS

Statutory Auditors perform the tasks incumbent upon them pursuant to law and cooperate with other corporate governance bodies and Company Departments in areas over which they have jurisdiction.

Statutory Auditors operate autonomously and independently of other corporate governance bodies, Company Departments and the shareholders who elected them.

Statutory Auditors are required to treat as confidential any document or information they may become privy to in discharging the duties of their office and must comply with the procedures adopted by the Company to communicate said documents or information to the public.

21 INDEPENDENT AUDITORS AND ENTITIES BELONGING TO THE SAME NETWORK

The Independent Auditors perform the tasks incumbent upon them pursuant to law and applicable regulations. More specifically, the Independent Auditors are responsible for auditing and organizing the Company's accounting records.

The assignment to audit the statutory and consolidated financial statements is awarded by the Company's Shareholder's Meeting upon a motion formulated by the Board of Directors with the input of the Board of Statutory Auditors.

Assignments to perform tasks other than auditing the statutory and consolidated financial statements, provided such assignments are allowed pursuant to applicable laws and regulations, are awarded to the Independent Auditors with the approval of the Board of Statutory Auditors.

The situations that would make an auditing firm unsuitable are those stated in the applicable statutes currently in force.

Entities that are part of the same network as the Company's independent auditors may not receive assignments other than auditing work when such assignments are incompatible with the auditing process and can jeopardize the independence of the Independent Auditors retained by the Company.

On May 11, 2004, the Shareholders' Meeting awarded to PricewaterhouseCoopers S.p.A. the assignment to audit the statutory and consolidated financial statements for three year, from 2004 to 2006.
The Shareholders' Meeting of May 11, 2007 extended the audit assignment to cover the years from 2007 to 2012, as allowed by Legislative Decree No. 303/2006, which amended Article 159, Section 4, of Legislative Decree No. 58 of February 24, 1998.

RULES OF TRANSPARENCY

22 WEBSITE

In order to provide a consistent level of information, especially to small investors, Pininfarina has developed a Company website *(www.pininfarina.com)*, where it posts the following documents, making them available in English as well as Italian:

1) The Annual Report and other financial reports that the Company is required to publish on a regular basis, as well as documents and communications addressed to the financial markets and information about internal dealing issues;
2) The annual Corporate Governance Report and its Annexes;
3) Historical and current information about the Company.
4) Information about the stock market performance of the Company share.

23 RELATIONS WITH INSTITUTIONAL INVESTORS AND OTHER SHAREHOLDERS

The Chief Executive Officer handles the Company's relations with institutional investors and other shareholders.

The Company has established an Office of Investor Relations within its Corporate and Finance Department.

Information about the Company must also be disclosed expeditiously on its website for the benefit of all shareholders, small investors in particular.

The Chairman and Chief Executive Officer is required to inform the Board of Directors in detail about the investment ratings assigned to the Company by institutional investors and other shareholders.

24 HANDLING OF PRIVILEGED INFORMATION

The Chief Executive Officer is responsible for the proper handling and communication of privileged information to the public and the regulatory authorities. Privileged information is information about one or more financial instruments issued by Pininfarina that has not been made public and which, if made public, would have a material impact on the price of those instruments (price-sensitive information).

Special attention is paid to avoiding situations that involve abuse of insider information and manipulation of the financial markets, as defined in Title III, Chapter I of Legislative Decree No. 58/98 and Title VII of Consob Resolution No. 11971/99.
Accordingly, the Company established a register of parties with access to insider information, as required by Article 115 *bis* of the Uniform Financial Code.

Communications to the regulatory authorities and the public (including investors, financial analysts and journalists) should be made within the deadlines and in the manner set forth in the applicable statutes and in compliance with the principle of equal access to information.

These communications should also be made available on the Pininfarina website.

Normally, communications are issued by the following Company Departments, working in cooperation with the Chairman and Chief Executive Officer:

- Office of the Corporate Secretary, for communications to regulatory authorities and shareholders;
- Communications and Image Department, for communications to the press;
- Investor Relations Department, for communications to institutional investors.

All Directors are required to treat as confidential any document or information they may become privy to in discharging the duties of their office and must comply with the procedures referred to above to communicate said documents or information to the public.

Company employees are required to comply with an operational procedure that governs the process by which technical or business data that could qualify as "price sensitive" may be disseminated.

25 INTERNAL DEALING

In order to ensure maximum market transparency, Directors, Statutory Auditors and senior executives who have access to privileged information (hereinafter “Significant Persons”) must disclose to the Company and, through the Company, to the financial markets any transaction involving publicly traded Company securities, derivatives or covered warrants.

As of April 1, 2006, the incorporation into the Italian legal system of the market abuse directive set forth in the 2004 EC law and the adoption by the Consob of the relevant implementation regulations introduced the statutory obligation to communicate to the public transactions executed by Significant Persons and their immediate family that involve financial instruments issued by the Company.

At its March 30, 2006 meeting, the Board of Directors was informed of these new requirements and approved the documents prepared by the Company to inform Significant Persons and persons with access to insider information about the new requirements.

At the same time, the Internal Dealing Code of Conduct previously in effect was repealed.

26 SHAREHOLDERS’ MEETINGS

Shareholders’ Meetings provide an ideal venue for a fruitful discussion between the shareholders and the Board of Directors and for the dissemination of Company information in a manner consistent with the principles of equal access to information.

Accordingly, the Board of Directors will do everything in its power to encourage and facilitate the broadest possible involvement by shareholders who attend Shareholders’ Meetings.

Pininfarina has not adopted special regulations to govern its Shareholders’ Meetings, since no need has arisen for such regulations in the 21 years that its shares have been publicly traded.

Shareholders’ Meetings must be attended by an adequate number of Directors and Statutory Auditors.

RULES OF CONDUCT

27 GENERAL PRINCIPLES

The actions of all those who participate in the Company’s activities — members of corporate governance bodies, managers, employees and independent contractors — must abide by certain general guidelines that call for the following:

- respect for the principles of ethical integrity, the applicable statutes and best market practices;
- identification and elimination of actual or potential conflict of interest situations;
- compliance with the obligation to treat as confidential classified and privileged information.

The principles outlined above are explained in detailed in the following pages. Compliance with these principles is a prerequisite for individuals to avoid personal legal liability and enable the Company to retain the high standing and reputation it enjoys in the marketplace.

28 CODE OF ETHICS

In order to make explicit and binding the values of fairness, honesty and professional commitment that must guide the activities of the employees of Pininfarina and other Group companies, the Board of Directors has published a Code of Ethics (appended to this document as Annex “B”, which is binding on all stakeholders and employees of the Pininfarina Group.

29 CONFLICTS OF INTEREST AND TRANSACTIONS WITH RELATED PARTIES

As required by law, the Board of Directors, with the support of the appropriate Company Departments and the input of its Consultative Committees, watches for situations that could create or have the potential of creating conflicts of interest.

Conflicts of interest are resolved in accordance with the provisions of the applicable statutes.

Related parties are those that are so defined in the applicable laws and regulations. Examples of related parties include individuals belonging to the same group, such as controlling companies, subsidiaries, affiliated companies, managers with strategic responsibilities, Directors, Statutory Auditors and their families, etc.

Transactions with related parties, as defined above, must be executed in compliance with the principle of substantive and procedural fairness.

Any Director who has a direct, potential or indirect interest in a transaction with a related party is required to:

a) inform, promptly and completely, the Board of Directors of the existence and circumstances of his or her interest;
b) refrain from discussing the issue and voting on the issue and leave the meeting, if so requested by the Chairman.

30 CONFIDENTIALITY OF CONFIDENTIAL AND INSIDER INFORMATION

The Board of Directors follows special procedures to protect the confidentiality of classified and privileged information made available to Directors, Statutory Auditors, senior executives, employees or independent contractors who may have access to:

- classified information;
- privileged information, i.e., information about one or more issuers of financial instruments or financial instruments that have not been made public and which, if made public, could have a material impact on the prices of the abovementioned securities or of derivatives based on those securities (so-called price-sensitive information).

Specific provisions prohibit the individuals listed above from communicating to other individuals the abovementioned information, except insofar as it may be necessary because of their work, profession or function.

Insofar as Company employees are concerned, a strict implementation of Article 115 *bis* of the Uniform Financial Code (Register of Parties with Access to Insider Information), coupled with an ongoing disclosure process, appear to be sufficient to monitor compliance with the confidentiality obligation applicable to insider information.

31 ORGANIZATION, MANAGEMENT AND CONTROL MODEL

Pininfarina is sensitive to the need to abide by rules of business conduct that are fair and transparent in order to protect its position and image, the expectations of its shareholders and the jobs of its employees.

By adopting this Model, which is appended to this document as Annex A, the Company is pursuing the following objectives:

- Make all those who work for and on behalf of the Company in areas of activity that pose a potential risk aware that violations of the provisions contained in the Model could result in criminal and administrative penalties;
- Emphasize that Pininfarina strongly condemns all unlawful actions because such actions are not only illegal, but are also contrary to the principles of ethics that Pininfarina is committed to abide by (see also the Pininfarina Code of Ethics);
- Monitor areas of potential risk on an ongoing basis, so as to enable the Company to intervene promptly to prevent or block the occurrence of a violation.

As part of a program of systematic and organized initiatives designed to update its Organization and Control Model, Pininfarina has prepared a map of the Company's activities and identified "risk-prone activities," i.e., those activities that, because of their very nature, require scrutiny and monitoring, in accordance with Legislative Decree No. 231/2001.

32 SAFETY AND DATA PRIVACY

As required by the applicable provisions and in keeping with the guidelines of its Board of Directors, Pininfarina makes every effort to comply scrupulously with statutes that govern occupational safety and health (Law No. 626/1994) and protect personal data (law No. 675/1996).

In accordance with the provisions of Section 26 of the Technical Guidelines for Minimum Security Measures, Annex B) to Legislative Decree No. 196 of June 30, 2003, Pininfarina S.p.A. hereby announces that it has updated its Safety Planning Document, as required by Article 34, Letter G), of the abovementioned Legislative Decree.

ANNEXES TO THE PININFARINA REPORT ON CORPORATE GOVERNANCE

A. Organization, Management and Control Model
B. Code of Ethics
C. Tables Showing the Composition of the Board of Directors, the Committees and the Board of Statutory Auditors

ANNEX A)

ORGANIZATION, MANAGEMENT AND CONTROL MODEL IN ACCORDANCE WITH LEGISLATIVE DECREE No. 231/2001

Edition for the 2007 Report on Corporate Governance

GENERAL SECTION

1. LEGISLATIVE DECREE No. 231/2001

1.1 System of Administrative Liability for Legal Entities, Companies and Associations

The Decree providing *"regulations governing the administrative liability of legal entities and of companies and associations, including those that are not recognized as legal entities,"* introduced several important innovations to the Italian legal system:

- A system of administrative liability (comparable to criminal liability) for Entities (companies, associations, consortia, etc.) for: *crimes against the Public Administration* (Articles 24 and 25 of the Decree), *crimes against property perpetrated against the Government or other public institutions* (Article 25 *bis* of the Decree), *corporate crimes* listed in Article 25 *ter*, *crimes* (referred to in Article 25 *quater*) *perpetrated in pursuit of terrorism or to overthrow the democratic order*, and *crimes that otherwise violate the provisions of Article 2 of the International Convention Against Terrorism Financing* signed in New York on December 9, 1999 (these crimes are individually listed and identified in the Decree). A subsequent addition, Article 25 *quinques*, extends the system of administrative liability to Entities responsible for crimes against persons listed in Law No. 228/03, which contains *"measures against slavery."*
  The administrative liability of an Entity arises when the crimes listed above are perpetrated in the interest and for the benefit of the Entity by individuals who represent, manage or direct the Entity or by individuals who are under the supervision and control of the former. In practice, the Entity's liability arises along with the liability incurred by the individual who perpetrated the crime.
- When a crime is committed, the Entity may avail itself of a shielding mechanism (such as defined in Article 6 of the Decree). More specifically, the Entity is not liable when it can show that it has adopted and effectively implemented, before the occurrence of the crime, *"organization, management and control models capable of preventing crimes such as the one that has been perpetrated."*

Lastly, Article 6 of the Decree states that the abovementioned model may be adopted by taking as a base the codes of conduct approved by industry associations. Accordingly, on March 7, 2002, the Italian Federation of Industry (Confindustria, in Italian) approved "Guidelines for the Development of Organization, Management and Control Models in Accordance with Legislative Decree No. 231/2001," which were duly communicated to the Ministry of Justice. In due course, the Ministry responded with a set of remarks, identifying certain minor issues with regard to which it asked Confindustria to provide additional clarifications, information and analyses.
Using the document published by Confindustria and the remarks of the Ministry of Justice as references, Pininfarina S.p.A. (hereinafter "Pininfarina") decided to update its Organization, Management and Control Model and make it consistent with the requirements of Legislative Decree No. 231/2001.

2. ADOPTION OF AN ORGANIZATION, MANAGEMENT AND CONTROL MODEL

Pininfarina is sensitive to the need to create conditions of fairness and transparency in the conduct of its business and corporate activities in order to protect its position and image, the expectations of its shareholders and the jobs of its employees. It is also aware of the importance of adopting an internal control system capable of preventing unlawful conduct by its Directors, employees, representatives and partners.

In pursuit of these objectives, even though the adoption of a Model is optional under the law, **Pininfarina has begun an analysis of its organization, management and control resources to determine whether the rules of conduct and procedures already in place are consistent with the objectives of the Decree and to ascertain whether the existing Model needs to be updated.**

By adopting this Model, Pininfarina strives to achieve the following objectives:

- Make all those who work in the name and on behalf of the Company in areas of potential risk aware that, should they violate the following provisions, they may be committing an illegal act that could give rise to criminal penalties for themselves and administrative penalties for the Company;
- Emphasize that Pininfarina strongly condemns such forms of illegal conduct because they are not only contrary to law, but also violate the principles of ethics that Pininfarina abides by (see also the Code of Ethics adopted by Pininfarina);
- Monitor all areas of potential risk in order to allow the Company to act promptly and prevent or block the perpetration of crimes.

As part of a program of systematic and organized initiatives designed to update its Organization and Control Model, Pininfarina has prepared a map of the Company's activities and identified "risk-prone activities," i.e., those activities that, by their very nature, require scrutiny and monitoring, in accordance with the provisions of the Decree.

Having thus identified the risk-prone activities, which are discussed in detail in Special Section "A" of this Model, Pininfarina proceeded to define the reference principles of the Organization Model that it plans to put in place, based on the requirements of the Decree, the Guidelines developed by Confindustria and the circular letter issued by the Ministry of Justice with the Ministry's observations about the document published by Confindustria.

2.1 Fundamental Elements of the Model

The main steps followed by Pininfarina in the process of defining this Model were:

- Develop a map of "sensitive" Company activities, i.e., those activities that, by their very nature, can provide opportunities to commit the crimes referred to in Articles 24, 25 and 25-ter of the Decree;

- Analyze existing protocols and define the initiatives to be implemented with respect to "sensitive" Company activities to establish adequate means of control;
- Revise the Pininfarina Code of Ethics (see Chapter 7, General Section) in order to emphasize the need to:
  - comply with the laws and regulations in force;
  - ensure that Company Stakeholders[1] behave with fairness and transparency in their dealings with the Public Administration and third parties and, more generally, demand that they behave in a manner that is consistent with the Code of Ethics;
- Define the Oversight Board, determine the Entity's specific duties in overseeing the effective and proper functioning of the Model and identify the reporting chain of the Oversight Board within the Company;
- Define the flow of information provided to the Oversight Board;
- Plan programs to inform, raise the awareness of and train employees at all levels of the Company with regard to the Model and the Code of Ethics;
- Define the parties responsible for the approval, adoption, integration and implementation of the Model, for checking its effective use and impact on Company activities and for updating the Model on a regular basis.

2.2 Structure of the Model

This Model includes a General Section and separate Special Sections for the different types of crimes listed in the Decree. The first special section, called "Special Section A," applies to the crimes covered specifically by Articles 24 and 25 of the Decree. "Special Section B" deals with the corporate crimes covered by Article 25 *ter* of the Decree. Pininfarina's Board of Directors has been empowered to adopt a special resolution to integrate additional Sections with this Model. These Sections cover other types of crimes that are already covered by the Decree or which are otherwise related to or included in the Decree's scope of implementation, provided there is a potential connection with the activities carried out by Pininfarina.

2.3 Approval and Adoption of the Model's Reference Principles

Because the Model is the "emanation of a corporate governance body" (in accordance with the provisions of Article 6, Section I, Letter a), of the Decree), on November 11, 2005, Pininfarina's Board of Directors approved the adoption of this Document, which is an update of the first version published on March 31 2005.

[1] The following are Company Stakeholders: Directors, Statutory Auditors, Executives, Managers and all other employees, contractors, suppliers and customers.

2.4 Management of the Model Within the Pininfarina Group

The adoption of this Model by Pininfarina entailed for Pininfarina Extra S.r.l. the obligation to adopt its own Organization, Management and Control Model consistent with the provisions of the Decree and, consequently, to establish an Oversight Board.

In this endeavor, Pininfarina Extra S.r.l. can use as a reference Pininfarina's Model and adapt it to the specific at-risk areas/activities that it identifies within its organization.

The Oversight Board established by Pininfarina Extra S.r.l.:

- in overseeing the implementation of and compliance with the Model, can use the resources allocated to Pininfarina's Oversight Board, based on a predetermined contractual relationship with Pininfarina and complying with all confidentiality obligations;
- in ensuring the adoption and implementation of a Model capable of preventing the crimes subject of Legislative Decree No. 231/2001, must coordinate its activity with that of the Pininfarina Oversight Board;
- must promptly inform Pininfarina's Oversight Board of any violations of the Model by its Directors;
- when necessary, must update the Model adopted by Pininfarina Extra S.r.l.;
- must report at least once a year to Pininfarina's Oversight Board.

All Italian and foreign Group companies are also required to adopt the Company's Code of Ethics, which is a fundamental component of the Pininfarina Model.

3. OVERSIGHT BOARD

3.1 Identification of the Oversight Board

Under the Decree (Article 6, Letter b) companies must satisfy an additional requirement before they can be shielded from administrative liability: they must establish a corporate entity with independent decision-making and control powers charged with overseeing the effectiveness of and compliance with the Model and with keeping the Model up to date.

In view of Pininfarina's current internal organization and based on the most recent guidelines published by Confindustria, Pininfarina has chosen as its Oversight Board an Entity with multiple members that includes an independent Director, a member of the Internal Control Committee, a manager and the Internal Control Officer, in the belief that this mix will be ideal for performing the required task and meeting the requirements of

- autonomy and independence,
- professionalism and
- continuity,

which are essential for proper exercise of the oversight function.

The Oversight Board may use the Internal Auditing Department to perform some of its tasks.

In view of the peculiar functions of the Oversight Board and the specific professional competencies that it must deploy in the performance of its oversight and control function, the Pininfarina Oversight Board may avail itself of the services of other internal Departments or outside consultants whenever their input may become necessary to perform specific tasks, but they must always work under the direct supervision and responsibility of the Oversight Board.

3.1.1 Rules for Appointing, Removing or Replacing Members of the Oversight Board

After taking into account the remarks of the Ministry of Justice on the "Guidelines for the Development of Organization, Management and Control Models in Accordance with Legislative Decree No. 231/2001" issued by Confindustria and with the goal of meeting the necessary requirements, Pininfarina adopted the following rules governing the operations of its Oversight Board:

1) Composition of the Oversight Board

The Oversight Board is appointed by the Board of Directors. It is an Entity with multiple members that include an independent Director, a member of the Internal Control Committee, a manager and the Internal Control Officer. Each member of the Oversight Board must meet the requirements described above, as well as possess personal qualifications that provide further assurance that he or she has the autonomy and independence required by his or her office (integrity, professionalism, and lack of conflicts of interest and family relations with the Company's corporate governance bodies and senior management).

2) Term of Office

The Oversight Board is appointed for one year, i.e., until the day when the Shareholders' Meeting approves the Statutory Financial Statements at December 31, 2007.

3) Method of Appointing and Dismissing the Oversight Board

At the end of each term of office of the Oversight Board and before proceeding with a new appointment, the Board of Directors must verify that each member of the Oversight Board meets the express requirements of the Decree and those set forth in Item 1) of these Regulations.

The Board of Directors periodically assesses the effectiveness of the Oversight Board based on its organization and the powers entrusted to it. The Board of Directors may at any time dismiss one (or all) of the members of the Oversight Board should he/she (they) no longer meet the requirements of autonomy, independence, professionalism and continuity needed to discharge the duties of his/her (their) office, or when members of the Oversight Board become incompatible with their office, or the need of such dismissal is evident based on the findings of a regular review process.

The Board of Directors is responsible for promptly replacing any member of the Oversight Board that it dismisses in order to keep the approved structure of the Oversight Board unchanged.

3.2 Functions and Powers of the Oversight Board

The following tasks are entrusted to the Oversight Board:

- It must ensure the effectiveness of the Model, i.e., ensure that the actions carried out within the Company are consistent with the Organization, Management and Control Model adopted by the Company;
- It must verify that the Model is effective, i.e., verify that the Model adopted by the Company is effective in preventing the perpetration of criminal violations;
- It must maintain and update the Model in order to adjust it to changes in the Company's activities and organization;
- It must develop proposals to adjust the Model in response to the needs of the Company's departments and functions that implement it within the context of the Company's organization.

Accordingly, the Oversight Board is required to:

- Review periodically the map of the Company's areas of activity that entail the risk of criminal violations and adjust it to changes in the Company's activity and/or organization. To achieve this goal, managers and employees who perform control functions at the individual Departments must inform the Oversight Board of any situations that could expose the Company to the risk of criminal violations.
- In accordance with an annual program approved by the Board of Directors, carry out periodically the assessments required by the Model. In particular, it must ascertain that:
  - control procedures are implemented and documented in a consistent manner;
  - the principles of ethics are complied with.
- Verify the adequacy and effectiveness of the Model in preventing the criminal violations referred to in the Decree.

Based on this assessment process, the Oversight Board prepares annually a report for Pininfarina's Board of Directors outlining any problems it may have identified and suggesting the appropriate corrective actions.

- Work in coordination with other Company functions, holding meetings is appropriate, for the purpose of:
    - exchanging the information needed to keep up to date about areas presenting risks of criminal violations, with the specific requirement that Company Departments communicate any new transactions with the Public Administration that are not yet known to the Oversight Board;
    - keeping under control any changes in the operations of the Departments and ensure that they continue to be monitored on an ongoing basis;
    - reviewing different issues related to the implementation of the Model (defining standard contract clauses, personnel training, regulatory and organizational changes, etc.);
    - make sure that the corrective actions needed to make the Model adequate and effective are implemented promptly;
- Gather, process and store all relevant information about compliance with the Model and update the list of information that must be provided to the Oversight Board;
- Set up and update on an ongoing basis a folder on the Company intranet site that contain all relevant information about Legislative Decree No. 231/2001 and the Model;
- Promote initiatives to disseminate knowledge and understanding of the Model and prepare the documents needed for that purpose (see in this respect Chapter 4 on Training an Communications).

An organization that meets the requirements listed above must be able to operate in a manner consistent with the acceptance and implementation of the Model. The purpose of an ongoing oversight process must be twofold:

1. If the evidence shows that the pace at which the necessary operating standards are being implemented is inadequate, the Oversight Board must adopt all measures necessary to correct this “pathological” situation. Depending on the cases and circumstances it may:
    - ask the managers of the individual organizational units to comply with the models of conduct;
    - indicate the specific corrections and modifications that must be made to the organizational protocols;
    - report the most egregious cases of failure to implement the Model to the managers and Internal Control Officers of each Department.
2. On the other hand, if the process of monitoring the level of implementation of the Model shows that the Model needs updating because the Model, while it is being implemented fully and correctly, is proving to be inadequate to prevent the risk that some of the criminal violations listed in the Decree may occur, the Oversight Board must take action promptly and make the necessary updates.

The Oversight Board has all of the investigative powers and resources needed to interact directly and on an ongoing basis with all Company Departments, particularly with respect to retrieving documents and information, within the constraints of the laws and procedures in force (privacy, confidentiality obligations, etc.)

In pursuit of its investigative mission, the Oversight Board must have unfettered access to Company employees and all documents and must be allowed to retrieve relevant data and information from management without hindrance or the need to obtain prior approval. Lastly, the Oversight Board must be provided with all of the information described in detail in Chapter 5 of this Model.

The Oversight Board must be equipped with adequate financial resources, which it may use for any purpose useful in discharging its duties effectively.

3.3 Reporting by the Oversight Board to the Corporate Governance Bodies

The Oversight Board follows two reporting lines:

- the first to the Chairman;
- the second, which calls for an ongoing reporting process, to the Board of Directors, the Internal Control Committee and the Board of Statutory Auditors.

In both cases, the Oversight Board is responsible for:

- Communicating, at the start of each fiscal year, a plan of the activities that it plans to carry out to perform the tasks assigned to it;
- Communicating, in a semiannual report, the progress made in implementing the approved plan and any changes made to the plan, explaining why they were made;
- Communicating <u>immediately</u> any significant problems encountered in implementing the planned activities;
- Reporting on the implementation of the Model;
- Reporting violations of the Model by Directors of subsidiaries, after informing the subsidiary's Oversight Board.

If investigations carried out by the Oversight Board reveal evidence that a criminal violation or an attempt to perpetrate a criminal violation is attributable to one or more Directors, the Oversight Board must inform the Internal Control Committee and/or the Board of Statutory Auditors immediately.

The Chairman and Chief Executive Officer of the Board of Directors, the Board of Directors, the Board of Statutory Auditors and the Internal Control Committee can call, at any time, a meeting of the Oversight Board, which, in turn, when justified by urgent reasons, can use the appropriate channels to call meetings of the abovementioned corporate governance bodies.

Minutes of meetings of Pininfarina's corporate governance bodies held to hear reports by the Oversight Board must be recorded, and copies of the Minutes must be kept on file by the Oversight Board and provided upon request to the corporate governance body involved.

4. TRAINING AND COMMUNICATIONS

The training of employees and the dissemination of this document for Model implementation purposes is handled by the Human Resources and Organization Department, working in close coordination with the Oversight Board. These processes are carried out, depending on the different at-risk areas, at the organizational levels listed below:

- Executives and Managers: Sessions to present the principles of the Code of Ethics and the Organization, Management and Control Model to executives and managers and involve them in implementation.
- Office and Factory Staff in At-risk areas: Specific training sessions.
- All Employees: Company-wide communication about the adoption of the Model, its general contents and the establishment of an Oversight Board, with instructions on how to use the channels available to report violations; dissemination of the Code of Ethics throughout the organization through mass distribution of the document, requesting that a signed copy be returned. The text of the Code will also be added to the next edition of the Orientation Manual.
- Newly Hired Employees: A copy of the Code of Ethics is provided at the time of hiring. The Human Resources and Organization Department, working in cooperation with the Oversight Board, will evaluate on a case-by-case basis the placement of new employees in at-risk areas, which may require special training.
- Suppliers: Mention of the clauses of the Code of Ethics printed on the verso of the order form and notice that the Code of Ethics is posted on the Pininfarina website.
- Customers: In light of the nature of Pininfarina's businesses and the characteristics of its customer portfolio, plans call for sending a full copy of the Code of Ethics to each customer.
- Other Associates: Same process as for all employees.

5. OBLIGATION TO DISCLOSE INFORMATION TO THE OVERSIGHT BOARD

All information and disclosures that might be useful in facilitating the task of monitoring the effectiveness and usefulness of the Model must be communicated to the Oversight Board.

Directors, executives, employees, consultants and partners are required to inform the Oversight Board promptly of any violation or suspected violation of the Model, the Model's general principles or the Code of Ethics adopted in accordance with Legislative Decree No. 231/2001, and report any indication that the Model may be unsuitable or ineffective and any other potentially significant issue.

More specifically, the individuals mentioned above are required to promptly communicate to the Oversight Board information about the following:

- the findings of control activities carried out by Company Departments in implementation of the Model that reveal the existence of problems;
- anomalies or atypical situations discovered by the abovementioned Departments;

- actions and/or measures taken by the police or any other government agency that has led to an investigation of alleged criminal violations of Legislative Decree No. 231/2001, even when the investigation is against persons unknown;
- internal and external communications concerning any situation that could be construed as creating the possible occurrence of criminal violations of Legislative Decree No. 231/2001 (e.g., disciplinary actions against Company employees);
- requests for legal counsel by managers and/or employees who are being pursued by the judicial authorities for criminal violations of Legislative Decree No. 231/2001;
- commissions of inquiry or internal reports or communications showing liability for alleged criminal violations of Legislative Decree No. 231/2001;
- information about the implementation of the Model at the various levels of the corporate organization showing for each disciplinary action taken whether penalties were meted out or the proceedings were closed and the notations made;
- a summary of all of the contracts awarded through competitive bidding or private negotiations;
- information about changes in the organization (organization charts);
- updates of the system used to grant powers of attorney and delegate powers;
- significant or atypical transactions that may entail risk;
- changes in risk or potential risk situations (e.g., establishment of "funds available to corporate entities," etc.);
- any communications by the independent auditors concerning issues that could signal shortcomings in the internal control system;
- copies of the Minutes of meetings of the Board of Directors, Board of Statutory Auditors and Internal Control Committee;
- information about any assignment awarded or about to be awarded to the independent auditors or companies related to the independent auditors, other than auditing the financial statements;
- copies of Consob communications indicating that there were no grounds for incompatibility between the independent auditors and the company being audited; and criteria used to select the independent auditors (professional competencies, industry experience, etc., and not just cost considerations);
- communication by the party in charge of the transaction of any initiative that requires preparing or helping prepare prospectuses, so that the Oversight Board may ensure that all relevant corporate rules and procedures are complied with and that the Prospectus is indeed published upon the execution of the transaction.

The Oversight Board must also be made aware of any available information provided by employees or outsiders concerning criminal violations of Legislative Decree No. 231/2001 or conduct inconsistent with the Model.

As required under Article 6, Section 2, Letter d), of the Decree, this information must be reported in writing (a dedicated e-mail channel is also available).

The Oversight Board must protect anyone who reports the abovementioned information against all forms of reprisal, discrimination or punishment, making sure that the name of the reporting party is kept confidential, unless the law requires otherwise and in keeping with the obligation to protect the rights of the Company and of anyone who is accused erroneously and/or in bad faith.

The Oversight Board must evaluate all of the reports it receives with discretion and responsibility. Accordingly, it may choose to interview the person reporting an alleged violation and/or the alleged perpetrator of the alleged violation, but must provide a written explanation of the reason why it chose not to pursue the issue.

5.1 Collection and Storage of Information

All of the information, communications and reports generated in connection with this model are kept by the Oversight Board in special classified archives (electronic files and hard copies) for a period of 10 years and in accordance with the provision of Law 196/03.
Only the Chairman and Chief Executive Officer of the Board of Directors and the members of the Internal Control Committee have access to the archives.

6. SYSTEM OF DISCIPLINARY ACTIONS

6.1 Purpose of the System of Disciplinary Actions

A key tool in making the Model produce the desired effect and ensuring that the Company is shielded from liability is the establishment of an effective system of disciplinary actions that can be applied when the Model's standards and the provisions and principles of the Code of Ethics are violated. The purpose of the Company's system of disciplinary actions is to prevent the occurrence of administrative violations arising from criminal violations of Legislative Decree No. 231/2001.
When punishable behavior occurs in connection with the perpetration of a criminal violation of Legislative Decree No. 231/2001, the implementation of a disciplinary action is independent of the outcome of any criminal proceedings initiated by the judicial authorities.

6.1.1 Actions Against Company Employees (Other Than Executives)

Failure to comply with the rules of the Organization, Management and Control Model adopted by Pininfarina in accordance with Legislative Decree No. 231/2001 and any violation of the provisions and principles of the Code of Ethics by Company employees (other than executives) may result, depending on the seriousness of the violation, in the disciplinary actions listed below.
The disciplinary actions that may be taken against Company employees are permissible under the National Collective Bargaining Agreement for Private-Sector Employees of the Metalworking and Facilities Installation Industries and are consistent with the provisions of Article 7 of Law No. 300 of May 30, 1970 (Workers' Bill of Rights) and any other relevant statutes.

The available disciplinary actions include:

a. Verbal reprimand;
b. Written admonition;
c. Fine not greater than three hours of pay;
d. Suspension from work without pay for a maximum of three days;
e. Dismissal for violations pursuant to Article 25 of the abovementioned Labor Agreement.

The Company may not take any disciplinary action against an employee without first informing him or her of the violation and hearing his or her defense.

Except when a verbal reprimand is involved, employees must be notified in writing of their alleged violation, and disciplinary action may not be taken for five days, during which the employee may provide an explanation.

If disciplinary action is not taken within six days from the receipt of the employee's explanation, the explanation will be deemed to have been accepted.

Employees may present their explanations orally and may be accompanied by a representative of his or her union or a member of the Joint Union Representation Committee.

A written explanation must be provided whenever disciplinary action is taken.

Employees may use the grievance handling procedures outlined in the Collective Bargaining Agreement referred to above to challenge disciplinary actions taken in accordance with Letters b, c and d above.

Employees may challenge dismissals for violations covered by Article 25, Letters a) and b), of the Collective Bargaining Agreement by using the procedures provided by Article 7 of Law No. 604 of July 15, 1966, as confirmed by Article 18 of Law No. 300 of May 20, 1970.

Disciplinary actions will cease to have any effect two years after they were taken.

The implementation of the disciplinary actions listed above shall not prejudice the Company's right to seek compensation for damages incurred as a result of the acts referred to above, including damages stemming from the adoption by a judge of the measures available under Legislative Decree No. 231/2001.

6.1.2 Actions Against Executives

The failure to comply with the rules of the Organization, Management and Control Model adopted by Pininfarina in accordance with Legislative Decree No. 231/2001 and any violation of the provisions and principles of the Code of Ethics by Company executives, whose employment relationship is governed by the National Collective Bargaining Agreement for Executives of Manufacturing and Service Companies, may result in the use of the disciplinary actions that are most appropriate in accordance with the abovementioned Collective Bargaining Agreement, which may include dismissal for the most serious violations, in accordance with the procedures of Article 7 of Law No. 300/1970, without prejudice to the Company's right to seek compensation for damages incurred as a result of the acts referred to above, including damages stemming from the adoption by a judge of the measures available under Legislative Decree No. 231/2001.

6.1.3 Actions Against Independent Contractors and Other Associates

Failure to comply with the rules of the Organization, Management and Control Model adopted by Pininfarina in accordance with Legislative Decree No. 231/2001 and any violation of the provisions and principles of the Code of Ethics by independent contractors and other associates may result in the cancellation of their contracts, as allowed under the provisions thereof, without prejudice to the Company's right to seek compensation for damages incurred as a result of the acts referred to above, including damages stemming from the adoption by a judge of the measures available under Legislative Decree No. 231/2001.

6.1.4 Actions Against Parties with Whom Pininfarina Has a Contractual or Commercial Relationship

Failure to comply with the rules of the Organization, Management and Control Model adopted by Pininfarina in accordance with Legislative Decree No. 231/2001 and any violation of the provisions and principles of the Code of Ethics by parties with whom Pininfarina has a contractual or commercial relationship may result in the cancellation of their contracts, as allowed under the provisions thereof, without prejudice to the Company's right to seek compensation for damages incurred as a result of the acts referred to above, including damages stemming from the adoption by a judge of the measures available under Legislative Decree No. 231/2001.

6.1.5 Actions Against Directors

If the Oversight Board uncovers violations of the Model by Directors, it must inform the Internal Control Committee and the Board of Statutory Auditors, which will then take appropriate action in accordance with the provisions of the applicable statutes.

6.1.6 Actions Against Statutory Auditors

If the Oversight Board uncovers violations of the Model by one or more Statutory Auditors, it must inform the Internal Control Committee and the Board of Directors, which will then take whatever action is deemed to be most appropriate.

6.1.7 Actions Against Members of the Oversight Board

If the Board of Directors becomes aware of violations of the Model by one or more members of the Oversight Board, it will take whatever action it deems to be most appropriate, working in collaboration with the Human Resources and Organization Department.

6.2 Department Responsible for Enforcing Disciplinary Actions

The Company's system of disciplinary actions is reviewed and assessed on an ongoing basis by the Oversight Board and the Human Resources and Organization Department, which is responsible for enforcing the disciplinary actions outlined above at the request of the Oversight Board and with the input of the immediate supervisor of the individual responsible for the violation.

7. MODEL AND CODE OF ETHICS

The rules of conduct provided in the Model are supplemented by those of the Code of Ethics, even though the Model has a different scope than the Code of Ethics, due to the purpose that the Model pursues in order to comply with the provisions of Legislative Decree No. 231/2001.

More specifically:

- The Code of Ethics is a tool that was adopted independently of the Model and is used as a general tool by Group companies to express principles of corporate ethics that the Group espouses, requiring that all Company Stakeholders comply with it.
- The Model, on the other hand, provides a response to the specific requirements of Legislative Decree No. 231/2001, which was enacted to prevent the occurrence of specific types of criminal violations (for example, acts that, while apparently carried out for the benefit of the Company, could give rise to an administrative liability under the provisions of the abovementioned Legislative Decree).

<u>SPECIAL SECTION “A”</u>

Areas of Activity That Could Provide Opportunities for the Occurrence of Criminal Violations Pursuant to Articles 24 and 25 of Legislative Decree No. 231/2001

1. POTENTIAL AT-AT-RISK AREAS

The areas of activity that could provide opportunities for the occurrence of criminal violations pursuant to Legislative Decree No. 231/2001 are those involving transactions with the Public Administration and situations in which the Public Administration has some degree of involvement (crimes against the Public Administration and against property pursuant to Articles 24 and 25 of Legislative Decree No. 231/2001).

In view of the unique characteristics of the businesses pursued by Pininfarina and based on the internal organization of the Group, the two areas listed below were initially singled out for scrutiny, with the goal of deploying a risk management system that is consistent with the requirements of Legislative Decree No. 231/2001.

- AREAS PRESENTING RISK OF CRIMINAL VIOLATION, i.e., areas that, based on information received from and shared with area managers, entail transactions with the Public Administration and which, consequently, could potentially give rise to criminal violations pursuant to Articles 24 and 25 of Legislative Decree No. 231/2001.
- SUPPORT AREAS, i.e., areas that involve the use of financial tools (and/or alternative tools) and which, despite the lack of contact with the Public Administration, could be the source of support for criminal violations that occur in areas presenting a risk of criminal violations.

2. PRINCIPLES OF CONTROL APPLIED TO THE MAIN AREAS OF RISK

The work carried out to determine the organizational protocols needed to prevent the occurrence of criminal violations included, based on the available knowledge of the Group's internal organization, interviews with the various Department heads and a review of Company documents in order to define the **main risk factors** that, if not properly monitored, could result in the occurrence of criminal violations pursuant to Articles 24 and 25 of Legislative Decree No. 231/2001.
The individual risk factors and the available information were then used to map **key controls** for each area to control the risk factors previously identified.
These two activities were completed and enhanced by an **assessment of the existing system of preventive controls** and the subsequent planning of required adjustments.

An assessment of the main components (the protocols) of the system of preventive controls (in accordance with the guidelines published by Confindustria) and of the organization deployed by Pininfarina is summarized below:

- <u>Code of Ethics</u>: Pininfarina, in order to make principles of ethics and business conduct consistent with the requirements of Legislative Decree No. 231/2001, adopted a new version of its Code of Ethics, which has been provided to all Company Stakeholders. This document is available to all addressees as an electronic file or as hard copy and can be accessed on the Company's web and intranet sites.

- Organization System: Pininfarina promptly updates the presentation of its organization, which is depicted in organization charts prepared every three months by the Human Resources and Organization Department and which can be consulted by all Company Departments. The mission of each department is defined and presented in official documents. The tasks and obligations of each employee have been identified and are set forth in documents maintained by the Human Resources and Organization Department. Recently, the Company introduced a system of variable compensation based on the ability of senior managers to achieve designated objectives. The process used to define these objectives and assess performance is governed by appropriate formal authorization procedures.
- Procedures: The Company currently uses formal procedures (including operating instructions and organizations guidelines) to regulate the activities of each Company Department. In addition, the Company's information system automatically performs certain preventive control functions and produces reports showing exceptions and tracing the accounting path of transactions. The Company has established adequate functional firewalls to meet the requirement of the separation of tasks. Nevertheless, the complex of procedures adopted by Pininfarina needs to be supplemented, made more formal and updated to make it even more consistent with the Model described in Legislative Decree No. 231/2001.
- Delegation of Powers and Power to Sign on Behalf of the Company: Recently, Pininfarina updated the system it uses to delegate powers based on the work actually performed by each person. The system used to delegate powers is updated on an ongoing basis to make it consistent with changes in the Company's organization. The dissemination of information about this system is the responsibility of the Human Resources and Organization Department. An overview of the current situation is provided in Annex 2.
- Control, Management and Monitoring System: Pininfarina's control system is based, in the main, on the principles of traceability, consistency and fairness in transactions and on the principle that it must be possible to document the exercise of control. Moreover, Pininfarina uses special indicators to immediately flag the occurrence of problem situations in reports that are prepared and published on a regular basis. These reports also show any unusual variances between projected and actual data.

  Regular audits carried out by the Company provide further assurance that problems and potential risks will be detected on a timely basis.

  Pininfarina is sensitive to the need to store important data and information in electronic files or as paper documents.
- Communication with and Training of Employees: In connection with the adoption of the Model, Pininfarina has defined a plan to ensure that this Model is communicated to all Company Stakeholders and designed a personnel training program that takes into account the risk exposure in each area. A detailed explanation of this program is provided in Chapter 4 of the General Section.

Pininfarina has used the findings from its assessment of its system of preventive control to develop an action plan and define the plan's activities, timing and responsibilities.

The implementation of the plan will be monitored by the Oversight Board.

Annex 1: MAIN SENSITIVE AREAS OF ACTIVITY AND WAYS IN WHICH CRIMINAL VIOLATIONS COULD OCCUR

(Omitted)

Annex 2: SUMMARY OF DELEGATIONS OF POWERS AND POWER TO SIGN ON BEHALF OF THE COMPANY

(Omitted)

<u>SPECIAL SECTION “B”</u>

Areas of Activity That Could Provide Opportunities for the Occurrence of Criminal Violations Pursuant to Articles 25 *ter* and 25 *sexies* of Legislative Decree No. 231/2001

1. PURPOSE OF THIS SPECIAL SECTION

This Special Section deals with issues involving the conduct of the employees and corporate governance bodies of Pininfarina and its consultants, as defined in the General Section of this Report, who are involved in Sensitive Processes.

The purpose of this Special Section is to ensure that all of the parties identified above adopt rules of conduct that are consistent with the recommendations of this Special Section in order to avoid the occurrence of the criminal violations discussed below.

2. SENSITIVE PROCESSES IN TERMS OF CORPORATE CRIME POTENTIAL

The main Sensitive Processes within the organization of Pininfarina are:

1. Preparation of communications to the shareholders and the financial markets concerning the Company's operating performance, financial position and financial performance (statutory financial statements, consolidated financial statements, quarterly reports, semiannual reports, etc.);
2. Preparation of prospectuses;
3. Handling of relationships with the independent auditors in connection with communications provided by the independent auditors to outsiders with regard to Pininfarina's operating performance, financial position and financial performance;
4. Handling and communication to outsiders of information and data concerning the Group (relations with institutional investors, price-sensitive press releases);
5. Transactions involving the Company's share capital;
6. Preparation of communications provided to regulatory agencies and handling of relationships with these agencies (Consob, Borsa Italiana).

3. PARTIES TO WHOM THIS SPECIAL SECTION IS ADDRESSED

This Special Section is addressed to the Directors, senior executives (*Direttori Generali* in Italian) and Statutory Auditors (top officers) of Pininfarina, as well as to those employees who are under the supervision and control of top officers in at-at-risk areas, hereinafter referred to collectively as the "Addressees."

Insofar as Directors, *Direttori Generali*, Statutory Auditors and Liquidators are concerned, the law applies equally to those who formally hold such titles and to those who *de facto* perform such functions. Pursuant to Article 2639 of the Italian Civil Code, anyone who exercises one of the abovementioned functions, albeit with a different title, and those who enjoy on an ongoing basis the powers inherent in one of the abovementioned functions or titles will be held liable for the corporate crimes referred to in the Civil Code.

The purpose of this Special Section is to ensure that all Addressees, as defined above, are clearly aware of the significance of the prohibited actions and, in order to prevent the occurrence of the criminal violations referred to in the abovementioned Decree, to adopt rules of conduct that are consistent with the guidelines provided below.

4. GENERAL RULES OF CONDUCT

This Special Section expressly forbids the Addressees from engaging or collaborating in or causing conduct that gives rise to the criminal violations referred to in Article 25-*ter* of the Decree, including:

- Engaging or collaborating in or causing conduct that, while in itself does not give rise to the criminal violations referred to above, has the potential of doing so;
- Conduct that otherwise violates the Company's principles and procedures as set forth in this Special Section.

This Special Section expressly requires the Addressees to:

1. Behave in a manner that is fair, transparent, cooperative and respectful of the law and of internal Company procedures in all acts carried out in the process of drawing up financial statements and other corporate communications, and provide shareholders and outsiders with truthful and fair communications about the Company's operating performance, financial position and financial performance.

The Addressees are specifically forbidden to:

a) Represent or transmit for processing or inclusion in financial statements, prospectuses or other corporate communications data that are false, incomplete or otherwise not reflective of the truth with regard to the operating performance, financial position and financial performance of the Company and the Group;

b) Omit data about the operating performance, financial position and financial performance of the Company and the Group the disclosure of which is required by law.

2. Behave fairly, in accordance with the relevant provisions of the law and internal Company procedures, paying the utmost attention and care when obtaining, processing and discussing data and information about securities issued by Pininfarina, so as to allow investors to develop an informed opinion about the Company's operating performance, financial position and financial performance; the development of its operations; and its financial instruments and the rights conveyed by these financial instruments.

The following is expressly forbidden:

a) Altering the data and information used to prepare prospectuses;

b) Commenting on the data and information so as to provide a presentation that is not consistent with a truthful assessment of the Company's operating performance, financial position and financial performance; the development of its operations; and its financial instruments and the rights conveyed by these financial instruments;

c) Making the Prospectus difficult to understand by increasing the data and information provided in the narrative sections beyond what is actually necessary to meet the information requirements of investors.

3. Comply scrupulously with all statutory provisions that protect the integrity and truthful representation of the amount of the Company's share capital, so as not to undermine guarantees provided to creditors and other outsiders.

More specifically, it is forbidden to carry out actions designed to induce the relevant corporate governance bodies to engage in one or more of the following behaviors or acts:

a) Returning conveyed assets to the shareholders or releasing shareholders from conveyance obligations, except in the event of a lawful reduction of share capital;
b) Distributing earnings or interim dividends based on net income that has not been truly earned or that should be added to reserves pursuant to law;
c) Except in those cases when the law allows it, purchasing or acquiring through subscription shares of the Company or its subsidiaries, thereby damaging the integrity of the Company's share capital;
d) Executing reductions of share capital, mergers or demergers in violation of provisions of the law that protect the rights of creditors and causing injury to creditors;
e) Fictitiously establishing or increasing share capital in order to allocate shares at less than their par value upon the implementation of share capital increases;
f) Upon a company's liquidation, diverting corporate assets that should be available to creditors, allocating them first to the shareholders before paying creditors or setting aside sufficient funds to satisfy their claims.

4. Ensure that the Company and its corporate governance bodies function normally, establishing and facilitating any type of internal control of the Company's operations that the law may require and encouraging the Shareholders' Meeting to express its will freely.

It is specifically forbidden to:

a) Engage in actions that, by hiding documents or using other fraudulent means, physically impede or otherwise hinder the implementation of control or auditing activities by shareholders, the Board of Statutory Auditors or the Independent Auditors;
b) Cause or influence the adoption of resolutions by the Shareholders' Meeting by means of fictitious or fraudulent acts designed to alter the normal process through which the Shareholders' Meeting expresses its will.

5. Refrain from engaging in fictitious transactions or disseminating false information for the purpose of causing significant changes in prices of financial instruments.

It is specifically forbidden to:

a) Publish or divulge false information, execute fictitious transactions or engage in other fraudulent or deceptive acts involving publicly traded or privately held financial instruments so as to significantly alter the price of such financial instruments.

6. Promptly, fairly and in good faith provide all of the communications required by regulatory agencies pursuant to the relevant laws and regulations and create no obstacle that could prevent these agencies from exercising their authority.

It is specifically forbidden to:

a) Fail to provide the regulatory agency with jurisdiction over the Company's operations, in a sufficiently complete, clear and prompt manner, with all of the regular communications required by the applicable laws and regulations, or provide any other data or document that may be required pursuant to law or may have been specifically requested by the abovementioned regulatory agency;
b) Include in the abovementioned communications or transmissions false information or hide facts that are significant with regard to the Company's operating performance, financial position and financial performance;
c) Engage in conduct that in any way hinders public supervisory agencies in the performance of their oversight and inspection function (e.g., outright opposition, refusal based on a pretext or simple obstructive behavior or lack of collaboration, such as delays in publishing communications or making documents available).

5. DOCUMENTS DISTRIBUTED TO THE CORPORATE GOVERNANCE BODIES OF PININFARINA S.P.A.

While engaged in the performance of transactions related to managing the Company's operations, the corporate governance bodies of Pininfarina must comply with the rules of this Model and are required to have knowledge of and comply with:

a) The Company's principles and rules of corporate governance, which are based on the Code of Conduct published by the Committee for the Corporate Governance of Listed Companies ("Preda" Code);
b) The Pininfarina Code of Ethics;
c) Legislation governing Internal Dealing issues (as of April 1, 2006);
d) The internal control system and the procedures and management controls that are part of the system;
e) Documents and communications concerning the functional and hierarchic structure of the Company and the Group (organization charts);
f) The Group's accounting manual;
g) The system of disciplinary actions provided for in the applicable national collective bargaining agreement;
h) All relevant provisions of Italian law.

6. TYPES OF CRIMES AND SPECIFIC PROCEDURES

The different types of corporate crimes that are the subject of Article 25-*ter* of the Decree are reviewed in the following pages.

The following information is provided for each type of crime:

- A description of the type of crime and of the possible perpetrators;
- The areas where the risk of crime is greatest;
- Sensitive corporate processes;
- A few examples of the crime;
- The procedures and controls established by the Company to prevent the perpetration of the crimes that are the subject of the Decree.

EXAMPLES OF APPLICABLE CRIMES

Pininfarina S.p.A.			
Type of crime	*Applicable*	*Not applicable*	*Remarks*
False corporate communications (Art. 2621 and 2622 of the Ital. Civ. Code)	**X**		
False statement in a Prospectus (Art. 2623 of the Italian Civil Code)	**X**		Publicly traded company
False reporting or communication by the Independent Auditors (Art. 2624 of the Italian Civil Code)	**X**		The same as “Preventing control” (below) because the required control procedures are the same. This conduct is punishable as a crime only within the framework of a conspiracy.
Preventing control (Art. 2625 of the Italian Civil Code)	**X**		
Unlawful influence over the Shareholders’ Meeting (Art. 2636 of the Ital. Civil Code)	**X**		
Share price manipulation (Art. 2637 of the Italian Civil Code)	**X**		
Hindering the work of public regulatory agencies (Art. 2638 of the Italian Civil Code)	**X**		Publicly traded company
Fictitious capital formation (Art. 2632 of the Italian Civil Code)	**X**		
Unlawful transactions involving shares or interests in the capital of the controlling company (Art. 2628 of Ital. Civil Code)	**X**		Group Parent Company
Transactions prejudicial to creditors (Art. 2629 of the Italian Civil Code)	**X**		
Unlawful refunds of conveyed assets (Art. 2626 of the Italian Civil Code)	**X**		
Unlawful distribution of earnings and reserves (Art. 2627 of the Ital. Civil Code)	**X**		
Abuse of insider information (Articles 184 and 187-*bis*, Uniform Financial Code)	**X**		Publicly traded company
Financial market manipulation (Articles 185 and 187-*ter*, Uniform Financial Code)	**X**		Publicly traded company
Unlawful distribution of corporate assets by liquidators (Art. 2633 of Ital. Civil Code)		**X**	The Company is not in liquidation

The shares of Pininfarina are traded on the stock market operated by Borsa Italiana S.p.A. As a result, Pininfarina must comply with a number of requirements and is subject to a series of controls mandated by the regulatory authorities, which make the risk of occurrence of crimes such as those that are the subject of Article 25-*ter* of Legislative Decree No. 231/01 extremely unlikely.

6.1 False Corporate Communications and False Corporate Communications That Damage Shareholders and Creditors (Articles 2621 and 2622 of the Italian Civil Code)

Description of the crime	These two types of unlawful conduct (one a misdemeanor and the other a felony) follow a virtually identical pattern of behavior. The distinction depends on whether or not a company's shareholders or creditors suffer monetary damages. These two types of crimes are perpetrated by making material representations, in financial statements, reports or other corporate communications that must be provided to shareholders and the public pursuant to law, that can give the recipients a misleading impression of the operating performance, financial position and financial performance of a company and its group, with the intent of deceiving shareholders, creditors and the public. The same is true for omissions of information, with the same intent, in communications about a company's condition that are required pursuant to law. In addition: - The conduct must be designed to generate an unlawful gain for the company and the perpetrator (or others); - The false or omitted information must be material and must be able to significantly alter the presentation of the operating performance, financial position and financial performance of a company or its group; - This conduct is not punishable if the false or omitted information causes a change of not more than 5% in the annual income or loss before taxes or not more than 1% in shareholders' equity. In no case will such an act be punishable if it is the product of estimates that, taken individually, do not differ by more than 10% from the correct amounts. *Perpetrators of such crimes include Directors, Direttori Generali, Statutory Auditors and Liquidators (crime made possible by post held).*
At-risk areas	- Administration, Finance and Control Department (abbreviated DAFC in Italian); - Corporate Affairs and Special Finance Department (abbreviated DCFS in Italian); - Top management.

Sensitive corporate processes	- Handling of accounting records:
	  - when entries are made in the accounting records;
	  - when the accounting data entered into the system are checked.
	- Preparation of the statutory and consolidated financial statements, quarterly and semiannual reports or balance sheets required in connection with extraordinary transactions (mergers, demergers, reductions of share capital):
	  - when collecting, aggregating and evaluating the accounting data needed to prepare draft documents that will be submitted to the Board of Directors for approval;
	  - when preparing reports annexed to financial statements (Report on Operations and Notes to the Financial Statements) that will be submitted to the Board of Directors for approval.

Example of how a crime may be committed	The Board of Directors ignores the recommendation of the head of the Accounting Department to set aside a reserve for doubtful accounts in response to the financial crisis of a customer, thereby causing the company to overstate its receivables, with the intent of hiding a loss that would force the Board to take actions affecting the Company's share capital.

Procedures and controls	- Distribution of the Pininfarina Code of Ethics among the Company's top officers and employees. The Code specifically provides that Company Stakeholders may not engage in, cooperate in or cause others to engage in unlawful conduct, particularly actions that could give rise to the criminal violations listed in Article 25 *ter* of Legislative Decree No. 231/01. - Preparation of the annual financial statements, the Report on Operations, the Semiannual Report and the consolidated financial statements in accordance with specially designed Company procedures that: a) clearly define the data and information that the managers of each Department are required to provide for the preparation of statutory communications, the criteria that must be followed when processing these data and the deadlines within which the originating Departments must supply the data to the recipient Departments; b) require that the data and information be transmitted to the appropriate Department (DAPC) by means of software that allows the tracing of individual entries and the identification of the parties entering data into the system; c) provide guidelines and methods for processing the data included in the consolidated financial statements and for the transmission of these data by the companies included in the consolidation, specifying who is responsible for the various phases of the process and how intra-Group balances should be reconciled. - Timely delivery to all members of the Board of Directors of draft financial statements and of the report of the independent auditors, with production of suitable documents to confirm delivery of these documents. - Signing by the Company's top executives of the so-called attestation or surety letter requested by the independent auditors. - Holding of coordination meetings by the various control entities. - Communication to the Oversight Board, on a regular basis, of any assignment entrusted, or which the Company is planning to entrust, to the independent auditors, or to a company affiliated with them, other than the certification of the financial statements. - Transmission to the Oversight Board of a copy of communications sent to the Consob indicating that there are no instances of incompatibility involving the independent auditors and the company whose financial statements are being certified. Transmission to the Oversight Board of evaluations of independent auditor candidates. The procedures listed above are supplemented by these additional preventive measures: - *Development of programs to provide all managers of the Departments involved in the preparation of financial statements and other corporate communications with information and training about the main legal and accounting issues and problems related to financial statements. Development of training course updates in response to changes in the regulatory framework.* - *Establishment of clear procedures and deadlines, spelling out the data and information that the abovementioned Departments are required to provide to the Accounting Department.* - *Establishment of regular flows of information between the Company's oversight bodies (Board of Statutory Auditors, independent auditors, Oversight Board) and the executive bodies (Board of Directors, CEO, Chairman) by means of meetings held to verify that the regulations adopted to ensure compliance with corporate law and the rules of corporate governance are being followed. Definition of the process that must be followed when irregularities are discovered.*

6.2 False Statements in a Prospectus (Article 2623 of the Italian Civil Code)

Description of the crime	This type of criminal conduct is perpetrated by those who present false information or hide data or information *in Prospectuses issued to solicit investments or secure share listings on regulated markets or in documents published in connection with tender offers or exchange offers* in a manner that may cause misunderstandings among the recipients and with the intention of deceiving them. The determination of criminal conduct follows the same model as that for false corporate communications, providing for a misdemeanor when the false statements do not cause monetary damages to the recipients of a Prospectus and a felony when such damages do occur. In addition: - There must be awareness that the information is false and there must be intent to deceive the recipients of the Prospectus; - The conduct must be such as to deceive the recipients of the Prospectus; - The conduct must be designed to generate an unlawful gain for the perpetrator or for others. *The crime is a generic crime that can be committed by anyone who engages in the criminal conduct described above.*
At-risk areas	- Administration, Finance and Control Department (abbreviated DAFC in Italian); - Corporate Affairs and Special Finance Department (abbreviated DCFS in Italian); - Top management.
Sensitive corporate processes	Preparation of Prospectuses issued to solicit investments or secure share listings on regulated markets, or of documents published in connection with tender offers or exchange offers: - When the data and information are collected; - When the Prospectuses are circulated in the financial markets.
Example of how a crime may be committed	In a Prospectus published to solicit investments from the public, the Board of Directors willfully omits disclosures of the information needed to form an informed opinion about the securities (e.g., investments with a high degree of risk).
Procedures and controls	- Distribution of the Pininfarina Code of Ethics among the Company's top officers and employees. The Code specifically provides that Company Stakeholders may not engage in, cooperate in or cause others to engage in unlawful conduct, particularly actions that could give rise to the criminal violations listed in Article 25 *ter* of Legislative Decree No. 231/01. - Preparation of an Internal Dealing Code of Conduct that governs the manner in which "Significant Persons" can acquire equity investments in companies of the Group. - Obligation for the party responsible for the transaction to inform the Oversight Board of any initiative that involves the preparation or contribution to the preparation of a Prospectus, so that the Oversight Board may ensure that the relevant rules and corporate procedures are complied with and that the Prospectus is in fact published upon the execution of the transaction. - When relevant, the procedures and controls outlined in the preceding Section 6.1 also apply.

6.3 Preventing Control (Article 2625 of the Italian Civil Code)

Description of the crime	This type of criminal conduct consists of hiding documents or using other suitable means to block or hinder the performance of control or auditing activities that are lawfully attributed to shareholders, corporate governance bodies or independent auditors. *This crime can be committed by Directors.*
At-risk areas	- Administration, Finance and Control Department (abbreviated DAFC in Italian); - Corporate Affairs and Special Finance Department (abbreviated DCFS in Italian); - Human Resources and Organization Department (abbreviated DRUO in Italian); - Top management.
Sensitive corporate processes	- Handling of accounting records. - Handling of relations with shareholders, the Board of Statutory Auditors and independent auditors regarding the auditing of administrative and accounting data and the statutory financial statements.
Example of how a crime may be committed	Conduct by Directors, who can act through immediate subordinates, can consist of failing to supply documents to a Statutory Auditor that he or she requested in the course of his or her oversight activity, including, for example, documents concerning legal actions filed by the Company to recover receivables.
Procedures and controls	- Distribution of the Pininfarina Code of Ethics among the Company's top officers and employees. The Code specifically provides that Company Stakeholders may not engage in, cooperate in or cause others to engage in unlawful conduct, particularly actions that could give rise to the criminal violations listed in Article 25 *ter* of Legislative Decree No. 231/01. - The following internal rules and procedures have been established to prevent criminal conduct: a) Copies of all documents related to items on the Agenda of a Shareholders' Meeting or a meeting of the Board of Directors that require a vote pursuant to law must be provided to the Board of Statutory Auditors in advance of the meeting; b) The oversight bodies (Board of Statutory Auditors, independent auditors and Oversight Board) must be provided with all of the documents they need to do their work; c) The applicable conduct guidelines provided in this Model must be communicated throughout the Company's organization, so that Directors, managers and all employees may interact with the oversight bodies in a spirit of extreme cooperation and fairness; d) Existing internal penalty mechanisms must be applied to punish those members of the organization who fail to comply with the rules outlined above. The procedures listed above are supplemented by these additional preventive measures: - *Development of information and training programs to provide Directors, managers and employees with regular updates on corporate governance rules and corporate crimes and administrative violations;* - *Review of the current system of delegation of powers to ensure compliance with corporate governance rules;* - *Establishment of regular flows of information between the Company's oversight bodies (Board of Statutory Auditors, independent auditors, Oversight Board) and the executive bodies (Board of Directors, CEO, Chairman) by means of meetings held to verify that the regulations adopted to ensure compliance with corporate law and the rules of corporate governance are being followed. Definition of the process that must be followed when irregularities are discovered.*

6.4 Share Price Manipulation (Article 2637 of the Italian Civil Code)

Description of the crime	This type of criminal conduct occurs when false information is disseminated or fictitious transactions or other means are used for the specific purposes of materially altering the price of financial instruments that are not publicly traded and are the subject of an application for trading on regulated market or significantly changing public perception of the financial health of a bank or banking group. *The crime is a generic crime that can be committed by anyone.*
At-risk areas	- Administration, Finance and Control Department (abbreviated DAFC in Italian); - Corporate Affairs and Special Finance Department (abbreviated DCFS in Italian); - Human Resources and Organization Department (abbreviated DRUO in Italian); - Marketing and Business Development Department (abbreviated DMSB in Italian); - Top management; - Press office.
Sensitive corporate processes	- Handling of the securities portfolio, with special emphasis on the Group's equity investments. - External relations and contacts with the media in connection with every aspect of the Company's business, but especially when it is executing transactions that are of particular significance.
Example of how a crime may be committed	A Company employee communicates false information to the financial markets, indicating that a subsidiary received a major order. Such action would cause the value of the Parent Company's investment in the subsidiary in question to increase. The investment could then be sold at a price higher than its fair value.
Procedures and controls	- Distribution of the Pininfarina Code of Ethics among the Company's top officers and employees. The Code specifically provides that Company Stakeholders may not engage in, cooperate in or cause others to engage in unlawful conduct, particularly actions that could give rise to the criminal violations listed in Article 25 *ter* of Legislative Decree No. 231/01. - Strict control of press releases by the Board of Directors. - Corporate governance bodies, employees and consultants are required to treat as confidential documents and information they have access to in the course of their work and must comply with the procedures that govern the communication of the abovementioned documents and information to outsiders. - Preparation of an Internal Dealing Code of Conduct that governs the manner in which "Significant Persons" can acquire equity investments in companies of the Group. - Development of internal penalty mechanisms to punish those members of the organization who fail to comply with the rules outlined above. The procedures listed above are supplemented by these additional preventive measures: - *Development of information and training programs to provide Directors, managers and employees with regular updates on corporate governance rules and changes in corporate law;* - *Review of the current system of delegation of powers to ensure compliance with corporate governance rules;* - *Establishment of regular flows of information between the Company's oversight bodies (Board of Statutory Auditors, independent auditors, Oversight Board) and the executive bodies (Board of Directors, CEO, Chairman) by means of meetings held to verify that the regulations adopted to ensure compliance with corporate law and the rules of corporate governance are being followed. Definition of the process that must be followed when irregularities are discovered.*

6.5 Hindering the Work of Public Regulatory Agencies (Article 2638 of the Italian Civil Code)

Description of the crime	Article 2638 lists two types of criminal conduct, making a distinction based on type of conduct and time of offense: - The first type occurs when false material facts, including estimated data, about the operating performance, financial position and financial performance of the reporting entity are included in communications provided to regulatory agencies pursuant to law for the purpose of hindering the work of these agencies, or when facts about the condition of the reporting entity that should have been communicated are hidden by other fraudulent means; - The second type occurs when deliberate action of any kind, including the omission of required communications, is taken to prevent a regulatory agency from exercising its oversight function. In addition: - The first type of crime stems from deceptive behavior that is designed to hinder the agency's oversight function (specific criminal intent); - The second type of crime stems from an undefined event that can be perpetrated by any type of conduct, including omissions, the subjective component of which is a generic criminal intent. *Perpetrators of both types of crime include Directors, Direttori Generali, Statutory Auditors and Liquidators.*
At-risk areas	- Administration, Finance and Control Department (abbreviated DAFC in Italian); - Corporate Affairs and Special Finance Department (abbreviated DCFS in Italian); - Top management.
Sensitive corporate processes	- Preparation and subsequent communication of financial statements and balance sheets in connection with extraordinary transactions (e.g., mergers, demergers, acquisitions); - Handling of relationships with public regulatory agencies and filing of documents pursuant to law.
Example of how a crime may be committed	The Company's Board of Directors fails to inform the Consob of the acquisition of a major equity investment in a company in order to avoid review by a regulatory agency.
Procedures and controls	- Distribution of the Pininfarina Code of Ethics among the Company's top officers and employees. The Code specifically provides that Company Stakeholders may not engage in, cooperate in or cause others to engage in unlawful conduct, particularly actions that could give rise to the criminal violations listed in Article 25 *ter* of Legislative Decree No. 231/01. - Development of internal penalty mechanisms to punish those members of the organization who fail to comply with the rules outlined above. - In the case of activities carried out by companies that are subject to the oversight of public agencies in accordance with specific industry regulations, the measures adopted to prevent the occurrence of crimes include requiring that the activities subject to oversight be carried out in accordance with the rules enacted by the Consob and Borsa Italiana with regard to: a) compliance with statutory and regulatory filing requirements with the regulatory agencies; b) transmission to the regulatory agencies of the documents required by the relevant laws and regulations (e.g., financial statements and minutes of meetings of corporate governance bodies); c) Transmission of data and documents specifically requested by the regulatory agencies; d) The conduct that must be followed in the event of audits. The procedures listed above are supplemented by these additional preventive measures:

	- *Preparation, on a regular basis, of reports for the Board of Directors and the Oversight Board about the Company's relationships with regulatory agencies;* - *Development of information and training programs to provide Directors, managers and employees with regular updates on corporate governance rules and changes in corporate law;* - *Review of the current system of delegation of powers to ensure compliance with corporate governance rules;* - *Establishment of regular flows of information between the Company's oversight bodies (Board of Statutory Auditors, independent auditors, Oversight Board) and the executive bodies (Board of Directors, CEO, Chairman) by means of meetings held to verify that the regulations adopted to ensure compliance with corporate law and the rules of corporate governance are being followed. Definition of the process that must be followed when irregularities are discovered.*

6.6 Unlawful Transactions Involving Shares or Interests in the Capital of a Controlling Company (Article 2628 of the Italian Civil Code)

Description of the crime	This type of criminal conduct occurs when shares or interests in the capital of a controlling company are bought in a transaction that harms the integrity of the share capital or the reserves the distribution of which is restricted pursuant to law. Replenishing the share capital or reserves before the deadline for the approval of financial statements for the year during which the transaction was executed remedies the criminal conduct. *This type of crime can be perpetrated by Directors of Pininfarina in connection with purchases of the Company's shares.*
At-risk areas	- Administration, Finance and Control Department (abbreviated DAFC in Italian); - Corporate Affairs and Special Finance Department (abbreviated DCFS in Italian); - Top management.
Sensitive corporate processes	Handling of the securities portfolio in connection with regular purchases and sales of securities.
Example of how a crime may be committed	The Board of Directors purchases treasury shares without complying with the provisions of Article 2357 of the Italian Civil Code, thereby harming the Company's share capital.
Procedures and controls	- Distribution of the Pininfarina Code of Ethics among the Company's top officers and employees. The Code specifically provides that Company Stakeholders may not engage in, cooperate in or cause others to engage in unlawful conduct, particularly actions that could give rise to the criminal violations listed in Article 25 *ter* of Legislative Decree No. 231/01. - Establishment of formal procedures that Group companies must follow to purchase treasury shares or investments in controlling companies. Purchases of such investments must always be carried out without violating the restrictions imposed by the Italian Civil Code and require the prior authorization of the Shareholders' Meeting. - Preparation of an Internal Dealing Code of Conduct that governs the manner in which "Significant Persons" can acquire equity investments in companies of the Group. - Development of internal penalty mechanisms to punish those members of the organization who fail to comply with the rules outlined above. The procedures listed above are supplemented by these additional preventive measures: - *Development of information and training programs to provide Directors, managers and employees with regular updates on corporate governance rules and changes in corporate law;* - *Review of the current system of delegation of powers to ensure compliance with corporate governance rules;* - *Establishment of regular flows of information between the Company's oversight bodies (Board of Statutory Auditors, independent auditors, Oversight Board) and the executive bodies (Board of Directors, CEO, Chairman) by means of meetings held to verify that the regulations adopted to ensure compliance with corporate law and the rules of corporate governance are being followed. Definition of the process that must be followed when irregularities are discovered.*

6.7 Transactions Prejudicial to Creditors (Article 2629 of the Italian Civil Code)

Description of the crime	This type of criminal conduct occurs when transactions involving a reduction of share capital, a merger with other companies or a demerger are carried out in a manner that is prejudicial to creditors and violates laws enacted to protect their rights. The payment of damages to creditors before the start of court proceedings remedies the criminal conduct. *This type of crime can be perpetrated by Directors.*
At-risk areas	- Administration, Finance and Control Department (abbreviated DAFC in Italian); - Corporate Affairs and Special Finance Department (abbreviated DCFS in Italian); - Top management.
Sensitive corporate processes	Preparation of financial statements and balance sheets in connection with extraordinary transactions (e.g., mergers, demergers, acquisitions).
Example of how a crime may be committed	Directors approve an extraordinary transaction involving a merger with a company in serious financial distress without complying with the provisions of Article 2503 of the Italian Civil Code that protect the rights of creditors.
Procedures and controls	- Distribution of the Pininfarina Code of Ethics among the Company's top officers and employees. The Code specifically provides that Company Stakeholders may not engage in, cooperate in or cause others to engage in unlawful conduct, particularly actions that could give rise to the criminal violations listed in Article 25 *ter* of Legislative Decree No. 231/01. - Extraordinary transactions must be carried out in accordance with the provisions of the Italian Civil Code. - Under the Bylaws, the Chairman of the Board of Directors and the Chief Executive Officer are empowered to execute extraordinary transactions. - Because Pininfarina is a publicly traded company, when it engages in extraordinary transactions it is required to comply with the disclosure rules of the applicable regulatory agencies. - Development of internal penalty mechanisms to punish those members of the organization who fail to comply with the rules outlined above. The procedures listed above are supplemented by these additional preventive measures: - *Development of information and training programs to provide Directors, managers and employees with regular updates on corporate governance rules and changes in corporate law;* - *Review of the current system of delegation of powers to ensure compliance with corporate governance rules;* - *Establishment of regular flows of information between the Company's oversight bodies (Board of Statutory Auditors, independent auditors, Oversight Board) and the executive bodies (Board of Directors, CEO, Chairman) by means of meetings held to verify that the regulations adopted to ensure compliance with corporate law and the rules of corporate governance are being followed. Definition of the process that must be followed when irregularities are discovered.*

6.8 Unlawful Refunds of Conveyed Assets (Article 2626 of the Italian Civil Code) and Unlawful Distribution of Earnings and Reserves (Article 2627 of the Italian Civil Code)

Description of the crime	- *Unlawful refunds of conveyed assets:* The typical criminal conduct occurs when, openly or surreptitiously, conveyed assets are returned to shareholders or shareholders are released from conveyance obligations, except in the event of a lawful reduction of share capital. *Perpetrators of such crimes can be Company Directors (crime made possible by post held). However, a conspiracy can occur in accordance with the general rules of Article 110 and following of the Criminal Code, when shareholders instigate or abet the criminal conduct of Directors.* - *Unlawful distribution of earnings and reserves:* This type of criminal conduct, which constitutes a misdemeanor, occurs when earnings or interim dividends are distributed based on net income that has not been truly earned or that should be added to reserves pursuant to law, or when reserves that are restricted pursuant to law, including reserves created from earnings, are distributed. Replenishing the share capital or reserves before the deadline for the approval of financial statements remedies the criminal conduct. *Perpetrators of such crimes can be Company Directors (crime made possible by post held).*
At-risk areas	- Administration, Finance and Control Department (abbreviated DAFC in Italian); - Corporate Affairs and Special Finance Department (abbreviated DCFS in Italian); - Top management.
Sensitive corporate processes	Reduction of share capital ➢ Distribution of earnings or interim dividends; ➢ Distribution of reserves.
Examples of how a crime may be committed	- *Unlawful refunds of conveyed assets:* Upon a motion by the Board of Directors, the Shareholders' Meeting approves the offsetting of a shareholder's liability toward the Company against a Company receivable for conveyance by the same shareholder to the Company, thereby unlawfully refunding the conveyance. - *Unlawful distribution of earnings and reserves:* Upon a motion by the Board of Directors, the Shareholders' Meeting approves the distribution of dividends using restricted resources, earmarked as statutory reserves, instead of the year's net income.
Procedures and controls	- Distribution of the Pininfarina Code of Ethics among the Company's top officers and employees. The Code specifically provides that Company Stakeholders may not engage in, cooperate in or cause others to engage in unlawful conduct, particularly actions that could give rise to the criminal violations listed in Article 25 *ter* of Legislative Decree No. 231/01. - Transactions involving refunds of conveyed assets (e.g., in connection with share capital reductions) and the distributions of earnings and reserves must always be carried out in accordance with the applicable rules in Pininfarina's Bylaws. - Pursuant to the Italian Civil Code, all distributions of earnings and reserves require the prior approval of the Shareholders' Meeting. - Because Pininfarina is a publicly traded company, it is required to comply with the disclosure rules of the applicable regulatory agencies.

	- Resolutions approving share capital reductions must be recorded in the Company Register and can be challenged by creditors of the Company. - Development of internal penalty mechanisms to punish those members of the organization who fail to comply with the rules outlined above. The procedures listed above are supplemented by these additional preventive measures: - *Development of information and training programs to provide Directors, managers and employees with regular updates on corporate governance rules and changes in corporate law;* - *Review of the current system of delegation of powers to ensure compliance with corporate governance rules;* - *Establishment of regular flows of information between the Company's oversight bodies (Board of Statutory Auditors, independent auditors, Oversight Board) and the executive bodies (Board of Directors, CEO, Chairman) by means of meetings held to verify that the regulations adopted to ensure compliance with corporate law and the rules of corporate governance are being followed. Definition of the process that must be followed when irregularities are discovered.*

6.9 Fictitious Capital Formation (Article 2632 of the Italian Civil Code)

Description of the crime	This type of crime occurs when: - A company creates or increases its share capital fictitiously by allocating shares or interests in capital at less than their par value; - Two companies underwrite each other's shares or interests in capital; - Conveyances in kind, receivables or a company's assets (in cases of change in status) are significantly overvalued. *Perpetrators of such crimes can be Company Directors or conveying shareholders (crime made possible by post held).* The failure on the part of Directors or Statutory Auditors to check and, if necessary, revise the valuation of a conveyance in kind contained in an appraisal provided by a Court-appointed expert appraiser does not constitute a crime.
At-risk areas	- Administration, Finance and Control Department (abbreviated DAFC in Italian); - Corporate Affairs and Special Finance Department (abbreviated DCFS in Italian); - Top management.
Sensitive corporate processes	- Preparation of annual financial statements and balance sheets in connection with extraordinary transactions (e.g., mergers, demergers, acquisitions) involving the collection, aggregation and evaluation of the accounting data needed to prepare a draft that will be submitted to the Board of Directors for approval. - Capital increases.
Example of how a crime may be committed	Directors carry out a capital increase by offering shares at less than their par value.
Procedures and controls	- Distribution of the Pininfarina Code of Ethics among the Company's top officers and employees. The Code specifically provides that Company Stakeholders may not engage in, cooperate in or cause others to engage in unlawful conduct, particularly actions that could give rise to the criminal violations listed in Article 25 *ter* of Legislative Decree No. 231/01. - Transactions involving the formation or an increase of share capital must always be carried out in compliance with the provisions of relevant laws and the Company's Bylaws. - Preparation of an Internal Dealing Code of Conduct that governs the manner in which "Significant Persons" can acquire equity investments in companies of the Group. Such purchases must always be carried out in compliance with the restrictions imposed by the Italian Civil Code and require the prior approval of the Shareholders' Meeting. - Because Pininfarina is a publicly traded company, upon the execution of share capital increases, it is required to comply with the disclosure rules of the applicable regulatory agencies. - Development of internal penalty mechanisms to punish those members of the organization who fail to comply with the rules outlined above. The procedures listed above are supplemented by these additional preventive measures: - *Development of information and training programs to provide Directors, managers and employees with regular updates on corporate governance rules and changes in corporate law;* - *Review of the current system of delegation of powers to ensure compliance with corporate governance rules;* - *Establishment of regular flows of information between the Company's oversight bodies (Board of Statutory*

	Auditors, independent auditors, Oversight Board) and the executive bodies (Board of Directors, CEO, Chairman) by means of meetings held to verify that the regulations adopted to ensure compliance with corporate law and the rules of corporate governance are being followed. Definition of the process that must be followed when irregularities are discovered.

6.10 Unlawful Influence over the Shareholders' Meeting (Article 2636 of the Italian Civil Code)

Description of the crime	This type of criminal conduct occurs when someone employs deceit or fraud to gain control of a majority of the votes cast at a Shareholders' Meeting for the purpose of obtaining, directly or on behalf of others, an unlawful gain. *The crime is a generic crime that can be committed by anyone, including parties outside the Company.*
At-risk areas	- Administration, Finance and Control Department (abbreviated DAFC in Italian); - Corporate Affairs and Special Finance Department (abbreviated DCFS in Italian); - Top management.
Sensitive corporate processes	- Preparation of annual financial statements and balance sheets in connection with extraordinary transactions (e.g., mergers, demergers, acquisitions). - Preparation of projects, prospectuses and other documents that must be submitted to the Shareholders' Meeting for approval.
Example of how a crime may be committed	The Board of Directors, in order to secure the approval of the Shareholders' Meeting or the crucial vote of the majority shareholder, prepares and produces at the Shareholders' Meeting altered documents to show that the operating performance and financial position of a company that the Directors plan to acquire for personal gain is better than it is in reality.
Procedures and controls	- Distribution of the Pininfarina Code of Ethics among the Company's top officers and employees. The Code specifically provides that Company Stakeholders may not engage in, cooperate in or cause others to engage in unlawful conduct, particularly actions that could give rise to the criminal violations listed in Article 25 *ter* of Legislative Decree No. 231/01. - Preparation of an Internal Dealing Code of Conduct that governs the manner in which "Significant Persons" can acquire equity investments in companies of the Group. - Inclusion in the Bylaws of provisions that govern the attendance and handling of Shareholders' Meetings and set forth the majorities needed to pass resolutions. The procedures listed above are supplemented by these additional preventive measures: - *Development of information and training programs to provide Directors, managers and employees with regular updates on corporate governance rules and changes in corporate law;* - *Establishment of regular flows of information between the Company's oversight bodies (Board of Statutory Auditors, independent auditors, Oversight Board) and the executive bodies (Board of Directors, CEO, Chairman) by means of meetings held to verify that the regulations adopted to ensure compliance with corporate law and the rules of corporate governance are being followed. Definition of the process that must be followed when irregularities are discovered;* - *Establishment of an obligation whereby Directors, upon being called to a meeting, are required to disclose any situations that may involve a conflict of interest.*

6.11 Abuse of Insider Information (Articles 184 and 187-bis of the Uniform Financial Code)

Description of the crime	The Uniform Financial Code covers two types of violations involving the abuse of insider information: - Article 184 deals with the occurrence of an actual crime, which entails criminal penalties (imprisonment or fine); - Article 187-*bis* deals with administrative violations, which entail only fines. Both articles are relevant to the Company because it could be assessed fines both in the instances covered by Article 184 and in those covered by Article 187-*bis.* Specifically: - With regard to the occurrences covered by Article 184, which involve the commission of an actual crime, the Company would be pursued through the regular procedures provided in Decree No. 231/2001 (see the new Article 25-*sexies* added to the abovementioned Decree); - With regard to the occurrences covered by Article 187-*bis*, which do not involve the commission of an actual crime, the applicable provisions are those expressly provided in Article 187-*quinquies* (which is entitled "Responsibility of the Entity") and not those of Decree 231. Despite this duality, the actions that constitute violations as discussed above are the same with regard to both Article 184 and Article 187-*bis*. Specifically, the law prosecutes anyone using insider information (i.e., information that is confidential or otherwise not known to the public) obtained by virtue of his or her position at a company in one of the following ways: - Executes financial instrument transactions, for his/her own account or on behalf of third parties, based on the abovementioned information; - Communicates the abovementioned information to third parties, outside the normal scope of his/her work, function, profession or office; - Based on the abovementioned information, makes recommendations to third parties or induces them to execute transactions involving the abovementioned financial instruments. All members of the Company's administration, management and control bodies and anyone who may become privy to insider information in the course of his/her work or in the performance of his/her function may perpetrate the abovementioned crimes. Therefore, the population of potential perpetrators is quite large, since it involves anyone who works (at the middle-management level or higher) within a corporate organization.
At-risk areas	- Administration, Finance and Control Department (abbreviated DAFC in Italian); - Corporate Affairs and Special Finance Department (abbreviated DCFS in Italian); - Human Resources and Organization Department (abbreviated DRUO in Italian); - Marketing and Business Development Department (abbreviated DMSB in Italian); - Top management; - Press office. *It is important to keep in mind that, because these types of violations can occur anywhere within the Company's organization, the at-risk areas can include any Department in which confidential information is exchanged among employees.*

Sensitive corporate processes	In general, sensitive corporate processes could be identified as all of those processes that involve the processing of information that has not yet been made public, but which, when announced, could have an impact on the price of financial instruments. In other words, the information involved is not just financial information, but any information concerning the Company's operations (e.g., the signing of new contracts or partnering agreements with major industry players). Consequently, the information risk covers the entire internal flow of information, affecting not just the Administration Department but all of the Departments involved in handling confidential information (e.g., the Marketing Department). However, if the focus of attention is placed on actions that can in some way benefit the Company, the area at particular risk is the department that manages the Company's securities portfolio, especially with regard to transactions involving treasury shares.
Example of how a crime may be committed	DFAS is informed that the Company was awarded a very large order. Before the information is made public, DFAS purchases Company shares on the open market, expecting them to increase in value when the order news is made public.
Procedures and controls	- Distribution of the Pininfarina Code of Ethics among the Company's top officers and employees. - Preparation of an Internal Dealing Code of Conduct that governs the manner in which "Significant Persons" can acquire equity investments in Group companies. - The Company's Corporate Governance bodies, employees and consultants are required to treat as confidential documents or information to which they may have access in the performance of their function and must comply with established procedures when communicating such documents or information to outsiders. - The Board of Directors has established strict controls with regard to press releases. - Development of internal penalty mechanisms to punish those members of the organization who fail to comply with the rules outlined above. - In all cases, purchases of treasury shares must always and at all times be carried out in accordance with the provisions and limitations set forth in Articles 2357, 2357-*bis*, 2357-*ter*, 2357-*quarter* and 2358 of the Italian Civil Code The procedures listed above are supplemented by these preventive measures: - *Development of information and training programs to provide Directors, managers and employees with regular updates on corporate governance rules and changes in corporate law;* - *Establishment of regular flows of information between the Company's oversight bodies (Board of Statutory Auditors, independent auditors, Oversight Board) and the executive bodies (Board of Directors, CEO, Chairman) by means of meetings held to verify that the regulations adopted to ensure compliance with corporate law and the rules of corporate governance are being followed. Definition of the process that must be followed when irregularities are discovered.*

*6.12 Manipulation of the Financial Markets (Articles 185 and 187-*ter *of the Uniform Financial Code)*

Description of the crime	The Uniform Financial Code covers two types of violations involving the abuse of insider information: - Article 185 deals with the occurrence of an actual crime, which entails criminal penalties (imprisonment or fine); - Article 187-*ter* deals with administrative violations, which entail only fines. Both articles are relevant to the Company because it could be assessed fines both in the instances covered by Article 185 and in those covered by Article 187-*ter.* Specifically: - With regard to the occurrences covered by Article 185, which involve the commission of an actual crime, the Company would be pursued through the regular procedures provided in Decree No. 231/2001 (see the new Article 25-*sexies* added to the abovementioned Decree); - With regard to the occurrences covered by Article 187-*ter*, which do not involve the commission of an actual crime, the applicable provisions are those expressly provided in Article 187-*quinquies* (which is entitled "Responsibility of the Entity") and not those of Decree 231. Despite this duality, the actions that constitute violations as discussed above are the same with regard to both Article 185 and Article 187-*ter*. According to Article 185, the law punishes anyone who disseminates false information or executes sham transactions or uses other fraudulent devices to materially alter the price of financial instruments. Article 187-*ter* is concerned with instances in which false information or other fraudulent devices are used to paint a false or deceitful picture of the benefits of certain financial instruments (clearly, the scope of the administrative violation is somewhat broader than that of the criminal violation). *The crime is a generic crime that can be committed by anyone.*
At-risk areas	- Administration, Finance and Control Department (abbreviated DAFC in Italian); - Corporate Affairs and Special Finance Department (abbreviated DCFS in Italian); - Human Resources and Organization Department (abbreviated DRUO in Italian); - Marketing and Business Development Department (abbreviated DMSB in Italian); - Top management; - Press office.
Sensitive corporate processes	- Securities portfolio management. - External relations and contacts with the press at any point during the Company's life, particularly with regard to transactions of material size.

Example of how a crime may be committed	An employee announces to the financial markets that the Company is about to enter into a commercial agreement with an industry leader. This information could be sufficient, in and of itself, to cause a significant change in the market price of the Company's shares.
Procedures and controls	- Distribution of the Pininfarina Code of Ethics among the Company's top officers and employees. - Preparation of an Internal Dealing Code of Conduct that governs the manner in which "Significant Persons" can acquire equity investments in Group companies. - The Company's Corporate Governance bodies, employees and consultants are required to treat as confidential documents or information to which they may have access in the performance of their function and must comply with established procedures when communicating such documents or information to outsiders. - The Board of Directors has established strict controls with regard to press releases. - Development of internal penalty mechanisms to punish those members of the organization who fail to comply with the rules outlined above. The procedures listed above are supplemented by these preventive measures: - *Development of information and training programs to provide Directors, managers and employees with regular updates on corporate governance rules and changes in corporate law;* - *Establishment of regular flows of information between the Company's oversight bodies (Board of Statutory Auditors, independent auditors, Oversight Board) and the executive bodies (Board of Directors, CEO, Chairman) by means of meetings held to verify that the regulations adopted to ensure compliance with corporate law and the rules of corporate governance are being followed. Definition of the process that must be followed when irregularities are discovered.*

ANNEX B)

CODE OF ETHICS

FOREWORD

Over the years, Pininfarina S.p.A. (hereinafter “Pininfarina”) has become a large industrial company and has built a sterling public image, which must be protected and promoted. To that end, it has adopted this Code of Ethics, which is largely consistent with the standards of ethics and business conduct that Company issued in 1993 and has been following ever since.

The rules set forth in this document are designed to ensure compliance with the provisions of all applicable statutes and to promote ethical and fair behavior among all Company Stakeholders[2] and among all those who, for any reason, perform work on behalf of the Company, even if only occasionally, particularly in view of the impact of Legislative Decree No. 231/2001. This Decree introduced to the Italian legal system a novel form of quasi-criminal liability for companies that benefit from criminal activity perpetrated *in their interest and for their benefit*. The Decree also established a system of penalties that is particularly severe for companies that are found guilty, but at the same time provides that the adoption of a Code of Ethics within the framework of an Organization, Management and Control System can perform a beneficial shielding function.

Pininfarina’s Board of Directors thought it appropriate to update the Company’s Organization, Management and Control Model by conducting a review of its internal organizational processes, starting with the areas that present the greatest risk, to establish an Oversight Board to control and monitor the Model, and to adopt this Code of Ethics, compliance with which must be viewed as an integral part of the contractual obligations undertaken by all Company Stakeholders, as defined herein.

In conclusion, this Code of Ethics is designed to serve as a reference point for all those who work on behalf of Pininfarina and are therefore required to conduct themselves in accordance with the principles of fairness and honesty that have always guided the Company’s actions and must guide those of all other Group companies.

[2] The following are Company Stakeholders: Directors, Statutory Auditors, Executives, Managers and all other employees, contractors, suppliers and customers.

PRINCIPLES AND RULES

1. In the performance of their duties, all Company Stakeholders must behave toward colleagues and outsiders in accordance with the principles of fairness, good faith, transparency, trustworthiness and loyalty.

2. No Company Stakeholder shall offer money, goods, services or benefits of any other kind, either on behalf of the Company or personally, to employees of or persons contracted by individuals, companies or institutions for the purpose of inducing, rewarding, preventing or otherwise inducing them to perform any action that would be beneficial to the Company.

3. No Company Stakeholder may solicit or accept money, goods, services or benefits of any other kind from suppliers or customers in connection with his or her job, personally or for any reason related to the Company's operations.

4. The provisions of Paragraphs 2. and 3. above apply to all transactions with individuals, companies and private and public entities in Italy and abroad.

5. As an exception to the provisions of Paragraphs 2. and 3. above, small gifts and personal favors are allowed when they are consistent with local custom, unless they are prohibited by law. Such exceptions must be expressly authorized by the Oversight Board.

6. No Company Stakeholder is authorized to provide financial support or contributions to political parties or organizations or to candidates for political office on behalf of the Company.

7. In accordance with the trustworthiness and loyalty obligations referred to above, all Company Stakeholders must refrain from carrying out any activity or pursuing any interest that may be in conflict with those of the Company.

8. All Company Stakeholders must refrain from divulging or using for personal profit or the profit of outsiders confidential news and information pertaining to the Company's operations. This requirement is especially important because the assurance of confidentiality is a key asset of the Company in its dealings with customers.

9. The activities forbidden in Paragraphs 2., 3., 6., 7. and 8. may not be pursued indirectly (through family members, consultants or an intermediary).
Moreover, any other guise (e.g., sponsorships, assignments, consulting arrangements, advertising contracts) that is used to achieve the same objectives as the activities forbidden in Paragraphs 2., 3., 6., 7. and 8. is also prohibited.

10. Any Company Stakeholder who is asked to engage in or becomes aware of activities such as those that are forbidden in Paragraphs 2., 3., 6., 7. and 8. must immediately inform the senior managers of the company where he or she works or contact the Oversight Board.

11. Company Stakeholders may not engage in, cooperate in or cause others to engage in unlawful conduct, particularly actions that could give rise to the criminal violations listed in Article 25 *ter* of Legislative Decree No. 231/01, which include:

- False corporate communications (Article 2621 of the Italian Civil Code)
- False corporate communications to the detriment of shareholders and creditors (Article 2622, Sections 1 and 3, of the Italian Civil Code)
- Fraudulent financial statements (Article 2623, Sections 1 and 2, of the Italian Civil Code)
- Preventing controls (Article 2625, Section 2, of the Italian Civil Code)
- Fictitious capital formation (Article 2632 of the Italian Civil Code)
- Unlawful refunding of capital contributions (Article 2626 of the Italian Civil Code)
- Unlawful appropriation of earnings and reserves (Article 2627 of the Italian Civil Code)
- Actions prejudicial to creditors (Article 2629 of the Italian Civil Code)
- Undue influence over the Shareholder's Meeting (Article 2636 of the Italian Civil Code)
- Stock manipulation (Article 2637 of the Italian Civil Code)
- Preventing the public regulatory authorities from performing their functions (Article 2638, Sections 1 and 2, of the Italian Civil Code).

Company Stakeholders may not engage in, cooperate in or cause others to engage in conduct that, while not capable by itself of causing one of the criminal violations listed above, has the potential of doing so or could be conducive to the occurrence of such criminal violations.

12. In the course of their work, all Company Stakeholders must avoid all conflicts of interest situations and any activity in pursuit of an interest different from that of the Company or through which a Company Stakeholder may obtain a personal advantage or generate business opportunities for the benefit of outsiders. Any Company Stakeholder who believes that he or she is in a situation in which his or her personal interest (directly or for the benefit of outsiders) is in conflict with the interest of the Company must inform as quickly as it is practically possible the senior managers of the company where he or she works or contact the Oversight Board, it being understood that such situations are governed by the specific provisions of this Code.

13. Corporate Stakeholders and other persons or entities that have an objective ability to influence the choices made by the Company must avoid at all costs using, even implicitly, their position to influence decisions for their benefit or the benefit of relatives, friends and acquaintances, doing so for personal reasons, whatever these reasons may be.

14. Any issues that are not expressly covered by the preceding articles shall be governed by the provisions of the applicable statutes.

IMPLEMENTATION AND CONTROL GUIDELINES

Scope of Implementation of the Code of Ethics

This Code of Ethics is addressed to all Company Stakeholders without exception and to all those who, directly or indirectly or on a permanent or temporary basis, enter into relationships or transactions with Pininfarina and work toward the Company's objectives.

Each Company Stakeholder is required to comply with this Code of Ethics, since such compliance is an issue of fundamental importance to the pursuit of an ethically responsible manufacturing model.

Pininfarina's Company Stakeholders are expected to be familiar with the provisions of this Code, to refrain from conduct that is contrary to its provisions, to contact the Oversight Board for clarifications and to report violations, cooperate with the departments responsible for investigating violations and avoid any behavior that could prevent their counterparts from becoming cognizant of the existence of this Code of Ethics. In all business transactions, the counterpart must be informed of this Code's rules of conduct, which they are expected to abide by.

Violation of the rules of conduct set forth in this Code of Ethics, in addition to triggering the implementation of the system of disciplinary actions provided for in the Organization, Management and Control Model, could jeopardize the bond of trust that exists between Pininfarina and the Company Stakeholder responsible for the violation and produce legal consequences with respect to his or her relationship with the Company. Compliance with the rules of conduct of this Code of Ethics is an essential part of the contractual obligation of every employee pursuant to Article 2104 of the Italian Civil Code.

Pininfarina and its Company Stakeholders are committed to cooperating with the judicial authorities in fostering the development of a corporate culture that is characterized by an awareness of the existing system of oversight and developing a mentality that is oriented toward the exercise of control. Pininfarina is also committed to expand and update this Code of Ethics in order to make it consistent with changes in civil society and in the statutes that have relevance for the Code.

More specifically, management is required to comply with this Code of Ethics when it proposes or carries out projects, activities or investments on behalf of the Company, and the actions of the members of the Board of Directors in defining the Company's objectives must also be inspired by this Code. Those who occupy positions of responsibility within Pininfarina (so-called top management) are expected to provide an example for the employees, to encourage them to abide by the Code of Ethics and to foster compliance with its rules of conduct. In addition, they are required to communicate to the Oversight Board all useful information about control failures, suspect behavior etc., and change their Department's control systems in accordance with the instructions provided by the Oversight Board.

Establishment of an Oversight Board with Monitoring Responsibility

Pininfarina is committed to comply with or cause others to comply with the provisions of the Code. For that purpose it has established an Oversight Board to which it has delegated the task of overseeing and monitoring the implementation of the Code of Ethics. This Entity is specifically responsible for:

- Monitoring on an ongoing basis the implementation of the Code of Ethics by the affected parties, including through the collection of violation reports and suggestions;
- Reporting any material violations of the Code;
- Expressing binding opinions regarding the need to revise the Code of Ethics and significant Company policies and procedures in order to make them consistent with the Code.

Reporting of Violations of the Code of Ethics

Pininfarina must establish appropriate channels of communication that can be used by affected parties to communicate remarks about the implementation of the Code and report violations of its rules of conduct. As an alternative option, all interested parties can report in writing (a special e-mail address has also been provided for this purpose) all violations or suspected violations of the Code of Ethics to the Entity with oversight authority over the implementation of the Code, which will then:

- Review the violation report, interviewing, if necessary, the author of the report and the person charged with the alleged violation;
- Take all actions necessary to shield the persons who report violations from any type of reprisal or action that could even remotely be construed as a form of discrimination or retribution;
- Make certain that the name of the person who reports a violation is kept confidential, unless the law requires otherwise;
- If a violation of the Code of Ethics is ascertained, transmits the violation report and any appropriate suggestions either to the Company's top management or to the Departments affected by the violation, depending on the seriousness of the violation. The Departments responsible for handling violations, taking into account the applicable statutes and the Company's system of disciplinary actions, will then define the applicable penalties, implement them and report to the Entity with oversight authority over the implementation of the Code.

The Oversight Board is responsible for reporting violations by Company Stakeholders to the Company Departments responsible for penalty enforcement and suggesting appropriate disciplinary actions.

Communication and Dissemination of the Code of Ethics

Pininfarina is committed to foster and ensure an appropriate understanding of the Code of Ethics and to disseminate knowledge of the Code among all interested parties, using the most effective methods, which include the Company website and targeted and effective communication initiatives.

In order to help Company Stakeholders make their conduct consistent with this Code of Ethics, Pininfarina will provide an effective training program and will strive on an ongoing basis to enhance awareness of the values and principles of ethics contained in the Code.

ANNEX C)

TABLES SHOWING THE COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES AND THE BOARD OF STATUTORY AUDITORS

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

Board of Directors							Internal Control Committee •		Appointments and Compensation Committee		Strategy Committee	
Post	Members	With execut. power	Without execut. power	Independent	****	No. of other post held **	***	****	***	****	***	****
Chairman and Chief Executive Officer)	Pininfarina Andrea	X			6/6	4					X	2/2
Deputy Chairman	Pininfarina Paolo	X			6/6	-	X	4/4			X	2/2
Director	Pininfarina Sergio	X			5/6	2			X	1/1		
Director (1) (2)	Bernabè Franco		X	X	1/5	N/A			X (2)	-	X	1/2
Director	Carli Elisabetta		X		5/6	-						
Director (4)	Deaglio Mario Renzo		X	X	6/6	2	X	4/4			X	2/2
Director	Garrone Edoardo		X	X	6/6	1			X	1/1	X	2/2
Director (3) (5)	Pavesio Carlo		X	X	6/6	7	X	4/4	X (5)		X	2/2
Director	Pininfarina Lorenza		X		6/6	-					X	2/2

Number of meeting held during the reference year	***Board of Directors: 6 times***	***Internal Control Committee: 4 times***	***Appointments and Compensation Committee: 1 time***	***Strategy Committee: 2 times***

NOTES

*An asterisk indicates that a Director was elected from a slate filed by minority shareholders.

**This column shows the number of posts that a given Director holds on the Board of Directors or Board of Statutory Auditors of other companies with shares traded on regulated markets in Italy and abroad, finance companies, bank, insurance companies or companies of significant size.

A detailed description of the posts held is provided in the Report on Corporate Governance.

***An X placed in this column indicates that the Director in also a member of the Committee.

**** This column shows the percentage of Committee meetings attended by each member.

(1) In charge since 5/12/06 / change in post since 5/12/06
(2) Mr. Bernabè resigned from the Board of Directors and the Appointments and Compensation Committee as of September 28, 2007. However, he continues to serve on the Strategy Committee.
(3) Member of the Oversight Board since March 29, 2004.
(4) Lead Independent Director since 11/10/06
(5) Member of the Appointments and Compensation Committee since November 12, 2007.

TABLE 2: BOARD OF STATUTORY AUDITORS

Post	Members	Percentage of Board meetings attended	Number of other posts held **
Chairman	Zunino Giacomo	9/9	-
Statutory Auditor	Cavalli Fabrizio	9/9	1
Statutory Auditor	Re Piergiorgio	9/9	2
Alternate	Treves Nicola		
Alternate	Vietti Pier Vittorio		
Number of meeting held during the reference year: **9 times**			
Article 24 of the Bylaws states that only shareholders who, alone or together with other shareholders, hold a number of voting shares equal at least to the percentage applicable to the Company pursuant to the regulations currently in force shall be allowed to file a slate of candidates. For 2007, the Consob set this percentage at 2.5% of the share capital.			

NOTES

* An asterisk indicates that a Statutory Auditor was elected from a slate filed by minority shareholders.

** This column shows the number of posts that a given Statutory Auditor holds on the Boards of Directors or Boards of Statutory Auditors of other companies with shares traded on regulated markets in Italy. A detailed description of the posts held is provided in the Report on Corporate Governance.

TABLE 3: OTHER REQUIREMENTS OF THE CODE OF CONDUCT

	YES	NO	Brief explanation of the reasons for not following the Code's recommendations
System of Delegation of Powers and Transactions with Related Parties			
Has the Board of Directors delegated powers defining:			
a) limits	X		
b) exercise procedures	X		
c) regular reporting requirements?	X		
Has the BoD reserved the right to review and approve transactions with a material impact on the Company's operations, financial position and assets (including transactions with related parties)?	X		
Has the BoD defined guidelines and criteria to identify material transactions?	X		
Are the abovementioned guidelines and criteria described in the Report?		X	No, except for transactions with related parties and transactions involving a conflict of interest.
Has the BoD defined special procedures for the review and approval of 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 elections of Directors and Statutory Auditors			
Were the nominations of candidates for Director filed at least fifteen days in advance?	X		
Were the nominations of candidates for Director supported by adequate information?	X		

Were the nominations of candidates for Director accompanied by affidavits that the candidates qualified as independent?	X		
Were the nominations of candidates for Statutory Auditor filed at least fifteen days in advance?	X		
Were the nominations of candidates for Statutory Auditor supported by adequate information?	X		
Shareholders' Meetings			
Has the Company approved regulations to govern the Shareholders' Meeting?		X	The types of meeting held and the expertise gained over the years make the adoption of special regulations unnecessary.
Have these regulations been attached to the Report (or a mention inserted indicating where they are available or downloadable)?		X	
Internal Control			
Has the Company appointed Internal Control Officers?	X		
Are the Internal Control Officers hierarchically independent of the of the heads of operating departments?	X		
Organizational unit responsible for internal control (pursuant to Article 8.C.6 of the Code)	Internal Control Officer		
Investor Relations			
Has the Company appointed an Investor Relations Officer?	X		
Organizational Unit and address, telephone and fax numbers and e-mail address of the Investor Relations Officer	Pininfarina S.p.A. – Via Pininfarina 14/18 – 10095 Grugliasco (TO) Tel. +39 011 7091400 – Fax +39 011 7091721 – e-mail (g.albertini@pininfarina.it)		