

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING OF 15th MAY 2007

BOARD OF DIRECTORS' CORPORATE GOVERNANCE REPORT ABOUT COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Bologna, 30th of April 2007

To the Shareholders of TAS Tecnologia Avanzata dei Sistemi S.p.A.

Shareholders,

Your Company, in order to have a proper Corporate Governance system, adopted the Corporate Governance Code for Listed Companies. Also the By-Laws, have been adjusted from time to time to new regulatory or legislative rules among which Law 58/98 and following regulations as well as principles and criteria of the said Code.

Pursuant to Article 124-bis of Law 58/98 and of Article IA.2.6 of the Instructions accompanying Rules for the Markets, we hereby highlight the substantial compliance to principles and criteria of the Code, March 2006 version.

Governance system and structure

Composition of Company equity – The Company's share capital is currently formed of no. 1,772,152 stocks each of nominal value of Euro 0.52 for a total of Euro 921,519.04.

Controlling Partners – According to information contained in the Company's records, as well as to communication received pursuant to Article 120 of Legislative Decree 58/98 and other information available, shareholdings over 2% are the following:

Paolo Ottani through NCH Network Computer House S.p.A. with no. 1,192,230 stocks, equal to 67.276% of the share capital

Paolo Panerai through e-Class S.p.A. with no. 36,000 stocks, equal to 2.031% of the share capital

Shareholder agreements – There are no shareholder agreements.

Company affiliation to a Group, identity of the entity in charge of management and coordination – The Company is the parent company of the Italian controlled undertakings DS Taxi s.r.l., DS Supporti Direzionali e Strategici s.r.l., DS Finance s.r.l. and of the foreign controlled undertakings TAS FRANCE E.U.R.L., APIA S.A., RT Relational Tools S.L. and N.C.H. Network Computer House S.p.A. is in charge of its management and coordination.

Information on Corporate Governance Code Implementation

The Company's structure may be summarised as follows:

° **Board of Directors Membership – Independent Directors**

The number of members of the Board of Directors under the Company's By-Laws may vary from a minimum of five to a maximum of eleven. The Board of Directors appointed by the Shareholders General meeting of 12th of April 2006 and expiring with the approval of the yearly report as at 31/12/2008, is currently formed as follows:

- Paolo Ottani, Chairman of the Board of Directors
- Giuseppe Caruso, Managing Director
- Matteo Tamburini, Non-Executive Director
- Marco Nonni, Non - Executive Independent Director
- Francesco Vella, Non - Executive Independent Director.

In particular Francesco Vella has been temporarily appointed by the Board of Directors of 11 September 2007, replacing Pompeo Busnello who resigned on the 28th of August. This appointment will expire therefore with the next shareholders meeting.

In compliance to recommendations of the Corporate Governance Code, the current Board of Directors includes, among its five members, three non-executive Directors, whose specific technical knowledge and experience with reference to the field of activity of the Company is useful for their duty of strategic direction and supervision, guaranteeing conscious and sounded decisions of the Board. The non-executive independent Directors, furthermore, confirmed also this year, as published in the yearly report, that they do not entertain, directly or indirectly or on behalf of third parties, relevant relationships of a business, financial or professional nature with the company, its subsidiaries or the shareholders controlling the company, neither own a meaningful quantity of shares, nor are close relatives of executive Directors or of persons entertaining the said business relationships or shareholdings: they are therefore independent. As for the position of the members of the Board in Board of Directors or of Auditors of other companies listed on regulated markets, including foreign markets, financial companies, banks, insurance companies and large companies, during the financial year 2006, the following information have been communicated:

Matteo Tamburini:

Member of the Board of Directors

Risanamento S.p.A.	Non executive and independent Director
Beghelli S.p.A.	Non executive Director
Ferrari S.p.A.	Full member of the Board of Statutory Auditors
Adaltis Inc. *	Non executive and independent Director
Alerion Industries S.p.A.	Non executive and independent Director
Istituto Bancario Sammarinese S.p.A.	Director
Ducati Motor Holding S.p.A.	Non executive and independent Director

Marco Nonni

Cassa di risparmio di San Marino	Director
----------------------------------	----------

Francesco Vella

Unicredit Banca S.p.A.	Director
Unipol Assicurazioni	Independent Director

Article 29 of the By-Laws also provides for the possible appointment of an internal committee (“The Wise Men Committee”) playing an advisory role, formed by the Chairman, the Managing Directors and an suitable number of non executive Directors.

- Role of the Board of Directors – The Board of Directors has the wider powers for ordinary and extraordinary management and in particular those for achieving the company’s goals with the exception of acts of exclusive responsibility of the shareholders meeting under the law and the By-Laws. Pursuant to Articles 25 and 26 of the By-Laws, in addition to other authorities that cannot be delegated according to the law, those in Criterion 1.C.1 of the Corporate Governance Code are of exclusive responsibility of the board. Following the same order as in the Corporate Governance Code. It is expressly stated in articles 24, 25 and 26 of the By-Laws that the Board of Directors: appoints one or more managing Directors and, if useful or necessary, an Executive Committee, attributing powers, tasks and procedural rules, within the limits set by the law and By-Laws, who refer to the Board at least quarterly; it decides the fees of Directors who are appointed to specific positions according to Article 2389 Italian Civil Code, with the cooperation of the Remuneration Committee, within its authority; it refers on potential conflict of interest transactions during the meetings and therefore at least quarterly, determining the general management and evaluating its trend; it approves the internal regulations; it reviews and approves the company’s strategic, industrial and financial plans as well as transactions having a relevant impact on the company’s profitability and in particular those involving

related parties and also decides on sale and purchase of controlling shareholdings; it evaluates the adequacy of the company's structure as well as the corporate structure of the group.

Regarding transactions involving related parties, in addition to the applicable laws and By-Laws provisions, the Board adopted a procedure, within its authority, aimed to obtain fairness in transactions involving related parties.

Furthermore, adhering to the faculty under Article 2365 Italian Civil Code, the Board has delegated authorities concerning mergers in the cases detailed in Articles 2505 and 2505-bis, establishment and removal of secondary offices, determination of those of the Directors with authority to represent the company, share capital decrease in case of shareholder's renunciation, By-Laws adjustments to new rules of law, change of address of the registered office within the national territory.

In the year 2006 ten meetings of the board have been held and it is foreseeable that seven will be held in 2006, of which six have been already anticipated in the calendar of company events published in compliance to Article 2.6.2, 2nd paragraph, letter c) of the Rules of the Markets organised and managed by Borsa Italiana S.p.A and following changes communicated according to the regulations, in addition to them there was the meeting held on the 23rd – 24th of April 2007. Almost all members attended all meetings.

- Chairman of the Board of Directors – The Chairman of the Board of Directors has the power to call the meetings, to determine the agenda, to coordinate the discussion, to inform in advance all members so that they can consciously contribute to the board's decisions. The Chairman has furthermore delegated authority for single ordinary and extraordinary management, within the limits of the law and By-Laws provisions and except those of exclusive responsibility of the Board. The Chairman refers to the Board and to the Board of Auditors on his exercise of delegated authorities at least quarterly.

- Managing Directors – Besides the Chairman Paolo Ottani on 11th September 2006 the Board appointed as Managing Director, pursuant to the By-Laws provisions, Giuseppe Caruso, formerly Director, with wide powers for ordinary and extraordinary management up to Euro 500.000, 1 million or 2 millions depending on the subject matter.

In compliance to principle 2.P.5, the Chairman has been given managing powers in particular for the evident benefit deriving from the fact that Paolo Ottani is also Chairman and Managing Director of the parent company NCH S.p.A. so to ensure that group plans and policies are properly and homogeneously followed, being fully conscious of the company's strategies and bearing the relative liabilities.

It has also been deemed applicable what provided for in criterion 2.C.3. In particular the current number of Directors is at the minimum stated for in the By-Laws, with only three non executive directors two of which independent. Although the Chairman of the Board controls the Company and has wide proxies, the real need of coordination at the basis of the appointment of the lead independent director seem non applicable as the latter should coordinate only another person besides himself/herself. The Board decided to postpone such appointment in case of increase in the number of directors.

- Appointment of Directors – According to what stated under Article 18 of the By-Laws, the Board is appointed by the shareholders general meeting on the basis of slate voting proposals to be deposited at the Company's registered office at least ten days before the date set for the shareholders meeting, accompanied by detailed information on the personal traits and professional qualifications of candidates, whether they may qualify as independent directors at least for two of the candidates and by a statement where each of them accepts the candidature and declares to be eligible and compatible with the position and to possess all necessary requirements under applicable laws. The Board is appointed using a slate voting procedure apt to guarantee to minority slates at least one fifth of the directors to be appointed. The Board – in compliance to the Code's recommendations – can also establish a Nomination Committee, the majority of whose members are non executive directors, proposing its own slate pursuant to the above mentioned rules, accompanied by detailed information on the personal traits and professional qualifications of candidates. Currently the Nomination Committee has not been established as the composition of shareholders does not seem to show high levels of dispersion, therefore such committee would not be relevant in identifying candidates to the position of directors or independent directors. The choice has been then addressed in adopting the detailed procedure in the

By-Laws and in the Code of Corporate Governance. As far as criterion 6.C.1 is concerned, the amendment necessary to pass from 10 days to 15 before the meeting the term to file the slate voting proposals, shall be submitted to the approval of the next extraordinary general meeting where also adjustments to rules of Law 58/98 as amended by Law 262/2005 and following amendments shall be discussed.

- Remuneration of Directors – The fee of Directors, as provided for in Article 2389 Italian civil code and in Article 24 of the By-Laws, is determined by the shareholders meeting. In particular, in the meeting of 12th of April 2006, the Company decided for the yearly amount of Euro 17.000 to each member for the position. On the other hand, remuneration of those Directors who are appointed to specific positions is submitted to the Board pursuant to Article 2389 Italian Civil Code upon proposal by the Remuneration Committee formed according to Article 2.2.3, paragraph 3, letter m) no. 2 of the regulations of the Markets. Starting from the results of financial period 2007, a variable incentive remuneration is applicable in favour to the Managing Director Giuseppe Caruso, bound to the specific goals to be approved in advance by the Board. Remuneration of the management is not bound to the company's results nor to specific goals because until the 1st of January 2006 a stock option plan was in force.
- Internal Control and Internal Control Committee – On 15th of April 2000 the Board appointed Fausto Servello and Cristiana Mazzenga as persons to run internal control system, with the task of controlling the actual compliance of internal operational and administrative procedures, adopted for a sound and efficient management of the Company. In compliance to the Code recommendations Cristiana Mazzenga is not placed hierarchically under managers in charge of business operations, depending directly to the Managing Director; Fausto Servello, on the other hand, is placed directly under the Sale Manager for Centre- South Italy. The Board, joining the proposal of the Internal Control Committee and in the light of the need, consequent to the aggregation leading to a massive reorganisation of the company's structures, to guarantee higher efficiency in auditing activities, in the respect of principles of autonomy and independence, pursuant to what described in criterion 8.C.7 is evaluating the appointment of an external person to run internal control system. The latter shall refer directly and exclusively to the Internal Control Committee. The identification and appointment of such candidate is in course. In addition, during the year 2007 the Company intends to adopt the organisational models pursuant to Law 231/2001. The Internal Control Committee is currently formed by the two independent Directors, Marco Nonni and Francesco Vella, and by the non – executive director Matteo Tamburini, with the tasks provided for in the Corporate Governance Code. The appointed persons timely report to the managing Directors and at least quarterly to the Internal Control Committee as well as to the Board of Auditors. The Board assessed positively the steps taken to adapt and improve the adequacy of the internal control system.
- Remuneration Committee - In compliance to Article 2.2.3 paragraph 3 letter m) number 2) of the Rules of the Markets, the Remuneration Committee has been established formed by the two non-executive and independent Directors, Marco Nonni and Francesco Vella and by the non - executive Director Matteo Tamburini, with the tasks provided for in the said Rules.
- Handling of Confidential Information – The Board, within its powers stated under Article 25 of the By-Laws, has adopted procedures for third party's disclosure of information and documents concerning the Company, in particular the “*price sensitive*” ones, identifying roles, responsibilities and modalities.
- Transactions involving related parties – The Board, with the contribution of the Internal Control Committee, on the 27th of March 2007 has updated, in the light of the Group dynamics, the “Guidelines for transactions having a significant impact and in particular those involving related parties”, taking also into account article 2391-bis of the Italian civil code and new provisions of the Code of Corporate Governance. This document lists some transactions having a significant impact and defines related parties as under principle IAS 24, subject to compliance with substantial and procedural fairness. All such operations are subject to the compulsory and anticipated opinion by the internal Control Committee and are to be approved by the Board of Directors. It is further established that, in

case of interest by the directors in the transaction, even outside the conflict of interest, those must provide in advance detailed information to the Board and should be removed from the meeting save when a reasoned authorisation is given by the Board. However, ordinary and recurring transactions, transactions carried out in the usual course of the activity, without risks or critical issues, or else at the same conditions applied to any other third party, do not need authorisation. Managing Directors, on the other hand, shall keep adequate information about the nature of the transaction, the economic conditions applied and modalities, reporting to the Board's first meeting. Information concerning transactions involving related parties will also be reported in the company's yearly and consolidated report applying principle IAS 24. Please refer to the TAS yearly Report and Consolidated Report as at 31 December 2005 for further details about operations in 2006.

- Internal dealing – The Board of Directors approved, on 13th of November 2006, the new Internal Dealing procedure, in the light of the applicable rules in Articles 152-bis and following Articles of Consob Regulation 11971/99. According to the Code and in compliance to the Consob rules, the relevant persons pursuant to such rules must inform the Company the market and Consob transactions equal or higher than 5,000 Euro within the end of each year within the deadlines provided for by Consob. The Board has decided to prevent the same from any transaction close to the date of approval of quarterly, half year and yearly data, save additional black-out periods to be decided. The stocks granted for free or other purchase or subscription rights and the exercise of those rights when coming from the plans as under Article 114 bis of Law 58/98 need not to be communicated to the market. Also the record of relevant persons has been established with the relative procedure.
- Investor relations – The current IR is Cristiana Mazzenga, also Director of legal affairs. With reference to criterion 11.C.1 information concerning the Company and relevant for the shareholders, should be made available immediately and easily, so that they may consciously exercise their rights. To this purpose the company published a new web site (www.tasnch.it) updating the proper section, user friendly and easy, where such information is available, with particular reference to modalities of participation in the general shareholders meeting and exercise of their rights, documents concerning the agenda, slate voting proposals for the position of directors and internal auditors, together with their curricula vitae. In view of developing a dialogue with institutional investors and shareholders, from time to time meetings with Italian and foreign investors are also organised.
- Shareholders' Meetings – In order to encourage and facilitate the shareholders' attendance at the meetings as well as to guarantee their regularity, the Company adopted rules of procedure. Among other issues, the said rules grant to each shareholder the right to speak on the agenda's subject matter. The rules of procedure, distributed during the shareholders' meetings, are also available at the Company's registered offices for the shareholders' survey, as well as at the Registrar office and on the company's web site.
- Board of Auditors – Pursuant to Article 31 of the By-Laws, the members of the current Board of Auditors, until the shareholders' meeting for the approval of the yearly report as at 31/12/2007, are the following:
 - Edoardi Cintolesi, Chariman of the Board of Auditors
 - Fulvio Tranquilli, Full Member
 - Francesca Beatrice Surace, Full Member
 - Federico Alesiani, Alternate
 - Alba Rita Maglietta, Alternate

In compliance to Article 31 of the By-Laws, the Board of Auditors is appointed on the basis of slate voting proposals to be deposited at the Company's registered office at least ten days before the date set for the shareholders meeting, accompanied by a statement where each of them accepts the candidature and declares to be eligible and compatible with the position and to possess all the necessary requirements under applicable laws and by detailed information on the personal traits and professional qualifications of candidates. In particular Article 31 of the By-Laws states that candidates and members of the Board cannot hold the same position in more than four listed companies and must be

in possess of all professional and honourable requirements determined by applicable laws clarifying, for that purpose, that IT and communication are field to be deemed closely connected to the company's activity. The Board is appointed on the basis of slate voting procedure providing for appointment of at least one member by the minority shareholders.

As far as criterion 10.C.1 is concerned, the amendment necessary to pass from 10 days to 15 before the meeting the term to file the slate voting proposals, shall be submitted to the approval of the next extraordinary general meeting where also adjustments to rules of Law 58/98 as amended by Law 262/2005 and following amendments shall be discussed.

For the Board of Directors
The Chairman
(Paolo Ottani)

TABLE 1: BOARD AND BOARD COMMITTEES

Board of Directors							Internal Control Committee •		Remuneration Committee ♦		If applicable Nomination Committee ◇		If applicable Executive Committee	
Position	Incumbents	Executive	Non-executive	independent	****	Number of other positions held **	***	****	***	****	***	****	***	****
Chairman	OTTANI Paolo	X			9/9 (100%)									
Chairman and Managing Director	BUSNELLO Pompeo (until the 12 April 2006)	X			1/1 (100%)									
Managing Director	BUSNELLO Pompeo (from 12/04/2006 to 28/08/2006)	X			5/5 (100%)									
Managing Director	CARUSO Giuseppe (since 11 September 2006)	X			5/5(100%)									
Director	CARUSO Giuseppe (from 12 April to 11 September 2006)			X	4/4 (100%)		X	2/2 (100%)	X	1/1(100%)				
Director	OTTANI Paolo (until 12 April 2006)		X		1/1 (100%)									
Director	TAMBURINI Matteo		X		9/10 (90%)	7	X	6/2 (86%)	X	2/2 (100%)				
Director	NONNI Marco (since 12 April 2006)			X	8/9 (89%)	1	X	6/6 (100%)	X	2/2 (100%)				
Director	VELLA Francesco (since 11 September 2006)			X	4/4 (100%)	2	X	4/4 (100%)	X					
Director	BASSI Angelo (until 12 April 2006)		X	X	1/1 (100%)		X	1/1 (100%)	X					
Director	FERRI Fabio Massimo (until 12 April 2006)		X	X	1/1 (100%)		X	1/1 (100%)	X					

• If there is no Committee or if its membership is different from that recommended by the Code, explain briefly why:

♦ If there is no Committee or if its membership is different from that recommended by the Code, explain briefly why: The Committee has been appointed according to Articles 2.6.5 bis and 2.2.1 paragraph 14 letter c) of the Rules of Nuovo Mercato on 19th of February 2004

◇ If there is no Committee or if its membership is different from that recommended by the Code, explain briefly why:

Number of meetings held during the year under review	Board of Directors: 10	Internal Control Committee: 7	Remuneration Committee: 2	Nomination Committee:	Executive Committee:
---	------------------------	-------------------------------	---------------------------	-----------------------	----------------------

NOTES

*Directors nominated through minority slates.

** Number of other memberships in boards of directors or of auditors held in other companies listed on regulated markets, in Italy and abroad, in financial companies, banks and insurance companies or more generally in large companies. The Corporate Governance Report provides details as to the actual position held.

***Director is member of this Committee.

**** Director's attendance at meetings of the board of directors and of the board committees, in percentage of meetings held.

TABLE 2: BOARD OF AUDITORS

Position	Incumbent	Attendance, in percentage of meetings held	Number of other position held**
Chairman	CINTOLESI Edoardo	7/7 (100%)	0
Full Member	TRANQUILLI Fulvio	7/7 (100%)	0
Full Member	SURACE Francesca Beatrice	7/7 (100%)	0
Alternate	ALESIANI Federico	0	0
Alternate	MIGLIETTA Alba Rita	0	0
Number of meetings held during the year under review: 7			
Quorum required for minority shareholders to present a slate for the appointment of one or more full members (under Legislative Decree no. 58/1998 Art. 148): 5%			

NOTES

*Full members nominated through minority slates.

**Numbers of other memberships in boards of directors or of auditors held in the other companies listed on regulated markets in Italy. The Corporate Governance Report provides details as to the actual position held.

TABLE 3: OTHER CORPORATE GOVERNANCE CODE PROVISIONS

	YES	NO	Summary explanation to be provided in case of non-compliance with Code provisions
Delegations authority and transactions involving related parties			
Has the board of directors delegated authority and defined:			
a) limits applicable thereto	YES		
b) manners of exercise applicable thereto	YES		
c) reporting frequency applicable thereto?	YES		
Has the board of directors retained the power to review and approve transactions of particular significance for the company's profitability, assets and liabilities r financial position (with special reference to transactions involving related parties)?	YES		
Has the board of directors defined guidelines and criteria for the identification of "transactions of particular significance"?	YES		
Are these guidelines and criteria described in the Report?	YES		They are described with details in the procedure approved by the Board of Directors
Has the board of directors defined procedures for the review and approval of transactions involving related parties?	YES		
Are the procedures for approval of transactions involving related parties described in the Report?	YES		They are described with details in the procedure approved by the Board of Directors
Procedures followed for the most recent appointments to the board of directors and the board of auditors			
Were proposals for the appointment to the position of director deposited at the company's offices at least 10 days ahead of time?	YES		
Were these proposals accompanied by detailed information?	YES		
Did these proposals provide information on candidates' eligibility to qualify as independent directors?	YES		
Were the proposals for the appointment to the position of member of the board of auditors deposited at the company's offices at least 10 days ahead of time?	YES		
Were these proposals accompanied by detailed information?	YES		
Shareholders' Meetings			
Has the company adopted rules of procedure for its shareholders' meetings?	YES		
Are these rules of procedure attached to the report (or does the report indicate where such rules can be obtained/downloaded)?	YES		

Internal Controls			
Has the Company appointed persons to run its internal control system?	YES		
Are these persons not placed hierarchically under managers in charge of business units or operations?	YES		Nonetheless, in consideration of the the great majority of technicians among employees, one f the appointed persons is placed under the Centre-South Sales Manager
Unit in charge of internal controls (under Code Art. 9.3)	Appointed persons to run Internal Control System: Legal and Commercial		
Investor relations			
Has the Company appointed an individual in charge of Investor Relations?	YES		
Unit and contact information (address/phone/fax/e-mail) for the company's Investor Relator	Investor Relator: Cristiana Mazzenga, at TAS Largo Caduti di El Alamein, 9 00173 Rome, tel: +39 - 06 72971453 fax: +39 - 06 72971444, e-mail: cristiana.mazzenga@tasitalia.com		