

**Sogefi S.p.A.**

**REPORT  
ON CORPORATE GOVERNANCE  
AND OWNERSHIP STRUCTURE**

**FOR FY 2021**

*in accordance with art. 123-bis of the Italian Consolidated Law on Finance – TUF*

**(Traditional administration and control model)**

Issuer: Sogefi S.p.A.

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

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JOINT-STOCK COMPANY - SHARE CAPITAL EURO 62,461,355.84  
MILAN MONZA BRIANZA LODI COMPANY REGISTER AND TAX CODE 00607460201  
COMPANY SUBJECT TO THE DIRECTION AND COORDINATION OF CIR S.p.A.  
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## ***GLOSSARY***

**CCReS:** the Company's Control, Risk and Sustainability Committee.

**CNR:** the Company's Appointment and Remuneration Committee.

**Corporate Governance Code:** the Corporate Governance Code for Listed Companies approved in January 2020 by the Corporate Governance Committee.

**Sogefi Code:** Sogefi's Corporate Governance Code.

**Corporate Governance Committee:** the Italian Committee for the Corporate Governance of Listed Companies, promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

**Board:** the Board of Directors of the Issuer.

**COPC:** the Company's Committee for Related Party Transactions.

**Decree 231:** Legislative Decree No. 231 of 8 June 2001.

**Issuer:** the issuer of the securities referred to in the Report, *i.e.* Sogefi S.p.A..

**Fiscal Year:** the fiscal year to which the Report refers.

**Group:** Sogefi and all subsidiaries directly or indirectly controlled by it.

**MAR:** EU Regulation No 596/2014.

**Supervisory Body** or "**OdV**": the supervisory body pursuant to Decree 231 of Sogefi S.p.A.

**Consob Rules for Issuers:** the Rules issued by Consob with resolution no. 11971 of 1999 (as subsequently amended) on issuers.

**Consob Market Rules:** the Rules issued by Consob with resolution no. 20249 of 2017 regarding markets.

**Consob Related Parties Rules:** the Rules issued by Consob with Resolution no. 17221 of 12 March 2010 (as subsequently amended) concerning transactions with related parties.

**Report:** the report on corporate governance and ownership structure that companies are required to prepare and publish pursuant to art. 123-bis of the Consolidated Law on Finance.

**Remuneration Report:** the report on the remuneration policy and the fees paid that companies are required to prepare and publish pursuant to art. 123-ter of the Consolidated Law on Finance and 84-quarter of the Consob Rules for Issuers.

**SCIGR:** the Company's Internal Control and Risk Management System.

**Relevant Companies:** companies listed on regulated markets, including foreign markets, in financial, banking, insurance companies or companies of significant size.

**Articles of Association:** the Articles of Association of Sogefi S.p.A.

**Consolidated Finance Act/TUF:** Legislative Decree no. 58 of 24 February 1998.

Unless otherwise specified, the definitions in the Corporate Governance Code relating to: **directors, executive directors, independent directors, significant shareholder, Chief Executive Officer (CEO), board of directors, supervisory body, business plan, concentrated ownership company, large company, sustainable success, top management** shall also apply.

## **INTRODUCTION**

The purpose of this Report on Corporate Governance and Ownership Structure (hereinafter the “**Report**”) is to illustrate Sogefi S.p.A.’s corporate governance model to the market and shareholders, (hereinafter the “**Company**” or the “**Issuer**” or “**Sogefi**”) in the year 2021, providing the information required by Articles 123-*bis* and 144-*decies* of Legislative Decree no. 58 of 24 February 1998 (the “**TUF**”) and 2-*ter* of the regulation adopted by Consob with resolution no. 11971 14 May 1999 (the “**Consob Rules for Issuers**”) and by the laws and regulations in force on the subject of disclosure of adhesion, and the terms of such adhesion, to codes of conduct. The Report was prepared with reference to the “*Format for the report on corporate governance and ownership structure*” published by Borsa Italiana (9th edition - January 2022).

The Report, which was approved by the Board of Directors on 25 February 2022, is made available in the manner required by law, with the management report for the year 2021 and therefore together with the documentation relating to the Financial Statements as of 31 December 2021 for the Shareholders’ Meeting and is also available on the website of the authorised storage mechanism [www.emarketstorage.com](http://www.emarketstorage.com) and on the Company’s website [www.sogefigroup.com](http://www.sogefigroup.com) in the “Shareholders - Corporate Governance” section.

### **1. ISSUER PROFILE**

#### **1.1. Description of the Issuer's activity**

Sogefi is a holding company operating globally in the automotive sector, supplying components for the automotive industry, in the fields of suspension, filtration and air and cooling systems.

It has a presence in Europe, LATAM, NAFTA, China and India. It partners with the world’s leading manufacturers of automobiles, commercial vehicles and earthmoving equipment.

Sogefi is listed on Euronext Milan in the STAR segment.

#### **1.2. Governance model adopted by the Issuer**

The Company is organised according to a traditional administration and control model, with the Shareholders’ Meeting, a management body, the Board of Directors, and a control body, the Board of Auditors. The statutory audit is carried out by an independent auditing firm (external body).

Sogefi adheres to the Code of Corporate Governance for listed companies sponsored by the Corporate Governance Committee and promoted by the Business Associations, Borsa Italiana S.p.A. and Assogestioni (hereinafter also referred to as the “**Code of Corporate Governance**”) and has prepared its own Code, the Code of Corporate Governance of Sogefi S.p.A., to implement it (hereinafter also referred to as the “**Code of Sogefi**”), which was last updated in February 2021 to take into account the changes introduced by the Code of Borsa Italiana in January 2020 and is published on the Company’s website [www.sogefigroup.com](http://www.sogefigroup.com) in the “Shareholders - Corporate Governance” section.

The Company and the group (i.e., Sogefi and all the companies it directly or indirectly controls, hereinafter referred to as the “**Group**”) have adopted a Code of Ethics in order to make explicit to those who work in the Group and to third parties the principles of correctness, loyalty, honesty, impartiality, equal opportunity and confidentiality, completeness and transparency in the management of company information to which they are bound and which also guide the actions of the corporate bodies (see below under point 14.1).

The powers and operating rules of the corporate bodies are governed, in addition to the provisions of the law and regulations in force at the time, by the Company’s Articles of Association (the “**Articles of Association**”), by Sogefi’s Code and by a series of regulations, principles, procedures and operating

practices that are periodically updated.

The Shareholders' Meeting is the body responsible for passing resolutions:

- > on an ordinary basis, with regard to (i) the approval of the annual financial statements, (ii) the determination of the number of members of the Board of Directors within the limits set out by the Articles of Association, (iii) the appointment and removal, if necessary, of the members of the Board of Directors and the Board of Auditors, (iv) the determination of their remuneration, (v) the remuneration policy, (vi) the appointment of the auditing firm, (vii) the submission of any liability action against directors and auditors;
- > extraordinarily on amendments to the Articles of Association.

The Board of Directors is the central body of the Company's corporate governance system, to which the Articles of Association grant the broadest powers for the management and administration of the Company, with the aim of achieving the corporate purpose and creating value in a medium-long term perspective and sustainable success. Appointment, composition, functioning and role of the Board of Directors and its members are described in the following point 4.

The Board of Auditors performs the duties provided for by the applicable legislation and by the Articles of Association. Appointment, composition and functioning of the Board of Auditors are described in the following point 11.

### 1.3. SME nature of the Issuer

Sogefi S.p.A. falls within the definition of an SME pursuant to Art. 1, paragraph 1, letter *w-quater.1*) of the TUF and Art. 2-ter of Consob Rules for Issuers as shown in the list of SMEs published by Consob in January 2021 on its website, in view of the value of the average capitalisation in the last three years, which was always less than € five hundred million (€ 141.9 million in 2021).

In view of the above, it should be noted that the relevant threshold for disclosure obligations pursuant to Article 120 of the TUF is 5%, since the temporary regime of enhanced transparency on changes in significant shareholdings and on declarations of investment objectives introduced by Consob Regulations no. 21326 and 21327 of 9 April 2020 and subsequently extended until 13 April 2021 lapsed with effect from 14 April 2021.

## 2. INFORMATION ON OWNERSHIP STRUCTURES (ex art. 123-bis, paragraph 1, TUF)

### 2.1. a) Structure of the share capital (under article 123-bis, paragraph 1, letter a), TUF)

The Issuer's subscribed and fully paid-up share capital as at 31 December 2021 amounted to € 62,461,355.84, divided into 120,117,992 ordinary shares, listed on the Euronext Milan market - STAR segment.

#### SHARE CAPITAL STRUCTURE AS AT 31 DECEMBER 2021

Type of shares	No. of shares	% of c.s.	Listing market	Rights and obligations
Ordinary shares	120.117.992	100%	Euronext Milan – STAR segment	All ordinary shares have equal rights and obligations.

It should be noted that, from the end of fiscal year 2021 to the date of this Report, there have been no changes to the total share capital or number of shares.

It should also be pointed out that the Company has implemented stock option plans in the past that entailed increases in share capital, details of which are provided in the information documents prepared pursuant to art. 84-bis of the Consob Rules for Issuers, available on the Company's website, and that all the stock option plans implemented by the Company have expired. It should be noted that the Company

has implemented stock-based incentive plans and that these plans do not involve increases in share capital as they are serviced with treasury shares held by the Company.

For further information on the plans in question, reference should be made *(i)* to the information provided in the notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021, *(ii)* to the information documents prepared by the Issuer pursuant to art. 84-bis of the Consob Rules for Issuers and *(iii)* to the Report on remuneration policy and compensation paid - 2022 (the “**2022 Remuneration Report**”) that will be published in accordance with the law. These documents are or will be (as applicable) available for inspection on the authorised storage mechanism’s website [www.emarketstorage.com](http://www.emarketstorage.com) and on the Company’s website, in the “Shareholders - Corporate Governance” section.

**2.2. b) Restrictions on the transfer of securities** (under art. 123-bis, paragraph 1, letter b), TUF)

The shares of the Company are freely transferable, subject to restrictions:

- > linked to internal dealing regulations, illustrated in the Code of Conduct on Internal Dealing published on the Company’s website, in the “Shareholders - Corporate Governance” section;
- > applicable to the beneficiaries of stock grant plans, who, according to the regulations, have an irrevocable commitment to continuously hold, until the fifth anniversary of the grant date, a number of shares at least equal to 10% of the shares granted, which are therefore subject to this inalienability constraint, unless otherwise authorised by the Board of Directors (this is the so-called Minimum Holding, in relation to which reference should be made to the Reports on remuneration policy and remuneration paid published by the Company).

**2.3. c) Relevant equity investments in the share capital** (under art. 123-bis, paragraph 1, letter c), TUF)

Relevant equity investments in the share capital as at 31 December 2021, as resulting from the communications made pursuant to art. 120 of the Consolidated Law on Finance and art. 117 et seq. of the Consob Issuers’ Regulation as at 31 December 2021, are shown below.

Since Sogefi S.p.A. falls within the category of SMEs as defined in Article 1 of the TUF, only shareholdings exceeding 5% of voting rights are listed below.

At December 31 2021, the shareholder who directly or indirectly holds more than 5% of the capital with voting rights, subscribed and paid-up at 31 December 2021, as shown in the Shareholders’ Register and on the basis of the communications received in accordance with Article 120 of Legislative Decree no. 58/98 and other information available to the Company, is CIR S.p.A. (a subsidiary of F.lli De Benedetti S.p.A.), with 66,830,988 SOGEFI shares, equal to 55.64% of the Company's capital.

RELEVANT EQUITY INVESTMENTS IN THE SHARE CAPITAL AS AT 31 DECEMBER 2021			
Declarant	Direct shareholder	Share % (on share capital)	Share % (on total voting rights)
F.lli De Benedetti S.p.A.	CIR S.p.A.	55.64%	56.58%

It should be noted that there have been no changes from the end of fiscal year 2021 to the date of this Report.

**2.4. d) Securities granting special rights** (under art. 123-bis, paragraph 1, letter d), TUF)

All shares have the same rights and obligations and there are no securities that give holders special rights.

**2.5. e) Employee shareholding** (ex art. 123-bis, paragraph 1, letter e), TUF)

In the case of employee shareholdings, there are no special mechanisms for exercising voting rights.

**2.6. f) Restrictions on voting rights** (under art. 123-bis, paragraph 1, letter f), TUF)

No limits to the voting right are provided.

**2.7. g) Agreements between shareholders** (under art. 123-bis, paragraph 1, letter g), TUF)

The Company is not aware of the existence of any agreements pursuant to art. 122 of the TUF between shareholders.

**2.8. h) Change of control clauses** (pursuant to Article 123-bis paragraph 1 letter h) of the Consolidated Law on Finance) **and provisions of the by-laws on takeover bids** (pursuant to Articles 104, paragraph 1-ter and 104-bis, paragraph 1)

Certain loan agreements entered into by Sogefi S.p.A. include change of control clauses:

- > the Unicredit (2019 and 2020), ING Bank (2020 and 2021), Mediobanca (2019 and 2020), Intesa (2020 and 2022), Banca Nazionale del Lavoro (2018), BNP and LCL (2020), Banco do Brazil (2021) and CDP (2021) loans include an early repayment obligation if the following conditions are met: *(i)* the acquisition of legal control of Sogefi S.p.A. by a third party with a credit rating below certain thresholds; and *(ii)* a period of 30 working days has elapsed unsuccessfully to reach an agreement for the purposes of continuing the relationship;
- > the US private placements (2013) and EU private placements (2019) financings provide for the right of the noteholders to obtain early repayment in the event of the acquisition of control of Sogefi by a third party with a credit rating below certain thresholds.

In addition, some subsidiaries have entered into commercial contracts that include, as is customary international contracts and in the negotiation practice for similar agreements, clauses giving the counterparty the right to terminate the contract in the event of a change of control.

The Articles of Association do not provide for any exceptions to the provisions on the passivity rule provided for in Articles 104 and 104-bis of the TUF, nor the application of the neutralisation rules provided for in Article 104-bis, paragraphs 2 and 3, of the TUF.

**2.9. i) Power to increase the share capital and authorisations to buy back treasury shares** (under art. 123-bis, paragraph 1, letter m), TUF)

The Board of Directors, pursuant to Articles 2443 and 2420-ter of the Italian Civil Code, for a maximum period of five years from the date of registration with the Register of Enterprises of the resolution of the Extraordinary Shareholders' Meeting of 26 April 2019, is entitled to:

- > to increase, in one or more instalments, the share capital by a maximum of €100,000,000 of nominal value free of charge and/or against payment, with or without a share premium, including with the exclusion or limitation of option rights pursuant to art. 2441 paragraphs IV and V of the Italian Civil Code, with the right for directors to determine from time to time the category of shares, the issue price of shares (including the share premium, if any), the enjoyment, the possible destination of share capital increase for the conversion of bonds, including those issued by third parties, both in Italy and abroad, or for warrants and to determine the reserves and provisions available to be allocated to capital and their amount. More generally, define the terms and conditions of the share capital increase;
- > increase, on one or more occasions, the share capital by a maximum par value of €5,200,000, by issuing a maximum number of 10 million shares with or without a share premium, including special categories of shares (preference, savings, with special benefits), to be offered for subscription pursuant to art. 2441 V and the last paragraph of the Italian Civil Code, to directors and employees of the Company and its subsidiaries, with the right for the Board to determine the issue price, the subscription requirements and limits on the availability of the shares and, in general the terms and

conditions of the said subscription;

- > issue, on one or more occasions, even with exclusion of the option right, and in this case in favour of institutional investors, bonds convertible into shares or carrying rights for the assignment of shares, in any currency, if allowed by law, with a corresponding increase of the share capital, up to a maximum amount of €100,000,000. More generally, the power to define the terms and conditions of the bond issue and its regulation.

The Ordinary Shareholders' Meeting of 23 April 2021, after revoking the unused portion of the resolution authorising the purchase of treasury shares taken by the Ordinary Shareholders' Meeting of 20 April 2020, authorised the Board of Directors, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, for a period of eighteen months from the day after the meeting resolution,

- > to purchase a maximum of 10 million treasury shares, for a total nominal value of €5,200,000 (including in the calculation the treasury shares already held also through subsidiaries), which cannot in any case exceed one fifth of the Company's share capital;
- > at a price not more than 10% higher and not less than 10% lower than the reference price recorded by the shares in the stock exchange session preceding each individual purchase transaction or the date on which the price is fixed and in any case, if the purchases are made on the regulated market, for a price not exceeding the higher of the price of the last independent transaction and the price of the highest current independent purchase offer on the same market.

As of 31 December 2021, the Company held 2,014,013 treasury shares corresponding to 1.68% of the share capital. The Company did not purchase any treasury shares during financial year 2020.

#### **2.10. l) Management and coordination activities (art. 2497 and following of the Italian Civil Code)**

The Company is subject to management and coordination activities pursuant to Articles 2497 et seq. of the Italian Civil Code by CIR S.p.A.

With reference to the provisions of Article 16, paragraph 1, letters a), b) and c) of the regulation adopted with resolution no. 20249 of 28 December 2017 (the “**Consob Market Regulations**”), it should be noted that Sogefi:

- > complied with the disclosure requirements set out in art. 2497-*bis*, Civil Code;
- > has independent negotiating skills in dealing with customers and suppliers;
- > does not have any centralised treasury relationship with CIR S.p.A. or any other company controlled by it.

With reference to the provisions of Art. 16, paragraph 1, letter d) of the Consob Market Regulations, it should be noted that since Sogefi is a subsidiary company subject to the management and coordination of another company with shares listed on regulated markets, the majority of the Board of Directors is made up of independent directors (see in particular points 4.4.1 e 4.4.8) and that the committees set up by the Board of Directors of the Company and recommended by the of Corporate Governance Code are all made up exclusively of independent directors (see in particular below under point 6).

#### **2.11. m) Other information - referral**

Please note that with reference to the additional information provided for by art. 123-bis, paragraph 1 of the TUF:

- > the information requested in letter i), concerning any agreements between the Company and the Directors that provide for indemnities in case of resignation or dismissal without just cause or termination of the employment relationship following a takeover bid, is contained in the 2022 Remuneration Report, which will be published pursuant to art. 123-*ter* of the TUF;
- > the information required under letter l), concerning the appointment and replacement of Directors

as well as the amendment of the Articles of Association, if different from the laws and regulations applicable on a supplementary basis, is illustrated under point 4.3.

### **3. COMPLIANCE** (ex art. 123-bis, paragraph 2, letter a), TUF)

The Company adheres to the Corporate Governance Code, which is available on the Corporate Governance Committee's website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

Sogefi has decided to formulate its own Code in order to transpose the principles and recommendations of the Corporate Governance Code, adapting them to the Company's profile while respecting its provisions.

This choice seemed all the more appropriate with the entry into force of the 2020 Corporate Governance Code, in view of the fact that the latter introduces the principle of proportionality, modulating the recommendations according to the size and ownership structure of the Company. Therefore, the formulation of a Corporate Governance Code for the Company acquires even more sense in order to specify the choices made by the same among the different options provided by the Code of Borsa Italiana on the same subject, according to the profile of the companies.

With regard to the application of proportionality, the following choices are worth noting:

- > taking into account the provisions for companies that are not "large" in recommendation no. 5 of the Code of Corporate Governance, Sogefi's Code does not include the requirement envisaged for "large" companies for the independent directors to meet at least once a year in the absence of the other directors;
- > in Sogefi's Code, even though Sogefi is not a "large" company, the Board of Directors expressed its position on the maximum number of positions that can be held by directors and members of the Board of Auditors in line with recommendation 15 of the Corporate Governance Code (see point 4.4.3);
- > even though Sogefi is not a "large" company and even though independent directors make up the majority of the Board of Directors, Sogefi has nonetheless established both a Control and Risk Committee and a Nominations Committee (in addition to the Committee for Related Party Transactions);
- > even though Sogefi is not a "large" company, Sogefi's Code requires that the self-assessment of the Board of Directors be carried out annually;
- > although Sogefi is not a "large" company, the Code of Sogefi stipulates that the Board of Directors, with the support of the Nominations and Compensation Committee, should draw up a succession plan for the Managing Director (on the succession plan adopted by Sogefi, see below under point 4.3.2).

Regarding deviations from the Corporate Governance Code, only with regard to recommendation 19 did the Company decide not to accept the part in which it envisages the possibility that the outgoing board of directors may be entitled to present its own list; this is because this recommendation does not seem pertinent to a company with an ownership structure such as that of Sogefi.

Sogefi and its subsidiaries are not subject to non-Italian legal provisions affecting the Issuer's corporate governance structure.

## 4. BOARD OF DIRECTORS

### 4.1. Role of the Board of Directors (ex art. 123-bis, paragraph 2 letter d) TUF)

#### 4.1.1. Defining the strategy and direction of the Company, also with a view to sustainable success

As provided for in art. 1, letter A) of Sogefi's Code (in line with principles I and II - rec. 1, art. 1, of the Corporate Governance Code), the Board of Directors guides the Company and the Group, defining its strategy, with a view to sustainable success and the creation of long-term value for the benefit of shareholders, taking into account the interests of all stakeholders relevant to the Company.

In order to implement the above, it is envisaged that the Board of Directors:

- > annually examines and approves the strategic and financial plans of the Company and the Group, assessing their consistency with the Company's objectives and identifying the issues relevant to the generation of value in the medium and long term;
- > periodically monitor the performance of the Company and the Group by comparing the results achieved with those planned and verifying the implementation of the business plans, in accordance with the “*Procedure for drawing up and monitoring the implementation of the Company's and the Group's strategic, industrial and financial plans*” updated by the Company's Board of Directors on 16 December 2021;
- > defines the nature and level of risk compatible with the strategic objectives of the Company and the Group, with a view to sustainable success in the medium/long term, in compliance with the “*Guidelines on the internal control and risk management system*”, last updated on 25 February 2022;
- > resolves on Company and Group transactions of significant strategic importance, having previously defined the criteria according to which a corporate transaction is deemed to be of significant strategic importance. The criteria on the basis of which a transaction of the Group assumes significant strategic importance, and the procedure for approving such transactions, are contained in the “*Procedure on the criteria for identifying and approving transactions of strategic importance*” approved by the Company's Board of Directors on 16 December 2021. By virtue of this update, the following transactions are considered “transactions of strategic importance” and therefore under the exclusive responsibility of the Board of Directors:
  - the purchase, sale or subscription (including by means of contribution in kind) of corporate equity investments, the purchase, sale or lease of companies or business units or other extraordinary transactions, when:
    - the consideration or exchange value attributed to them exceeds €5 million; or
    - even if the counterparty is not a “Related Party”, it has the characteristics to qualify as a “Significant Transaction” in accordance with the “Regulations for Transactions with Related Parties” adopted by Sogefi and in force from time to time;
    - with specific reference to the transactions concerning corporate equity investments, they imply the loss of control pursuant to art. 2359 of the Italian Civil Code over the related company (or similar entity);
  - any other transaction, including but not limited to the foregoing, including the provision of guarantees, which:
    - it has a value (in terms of consideration, exchange value or guaranteed amount) higher than €5 million; or;
    - even if the counterparty is not a “Related Party”, it has the characteristics to qualify as a “Significant Transaction” in accordance with the “Regulations for Transactions with Related Parties” adopted by Sogefi and in force from time to time.

#### *4.1.2. Definition of the corporate governance system most suited to the performance of the company's activities and the pursuit of its strategies*

As provided for in art. 1, letter B) of Sogefi's Code (and in principle III, rec. 2, art.1, of the Code of Corporate Governance Code) the Board of Directors defines the most effective corporate governance system for the purposes of running the company and pursuing its strategic objectives. Specifically, the governing body:

- > assesses the organisational, administrative and accounting structure, with particular reference to the Internal Control and Risk Management System (in compliance with the “*Guidelines for the Internal Control and Risk Management System*”, see below under point 9).
- > makes, if deemed necessary or even appropriate, reasoned proposals to the Shareholders' Meeting regarding the size of the Board of Directors, its composition and the duration of its terms of office;
- > may draw up proposals concerning the choice and characteristics of the corporate model, the structure of the administrative and property rights of the shares and the percentages established for the exercise of the prerogatives set out to protect minorities.

#### *4.1.3. Policy of dialogue with shareholders and other stakeholders*

As provided for in art. 1, letter C) of Sogefi's Code (in line with principle IV- rec. 3, art. 1, of the Corporate Governance code), the Board of Directors promotes dialogue with the shareholders and the stakeholders relevant for the Company, in compliance with the regulations in force concerning “market abuse” and in compliance with the principles of the Guide to Market Disclosures issued by Borsa Italiana S.p.A.

In order to implement the above, Sogefi's Code requires the Board of Directors to ensure that the Company:

- > guarantees the correct internal management and external communication of documents and information concerning the Company and the Group, and to this end the Board of Directors has adopted the following measures *(i)* the “*Procedure for the management, handling and disclosure of inside information*” and *(ii)* the “*Code of conduct for internal dealing*” (see below, under point 5);
- > maintains an effective dialogue with its shareholders and with the market, promoting various forms of communication, and in this regard the Company's Board of Directors has adopted a specific “*Policy for the management of dialogue with the general public*”;
- > appoint a person responsible for the Investor Relations function to manage the flow of information to shareholders, financial analysts and institutional investors, in compliance with the rules of the above policy. In this regard, Sogefi has set up a specific corporate function headed by the Chief Financial Officer and Executive in Charge.

For further details on the dialogue with the general public, see below under point 12.

## **4.2. Activities carried out by the Board of Directors in 2021**

A summary of the activities of the Issuer's Board of Directors in 2021 is described below.

- > On 12 February 2021, it examined the business plans and budgets for the financial year 2021 of the Company and the Group presented by the Managing Director on the basis of documents made available well in advance, attached to the minutes of the meeting and kept on file at the Company.
- > On 23 April 2021, 23 July 2021 and 22 October 2021, it monitored the quarterly performance of the Company and the Group, based on reports and presentations made by the Managing Director and the Chief Financial Officer and Manager in Charge, systematically comparing the results achieved with those of the previous year and with those budgeted.
- > On 26 February and 23 July 2021, it assessed the adequacy of the internal control and risk management system, assisted by the preliminary analyses carried out by the Control, Risk and

Sustainability Committee. The committee's analysis took into account the reports drawn up by the Company's Internal Audit and Risk Management departments and by the supervisory body pursuant to Decree 231 (the "**Supervisory Body**" or "**OdV**").

- > It has paid particular attention to the issue of sustainability; on 28 June 2021 it approved the "*Guidelines for the Sogefi Group's Sustainability Plan for the period 2022-2025*" and on 21 January 2022 it approved the "*ESG Plan 2022-2025*"<sup>(1)</sup>.
- > Updated the Company's Corporate Governance, adopting the new Sogefi Code in February 2021, and subsequently proceeding to further implement its provisions.
- > On 19 March 2021, it updated *(i)* the "*Regulation of the Appointment and Remuneration Committee*"; *(ii)* the "*Procedure for the replacement of the Executive Director in case of early termination of office*"; *(iii)* the "*Regulation of the Control, Risk and Sustainability Committee*" and adopted a "*Policy for the management of the dialogue with the shareholders*".
- > On 28 June 2021, it updated the "*Discipline of Related Party Transactions*", in accordance with the new "*Regulation containing provisions on related party transactions*" adopted by Consob with resolution 21624 of 10 December 2020. In the following weeks, the Company implemented the updated "*Discipline of Transactions with Related Parties*" by providing, among other things, for the periodic update of the Register of Related Parties and the preparation of the periodic reports by the Manager in charge of Preparation of the Company's Financial Reports provided for therein (in this regard, see also below under point 10).
- > On 16 December 2021, it updated *(i)* the "*Procedure for drawing up and monitoring the implementation of the strategic, industrial and financial plans of the Company and the Group*" and *(ii)* the "*Procedure on the criteria for identifying and approving transactions of strategic importance*". With this update, the Board of Directors of Sogefi wished to *(a)* "regulate" certain existing management and organisational practices with reference to the elaboration and monitoring of the annual budget and a multi-year business plan, to periodic reporting and intra-annual projections of full-year results and related information flows; and *(b)* better specify the criteria for identifying transactions of strategic importance.
- > On 25 February 2022, it updated the "*Guidelines for the internal control and risk management system*".
- > With the assistance of the supervisory body pursuant to Legislative Decree 8 June 2001, no. 231 (the "**Decree 231**") the monitoring of the implementation of its organisational, management and control model pursuant to Decree 231 continued with a view, among other things, to *(i)* updating the catalogue of alleged offences in the light of recent regulatory changes *(ii)* adapt the Company's risk assessment in the light of the aforementioned regulatory changes and the Company's renewed organisational structure *(iii)* to increase the efficiency and effectiveness of the control protocols aimed at preventing the offences covered by Decree 231 that are relevant for the Company, also regulating the information flows (among other things) to the supervisory body pursuant to Decree 231 of the Company from its subsidiaries (in this regard, see also below under point 9.5).
- > On 25 February 2022, it assessed the size, composition and functioning of the Board and its Committees. The process was coordinated by the Appointment and Remuneration Committee. Also as a result of this process, the Board of Directors did not deem it necessary to draw up proposals to be submitted to the General Meeting of Shareholders in order to define a corporate governance system that is more functional to the Company's needs, since it considers the current

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<sup>(1)</sup> It should be noted that the sustainability reference context considered includes *(i)* the 2014 European Directive on the disclosure of non-financial information; *(ii)* the so-called Agenda 2030, in which the 17 sustainable development goals were identified *(iii)* Legislative Decree 254/2016 transposing the 2014 Directive, which required certain entities and listed companies to publish non-financial indicators, as well as, most recently *(iv)* the so-called European Green Deal of 2020 through which the Commission set a goal of achieving climate neutrality by 2050. The main objectives identified for the Sogefi Group have been grouped into three macro-categories: "Business Innovation", "Eco Efficiency" and "People".

one to be adequate, nor guidelines regarding the composition of the Board of Directors. For further powers of the Board of Directors in relation to the appointment and replacement of directors, composition, functioning, self-evaluation, remuneration policy, internal control system and risk management, please refer to the following point 4.3 and below under point 7.

### **4.3. Appointment and replacement (under art. 123-bis, paragraph 1 letter l) TUF)**

#### *4.3.1. Appointment of Directors*

As established in Article 17 of the Articles of Association, the Company is managed by a Board of Directors consisting of between five and fifteen members, who remain in office for the period determined by the Shareholders' Meeting, in any case not exceeding three financial years, and may be re-elected.

Upon appointment, the General Meeting shall determine the number of members within the above-mentioned limits; this number shall be determined for the term of office or, in any case, until a different resolution is passed.

Minority shareholders have the right to appoint one member of the Board of Directors.

As set out in art. 17 of the Articles of Association, the Meeting appoints the Board of Directors on the basis of lists submitted by the shareholders according to the terms and conditions set out in the applicable legislation.

According to the Articles of Association, only shareholders who, alone or together with other shareholders, represent at least one fortieth of the share capital or such other percentage as may be determined by law or regulation, are entitled to submit lists, with the burden of proving ownership of the required number of shares within the time limit and in the manner provided for by applicable law. The Board of Directors is not entitled to submit a list.

In this regard, it should be noted that, on 28 January 2022, by means of Executive Determination no. 44, Consob set, pursuant to Article 144-septies, paragraph 1, of the Consob Rules for Issuers, the percentage of shareholding for the submission of candidate lists for the election of the administration and control bodies at 2.5%, without prejudice to any lower quota provided for by the Articles of Association. Therefore, the percentage threshold for the submission of lists for the appointment of the Board of Directors set out in the Articles of Association coincides with the one identified by Consob for the current period.

In order to obtain the appointment of the candidates indicated, the lists presented and put to the vote must obtain a percentage of votes equal to at least half of that required for the presentation of the lists themselves (1.25%); failing this, the lists will not be taken into account.

Lists with three or more candidates must include candidates of both genders, at least in the proportion prescribed by current legislation on gender balance. Lists which fail to comply with the above rules shall be considered inadmissible. With regard to the criteria and policies for diversity in the composition of the Board of Directors, please refer to the following sub-section 4.4.2.

The election of the members of the Board of Directors shall take place as follows:

- > a) a number of directors equal to all those to be elected minus one shall be taken from the list obtaining the highest number of votes at the Shareholders' Meeting, on the basis of the sequential order in which they are entered in the list (if only one list has been submitted or admitted to the vote, all the directors shall be taken from that list);
- > b) one director shall be drawn from the second list obtaining the highest number of votes at the Shareholders' Meeting and which is not connected in any way, not even indirectly, with the shareholders who submitted or voted for the list obtaining the highest number of votes, in the person of the candidate listed in first place on that list.

If no list is submitted or if fewer directors are elected than the number determined by the Shareholders' Meeting, the latter shall be reconvened to appoint the entire Board of Directors.

If application of the procedure referred to in points a) and b) does not result in compliance with the gender balance prescribed by current legislation, the last elected candidate on the list obtaining the highest number of votes belonging to the most represented gender shall be removed from office and replaced by the first unelected candidate on the same list belonging to the least represented gender, in compliance with the requirements of the law. Failing this, the Shareholders' Meeting shall integrate the administrative body with the majorities required by law.

The Board of Directors, in accordance with the Code of Sogefi and in compliance with the provisions of Art. 16 of the Market Regulations and the TUF, envisages a majority presence of independent members. Regarding the presence and role of the independent members of the Board of Directors of Sogefi, see below under subsection 4.4.8

The Articles of Association do not provide for independence requirements in addition to those established for Acting Auditors pursuant to Article 148 of the TUF, and/or integrity and/or professionalism for assuming the office of director. Failure to meet these criteria will mean disqualification from the position.

The nominations to the office of Director shall be accompanied by:

- > a *curriculum vitae* containing detailed information on the personal and professional characteristics of the candidates, with an indication of the positions of administration and control held in other companies;
- > if the requirements are met, by a declaration of the candidates concerning their suitability to qualify as independent directors pursuant to the law or regulations;
- > a declaration by the candidates, under their own responsibility, that there are no grounds for ineligibility or incompatibility as provided for by law, and that they meet the requirements prescribed by law and current regulations for members of the Board of Directors.

Incompleteness or irregularity of any candidature shall mean disqualification of the candidate's name from the voting list.

The Issuer is not subject to further regulations (sectoral or otherwise) concerning the composition of the Board of Directors.

#### *4.3.2. Replacement of Directors*

If one or more directors leave office due to resignation or other causes, they shall be replaced in accordance with art. 2386 of the Civil Code, ensuring compliance with applicable requirements. For the purpose of identifying and appointing a new director, the Board of Directors entrusts the Appointment and Remuneration Committee with the preliminary investigation.

The Company has also adopted a specific CEO succession plan, which was approved by the Board of Directors on 21 March 2021, after review by the Appointment and Remuneration Committee. This plan ensures the orderly succession of the Managing Director, in the event of early termination of office, in compliance with the procedure set out therein.

In the event of early termination of the Managing Director, the parties directly involved in the replacement process are: *(i)* the Chairman, who is in charge of ascertaining the existence of the conditions for the termination of office and convening the Board of Directors, as well as of carrying out urgent actions, and *(ii)* the Appointment and Remuneration Committee, which is called upon to support the administrative body in the assessment process of the candidates for the replacement.

The CEO's succession plan shall be reviewed and, if deemed appropriate, updated at least every three years.

#### 4.4. Composition (ex art. 123-bis, paragraph 2 letter d) and d- bis) TUF)

##### 4.4.1. Composition as at 31 December 2021

The Shareholders' Meeting on 26 April 2019 resolved to appoint the following eight directors until the date of the Shareholders' Meeting's approval of the annual report for the financial year 2021: Monica Mondardini (Chair), Laurent Hebenstreit (Managing Director), Patrizia Canziani, Rodolfo De Benedetti, Roberta di Vieto, Mauro Melis, Ervino Riccobon and Christian Streiff.

Seven Directors were taken from the list submitted by the shareholder CIR S.p.A. and the remaining one from the only minority list submitted.

On 9 December 2019, following the resignation of Director Laurent Hebenstreit, pursuant to Article 2386 of the Civil Code, Mr. Mauro Fenzi was co-opted.

As of the end of fiscal year 2021, the Managing Director is Frédéric Sipahi, who was co-opted pursuant to Article 2386 of the Italian Civil Code at the meeting of the Board of Directors held on 26 February 2021, following the resignation of Mr. Mauro Fenzi, and confirmed by the Shareholders' Meeting on 23 April 2021. Directors Laurent Hebenstreit and Mauro Fenzi are no longer members of the Board of Directors.

Mr. Carlo De Benedetti is Honorary President of the Company.

Accordingly, as of the close of fiscal year 2021 (as well as the date of approval of this Report), the Company has a Board of Directors comprised of the 8 directors listed below.

	ROLE
<b>Patrizia Canziani</b>	Non-Executive and Independent Director
<b>Rodolfo De Benedetti</b>	Non-Executive Director
<b>Roberta Di Vieto</b>	Non-Executive and Independent Director
<b>Mauro Melis</b>	Non-Executive and Independent Director
<b>Monica Mondardini</b>	Chair
<b>Ervino Riccobon</b>	Non-Executive and Independent Director
<b>Frédéric Sipahi</b>	Managing Director
<b>Christian Streiff</b>	Non-Executive and Independent Director

For further information on the Directors, such as - among other things - the position, the main professional skills and characteristics, as well as the seniority in office since the first appointment, reference should be made to Annex A (*Tables*) and B (*Curricula of Directors*) to this Report. The *curricula vitae* are also available on the website of the authorised storage mechanism [www.emarketstorage.com](http://www.emarketstorage.com) and on the Company's website, in the section "Group - Corporate Bodies".

The Board of Directors is currently made up of 2 executive directors and 6 non-executive directors. The executive officers are the Chairman of the Board of Directors and the Managing Director of the

Company. The number and authority of the non-executive Directors, as can be inferred from their curricula vitae, are such as to ensure that their judgement can carry significant weight in the taking of board decisions and effective monitoring of management; they bring their specific expertise to board discussions, contributing to the taking of decisions in line with the company's interests.

After having carried out the necessary checks, the Board decided to confirm the qualification of independent directors to 5 of the current members of the Board of Directors, the majority of the members.

Therefore, the composition of the Issuer's Board of Directors is certainly suitable to ensure adequate conditions of managerial autonomy, as provided for by the Corporate Governance Code and Sogefi's Code.

It should be pointed out that, as from the end of the financial year and up to the date of this Report, none of the above-mentioned Directors has left office, nor have there been any changes in the composition of the Board of Directors.

#### *4.4.2. Diversity Criteria and Policies*

The Company has adopted a policy with reference to the gender composition of the administration, management and control bodies; in particular, *(i)* the Statute, as already explained in point 4.3, expressly provides for compliance with the gender balance in the process of appointing the Board of Directors and the Board of Auditors; and *(ii)* Sogefi's Code requires that at least two-fifths of the Board of Directors be made up of the least represented gender and that at least one-third of the Board of Auditors be made up of the least represented gender.

The current composition of the Issuer's corporate bodies ensures adequate diversity of gender; in fact:

- > the Board of Directors consists of 3 directors and 5 trustees;
- > two of the three committees set up by the endorsement committees established by the Board of Directors are chaired by a director;
- > the Board of Auditors consists of three Acting Auditors, one of whom is from the least represented gender, and three Alternate Auditors, one of whom is from the least represented gender.

With regard to the adoption of further diversity policies, on 26 February 2018, the Board of Directors of the Company expressed its policy not to adopt further policies in the composition of the management and control bodies, as referred to by art. 123-*bis* paragraph 2, letter d-*bis* of the TUF, without prejudice to the requirements of integrity, professionalism and independence, as well as the situations of incompatibility and/or lapse of office set out by law and by the Articles of Association, for the following reasons:

- > once a year, the Board of Directors regularly assesses the size, composition and functioning of the Board and its committees - taking into account elements such as training, professional profiles, experience, including managerial experience, of its members, as well as their seniority in office - and the outcome of this assessment has always been fully satisfactory;
- > the Board of Directors may express to the shareholders, prior to the appointment of the new Board, its own guidelines on the managerial and professional figures whose presence on the Board of Directors is deemed appropriate, thus guiding, in compliance with the reciprocal duties and prerogatives, the shareholders' choices in the free designation of the members of the administrative body.

Without prejudice to the possibility of reconsidering its position in the future, the Board has considered that the above processes are in themselves sufficient to ensure adequate monitoring of the articulation in the area of diversity of the composition of the administrative body and also to guarantee the possibility, if deemed necessary, of providing guidance to shareholders.

Moreover, the current shareholders of the Company have always paid attention to the composition of the lists and this assessment is confirmed:

- > in the current composition of the Board of Directors, which presents a considerable diversity according to the many possible meanings: age, gender, education, experience / seniority, professional categories and skills, international dimension;
- > the results of the self-assessment process for the year 2021, which, as already mentioned, confirm the adequacy of the composition, also in terms of diversity (*in the broadest sense*), of the current Board of Directors and the fact that the Board as a whole has a balanced mix of experience and skills, adequate and in line with the Company's needs.

The Issuer has taken measures to promote equal treatment and opportunities between genders within the Group by setting targets under the Group's ESG plan. In this regard, please refer to the 2021 Non-Financial Statement, which is available on the Company's website.

#### *4.4.3. Maximum number of assignments*

In order to guarantee the necessary availability of directors, the Board of Directors, assisted by the Appointments and Remuneration Committee, has set out in the Code of Sogefi (art. 2. "A") the following guidelines concerning the maximum number of offices that a director of the Issuer can hold in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance companies or companies of significant size ("**Significant Companies**"):

- > executive directors may not hold other positions as executive director or auditor in Relevant Companies other than CIR S.p.A. and its subsidiaries and may hold a maximum of three positions as non-executive director in Relevant Companies other than CIR S.p.A. and its subsidiaries;
- > non-executive directors may hold further offices for a maximum of five as director or acting auditor in Significant Companies other than CIR S.p.A. and the companies headed by it, of which no more than two as an executive director.

It should be noted that: *(i)* "significant companies" means companies with a turnover of more than €500 million and/or assets of more than €1,000 million and/or more than 2,000 employees; *(ii)* "financial companies" means only those companies engaged in the business of providing financial services to the public, which are subject to supervision; *(iii)* the offices held in Relevant Companies belonging to the same Group shall count as a single office (and such single office shall be considered as an executive director for the purposes of calculating the limits, if at least one of the offices held in the same Group is an executive director).

The above general criteria may be waived with reference to one or more Directors by reasoned resolution of the Board of Directors. In deciding on any waivers, the Board of Directors may also take into account data relating to the attendance of the director concerned at meetings of the Board and committees of Sogefi.

At present, all the Directors hold fewer offices than the maximum number envisaged by the criteria defined by the Board of Directors, as shown in the information contained in Attachment C ("*List of offices held by directors of Sogefi*").

#### *4.4.4. Functioning*

The functioning of Sogefi's Board of Directors is governed by Sogefi's Articles of Association and Code.

The Board of Directors shall be convened by the President by notice sent to all Directors and Auditors at least five days prior to the date of the meeting.

At the end of each financial year, the Board of Directors approves the calendar of meetings for the following financial year, notifying the market limited to meetings whose agenda includes approval of the half-yearly and annual reports and additional information in March and September.

It is expected that the documentation supporting the activities of the Board of Directors (the so-called info package) will be provided to the directors three days in advance of the date of the meeting. During 2021, this advance averaged 3 days.

The documentation is made available to the directors in electronic format, via a special IT platform provided by a leading European company, access to which (in the part relating to the documentation of the Board of Directors) is permitted only to the directors (in addition to the Company's secretarial office) by means of a "double authentication" security system.

With regard to the quality of disclosures, the Board of Directors expressed broad satisfaction during the last review of its performance.

Minutes of each meeting shall be taken by the Chair of the Board of Directors and the Secretary of the Board of Directors. The minutes are submitted to the Board of Directors for approval at its next meeting, after the text has been sent to the directors, usually together with the notice of the meeting, and - if deemed appropriate - before being shared with the directors attending the meeting.

The Company shall ensure that directors and members of the Board of Auditors can participate, after their appointment and during their term of office, in an induction programme, i.e. initiatives aimed at providing them with adequate knowledge of the business sectors in which the Issuer operates, of corporate dynamics and their evolution, of the principles of proper risk management, and of the reference regulatory framework.

In 2021, the Board met nine times and the average duration of the meetings was about three hours. From 1 January 2022 through the date of this Report (inclusive), the Board has met twice, the average meeting length has been three hours, for the remainder of the financial year 2022, a further 4 meetings are planned.

In 2021, the Board members' attendance rate was 85%.

The Financial Reporting Officer attended all Board meetings where matters requiring his input were discussed.

Due to the pandemic emergency from Covid-19, attendance at board sessions was predominantly via remote means of communication, a mode required by Articles of Association.

It should be noted that in fiscal year 2021, the health emergency from Covid-19 led the Board of Directors and management to focus on monitoring the impacts of the spread of the pandemic on the Group's operations and the measures and actions to be taken to contain the health, economic and financial impacts on the Company and, within the limits of its authority, the Group. In view of management priorities and constraints on face-to-face meetings, no induction meetings were organised.

#### *4.4.5. Role of the Chairman of the Board of Directors*

Their Chairman of the Board of Directors:

- > pursuant to the Company's Articles of Association:
  - calls and chairs the meetings of the Board of Directors and signs the minutes thereof;
  - presides over the Shareholders' Meeting and determines the manner of voting on individual items;
  - is the legal representative of the Company;
  - presents, in agreement with the Managing Director, the proposal for the appointment of the Manager in charge;
- > pursuant to Sogefi's Code:
  - with the assistance of the Secretary of the Board of Directors, ensures

- that the information made available is adequate to enable directors to act in an informed manner in carrying out their role;
  - that the pre-meeting briefing be made available at least three days before the date of the board meeting, except in situations of necessity and urgency, in which case the Chairman of the Board of Directors shall ensure that adequate and timely information is provided during board sessions;
  - that the number of meetings and the respective agendas allow for the necessary time to be devoted to each topic, encouraging debate and input from all directors;
  - that the activities of the committees are coordinated with the activities of the governing body;
  - that Directors and Statutory Auditors may participate, after their appointment and during their term of office, in the most appropriate forms, in initiatives aimed at providing them with adequate knowledge of the business sector in which the issuer operates, of corporate dynamics and their evolution also with a view to the sustainable success of the Company, as well as of the principles of proper risk management and of the regulatory and self-regulatory framework of reference;
  - in agreement with the Chief Executive Officer, also at the request of one or more directors, that executives attend board meetings to provide appropriate insights;
  - that the Board of Directors is informed of any significant content that emerges during discussions with the market and shareholders;
  - that the self-assessment process is appropriate and transparent.
- may request that one of the committees established by the Board of Directors be convened;
  - proposes the appointment and removal of the Secretary of the Board of Directors;
  - proposes, formulating it in agreement with the Chief Financial Officer, the approval of a policy for the management of dialogue with the general public.

#### *4.4.6. Role of the Secretary of the Board of Directors*

The Secretary of the Board of Directors:

- > pursuant to art. 18 of the Articles of Association, is designated by the Board of Directors (also outside its members);
- > pursuant to Sogefi's Code:
  - assists the Chairman of the Board of Directors in its activities (see first paragraph above) (art. 3. "B");
  - is appointed and dismissed by the Board of Directors, upon proposal of the Chairman (art. 3. "C");
  - it provides impartial assistance and advice to the Board of Directors on all aspects relevant to the proper functioning of the corporate governance system (art. 3. "C").

During the fiscal year 2021, in compliance with the provisions of Sogefi's Code, the Secretary of the Board has *(i)* assisted the Chairman of the Board of Directors in his activities of organisation of the Board's works; *(ii)* provided assistance and advice to the Board of Directors on any issue relevant to the proper functioning of the corporate governance system with impartial judgement.

#### 4.4.7. Executive Directors

On 26 February 2021, the Board of Directors co-opted, pursuant to Article 2386 of the Italian Civil Code, Mr. Frédéric Sipahi as a Director of the Company, appointing him General Manager and Chief Executive Officer of the Company, following the resignation of the Managing Director in office until the same date.

The Managing Director is primarily responsible for the management of the company.

The Managing Director is assigned the following duties: *(i)* to drive and define the strategic, industrial and financial plans of the Company and the Group to be submitted to the examination and approval of the Board of Directors; *(ii)* to draw up and propose the Company's investment policies and programmes within the framework of the multi-year plans for the development strategies approved by the Board of Directors; *(iii)* to draw up and propose the Company's and the Group's financial strategies and policies in relation to the development, profitability and risk objectives set by the Board of Directors, with responsibility for their implementation; to check that the objectives are implemented in compliance with the guidelines set by the Board of Directors in this regard; *(iv)* to ensure the adequacy of the organisational, administrative and accounting structure, having regard to the nature and size of the Company and in accordance with the guidelines laid down by the Board of Directors; *(v)* to optimise financial management tools and procedures, and to look after and maintain relations with the financial system; *(vi)* to draw up and propose strategies relating to organisational development and policies for the recruitment, management and training of human resources; *(vii)* to exercise the prerogatives of person in charge of the control and risk management system; *(viii)* to govern the process of drawing up the annual financial statements and other periodic (quarterly and half-yearly reports) or extraordinary accounting documents, to be submitted for the approval of the Board of Directors; *(ix)* to coordinate the preparation of the business plans, the multi-year plans, the annual budget and the related reporting; *(x)* to identify the top management lines to which the management of all the interests in associated and investee companies, associations, consortia, joint ventures should be oriented, also with reference to the criteria and principles to be followed when exercising the right to vote at the meetings of the associated and investee companies, for the purpose of their approval by the Board of Directors; *(xi)* to send the information directed to the Board in advance to the Chairman in order to ensure the maximum completeness and accuracy of information for all the Board members; *(xii)* to sign, subject to submission to the Chairman, the notices required by the laws and regulations concerning listed companies; *(xiii)* to hire, appoint, revoke and dismiss management personnel; to arrange for the amendment of the economic and regulatory conditions of management employment contracts, as well as the settlement of any related disputes; *(xiv)* to replace others with more limited powers, by appointing proxies for specific deeds or categories of deeds of ordinary administration; *(xv)* to take on the role of Director in charge of the risk management and control system.

In the role of General Manager, he is granted the widest powers of management and representation, in order to supervise the ordinary operation and management of the Company, performing all acts necessary or useful for that purpose, as well as the power to represent the Company before any authority, all public and private offices and third parties in general, in all matters of ordinary administration.

The Company has adopted the so-called prohibition of interlocking, i.e. the principle that the Chief Executive Officer of an issuer may not act as a director of another issuer not belonging to the same group, where the Chief Executive Officer is a director of the issuer. On this issue, please refer to the paragraph above 4.4.3.

On 26 April 2019, the Board of Directors confirmed Ms. Monica Mondardini as Chair.

In execution of or in addition to the tasks and functions defined by Sogefi's Articles of Association and Code, as set out in the previous point 4.4.5 the Board of Directors has granted the Chair the following tasks and powers: *(i)* to represent the Company in Italy and abroad before any judicial, administrative, tax, ordinary and special authority, at any level and location, with the power to sign any deed or statement, by proposing and supporting actions, defences, exceptions, appointing and revoking lawyers and attorneys; *(ii)* to maintain relationships with institutional bodies, public and private, national and international organisations; *(iii)* to receive from the Managing Director and examine in advance the information addressed to the Board in order to ensure the utmost completeness and accuracy of information to all Directors; *(iv)* to receive from the Managing Director and examine in advance the communications required by the laws and regulations concerning listed companies; *(v)* to supervise the activities of the Internal Audit function, without prejudice to the powers of both the Managing Director - in charge of the control and risk management system - and the control and risk committee; *(vi)* to promote and supervise the application of the corporate governance rules concerning the activities of the Board of Directors; *(vii)* to appoint "ad acta" attorneys and to grant permanent mandates and/or powers to carry out single actions or categories of actions.

In compliance with the provisions of the regulations and laws in force, as well as Article 21 of the Articles of Association, the Managing Director provides the [Board of Directors and the Board of Auditors with the appropriate information](#), at least on a quarterly basis, on the exercise of his powers and on the most important economic and financial transactions carried out by the Group, as well as on transactions with related parties.

With regard to the presence of [other executive directors](#) and/or an [executive committee](#), no executive committee has been established and there are no other executive directors other than those indicated above.

#### *4.4.8. Independent Directors and Lead Independent Director*

The Board of Directors assesses the independence of the directors on the basis of the provisions of Art. 148, paragraph 3, of the TUF, and the criteria defined by the Code of Corporate Governance, as adopted by Sogefi's Code. In accordance with Sogefi's Code, this check is carried out at least once a year, on the occasion of the meeting of the Board of Directors held after the Shareholders' Meeting called to approve the Annual Financial Report. For the 2022 fiscal year, therefore, this assessment is expected to be carried out again at the Board of Directors' meeting scheduled for 22 April 2022, following the celebration of the Shareholders' Meeting.

Five out of eight directors qualify as [independent directors](#). These are, in particular, the following directors: Patrizia Canziani, Roberta Di Vieto, Mauro Melis, Ervino Riccobon, Christian Streiff.

The skills of the independent directors (as shown in their *curricula vitae* attached to this Report) and their number make it possible to consider the requirement of adequacy to meet the Company's needs and the functioning of the Board of Directors to be satisfied, as well as the setting up of the Board Committees, which are made up only of independent directors and to which reference should be made to section 6.

On 23 April 2021, the Board of Directors, on the basis of the information provided by the interested parties or in any case available to the Issuer, confirmed the qualification of independent for the aforementioned directors, who declared, under their own responsibility, that they qualified as "independent" *(i)* pursuant to art. 147-ter, paragraph 4 of the TUF, by making reference to the requirements set out in art. 148, paragraph 3 of the same decree, and *(ii)* in relation to the provisions of the Code of Sogefi.

These Directors have also undertaken to promptly inform the Company of the occurrence of any circumstances that might be considered relevant for the purposes of meeting the independence

requirements. As of fiscal year 2021, with the adoption by the Company of its Sogefi Code, if there are new facts that, in the opinion of the Board of Directors, compromise independence, the director must resign.

It should be clarified that one director has exceeded the limit of nine years in office during the last twelve years provided for by the Corporate Governance Code and Sogefi's Code, as a circumstance that could compromise the director's independence. In fact, Director Roberta Di Vieto has been a director of the Company since 20 April 2010. The Board of Directors has in any case decided to classify the aforesaid director as independent, disregarding the criterion of seniority in office, considering that having served on the Board for more than nine years has in no way compromised her independence, given the integrity and independence of judgement always shown by the director in question and taking into account the power of exception granted to the Board of Directors by Sogefi's Code.

The Board of Auditors verified the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members.

The Board of Directors designates a *lead independent director*, who is the point of reference and coordination for the non-executive directors, and in particular the independent directors, and who works with the Chairman of the Board of Directors to ensure that the directors receive complete and timely information flows.

Among other things, the lead independent director has the power to call, independently or at the request of other Directors, a meeting of the all the independent directors, the so-called "Committee of the Independents" for the discussion of issues deemed to be of interest with respect to the operation of the Board of Directors or the management of the Company.

On 26 April 2019, the Board of Directors appointed independent director Mauro Melis as Lead Independent Director, until the expiry of the term of office of the Board of Directors, i.e. until the Shareholders' Meeting called to approve the financial statements as at 31 December 2021.

On 16 December 2021, the Board of Directors, upon the proposal of the Lead Independent Director, approved a "Lead Independent Director Regulation" which, (i) identifies the aforementioned functions of the Lead Independent, (ii) regulates the operation of the so-called "Committee of Independent Directors" and (iii) clarifies what the Lead Independent Director's rights are in relation to access to corporate documentation.

With regard to the so-called "Meeting of Independent Directors" (i.e., the meeting of the independent directors, in the absence of the other directors), it met once during 2021 (on 13 December 2021), for the purpose of addressing the Lead Independent Director Rules.

## **5. MANAGEMENT OF CORPORATE INFORMATION**

In order to ensure the correct handling of corporate information, the Board of Directors has adopted (i) the "Code of Conduct for Internal Dealing" and (ii) a "Procedure for the management, handling and disclosure of significant and confidential information" concerning the Company.

### **5.1. Internal Dealing Code of Conduct**

The "Code of Conduct on Internal Dealing" was approved by the Board of Directors of the Company on 25 July 2016 and subsequently amended on 24 July 2018 and 22 October 2018, in compliance with EU Regulation No. 596/2014 ("MAR"), EU Implementing Regulation 2016/523 and EU Delegated Regulation 2016/522 as well as Article 114, paragraph 7, of the TUF and the relevant implementing rules contained in the Consob Rules for Issuers.

The so-called "Corporate Office" - which is identified with the Legal Department of the Company - as the responsible body - takes care of the receipt, management and diffusion on the market of significant

transactions carried out with regard to the Issuer's security and the related financial instruments, by "significant persons" and "closely related persons", as identified according to current legislation. In order to ensure the timely fulfilment of disclosure obligations, the aforementioned relevant persons are given specific information through the delivery of the Code of Conduct on Internal Dealing in which (i) the legislative and regulatory provisions that make up the reference regulatory framework are collected, (ii) the terms and methods for communications to Consob, the Issuer and the market are indicated; (iii) the persons who are closely associated with the Issuer are asked to declare; and (iv) the regulations concerning the so-called "confidentiality" are indicated. "blocking-out period", i.e. the prohibition for relevant parties to carry out transactions during specific periods of the year (coinciding with the thirty calendar days preceding the announcement of accounting/financial data relating to the draft annual financial statements, the consolidated financial statements, the half-yearly financial report, the additional information in March and September).

## 5.2. Procedure for the management, processing and disclosure of relevant and inside information

The "Procedure for the management, processing and disclosure of relevant and confidential information" contains the provisions relating to the internal management and external communication of documents and information concerning Sogefi and (to the extent relevant to Sogefi) its subsidiaries, with particular reference to the so-called "Material and Privileged Information", as well as provisions concerning the keeping and updating of lists of persons having access to Material and Privileged Information. The Procedure was adopted on 24 July 2018 and 22 October 2018 in compliance with the regulatory provisions on "market abuse" and the guidelines formulated in this regard by the Supervisory Authority and, in particular, in accordance with the Guidelines for the Management of Inside Information issued by Consob in October 2017 and is aimed in particular at ensuring (i) maximum discretion and confidentiality in the management of Material and Privileged Information; (ii) compliance with the principles of transparency and truthfulness in communicating such information externally; and (iii) the proper keeping and constant updating of lists of persons having access to Material and Privileged Information.

The "Code of Conduct on Internal Dealing" and the "Procedure for the management, processing and communication of significant and privileged information" are available on Sogefi's website in the "Shareholders - Corporate Governance" section.

## 6. COMMITTEES WITHIN THE BOARD (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTER D), TUF)

The Board of Directors has set up three committees: (i) the Control, Risks and Sustainability Committee (also "CCReS"), (ii) the Appointments and Remuneration Committee (also "CNR") and (iii) the Committee for Related Party Transactions (also "COPC"). The committees are all composed of non-executive and independent directors. The composition of the committees is outlined below:

NAME AND SURNAME	CCRES	CNR	COPC
Patrizia Canziani	○		○
Roberta Di Vieto	●		●
Mauro Melis	○	●	○
Ervino Riccobon		○	
Christian Streiff		○	

○ indicates a member

● indicates the president

The Company, availing itself of the option provided for by the Code of Borsa Italiana (see recommendation no. 16), in view of the Group's organisational structure and taking into account the skills expressed by the appointed members, decided to combine the functions of the appointments and remuneration committees into a single committee, the Appointments and Remuneration Committee.

Compositions, tasks and operating procedures are defined not only in Sogefi's Code but also more analytically in the relevant regulations.

However, some brief information is provided below: *(i)* for the CNR under points 7 e 8; and *(ii)* for the CCRoS under point 9.3; and *(iii)* for the COPC under point 10.

## **7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - NOMINATION COMMITTEE**

### **7.1. Self-Assessment and Succession**

The Board of Directors, as set out in Sogefi's Code, shall carry out an annual self-assessment of its performance at the end of each fiscal year or, at the latest, in the first quarter of the following fiscal year.

The Board of Directors has assigned the Appointment and Remuneration Committee the task of instructing the self-assessment activity.

The self-assessment process can occur in two ways:

- > the "internal" method, which involves administering a questionnaire to all directors, using a system that guarantees the anonymity of the questionnaires, and the internal processing of the results by the Secretary of the Board, under the supervision of the CNR, which intervenes directly in the validation of the questionnaire, analysis and interpretation of the results and the return of the same to the Board of Directors, possibly formulating proposals for improvement;
- > the "external" modality, which involves the appointment of a consultant by the CNR to carry out the activity of support for the self-assessment, the administration of a questionnaire possibly accompanied by an interview with each Director (in addition to any other activities determined from time to time by the CNR e.g., peer review and, review of the Board of Directors' documentation), and, as in the previous case, the analysis and interpretation of the results and any proposals for improvement are in the first instance shared with the CNR and subsequently with the Board of Directors.

It is expected that the "external" mode must be adopted at least once during the three-year term of the Board of Directors.

With reference to the self-assessment for the 2021 fiscal year it:

- > was carried out by adopting the "internal" modality, through the administration of a questionnaire;
- > addressed the following areas, among others: *(i)* size and composition of the Board of Directors; *(ii)* number, frequency and scheduling of meetings; *(iii)* information flows to the Board of Directors; *(iv)* functionality of the decision-making process *(v)* information provided by the Managing Director; *(vi)* shareholder and market relations disclosures; and *(vii)* composition and functioning of the Committees.

The results of the self-assessment, which were presented to the Board of Directors by the Chairman of the Appointment and Remuneration Committee, can be summarized as an overall very positive assessment of: size, composition and operation of the Board, role of the President in the organisation and management of the Board, timing and quality of pre-Council information, quality of sharing at Board meetings, input from committees (by way of example only, 90% of responses indicate satisfaction). Areas for possible improvement are identified in the time spent on purely strategic and organisational issues.

With regard to the process of director succession, the Board of Directors shall ensure that it is transparent and functional to achieve its optimal composition. In this regard, pursuant to Sogefi's Code, the Board of Directors:

- > may draw up reasoned proposals to the shareholders' meeting regarding the size of the administrative body and, if deemed necessary, its composition and the duration of mandates;
- > may forward to the shareholders, prior to the appointment of the new board, its guidelines on the optimal composition of the board and on the skills and professionalism whose presence on the board is considered appropriate. During the term of validity of Sogefi's new Code, which includes the above provisions, the Shareholders' Meeting has never been called upon to appoint directors.

With regard to the replacement of Directors who have ceased to hold office, reference is made above under point 4.3.2.

## **7.2. Appointments Committee**

The Appointment and Remuneration Committee is composed of three directors, all of whom are non-executive and independent and have appropriate experience in accounting and finance and remuneration policies.

As provided for in the "*Rules of the Appointments and Remuneration Committee*", the work is coordinated by the Chair of the committee, the meetings are duly minuted with the assistance of the Secretary of the Board of Directors (who also acts as secretary to the CNR), the Board of Auditors takes part in them and the Chairman of the committee reports on the work carried out to the Board of Directors at the first useful meeting of the latter. No individuals who are not members of the committee or the board of directors shall attend committee meetings, except for the Secretary of the Board of Directors and (after notifying the chief executive officer) other employees of the Company called by the committee to perform support functions or provide information.

In addition to the tasks assigned to it with regard to remuneration, the Appointment and Remuneration Committee carries out advisory, proposal and monitoring functions concerning the composition of the Board, the succession of directors and self-assessment activities. In particular, in the aforementioned areas, the CNR provides support to the Board of Directors on the following issues:

- > definition of the optimal composition of the board of directors and its committees (size, managerial and professional profiles and skills deemed necessary, diversity criteria);
- > making recommendations on the composition of the Board of Directors, with a view to each reappointment;
- > identification of candidates for the office of director in the event of co-option pursuant to Article 2386, paragraph 1, of the Civil Code;
- > definition of the maximum number of positions as director or auditor that the Company's Directors may hold in companies listed on regulated markets (including foreign markets), financial companies, insurance companies and companies of significant size, taking into account the participation of directors in committees set up within the Board;
- > conducting the self-evaluation process for the board and its committees;
- > preparation and revision of the Succession Plan in the event of early replacement of the Chair or Managing Director and performance of the preliminary functions it provides for in order to identify the replacement.

In 2021, the Appointments and Remuneration Committee met 6 times (including sessions involving compensation) and the meetings were always attended by all members and at least one member of the Board of Auditors.

The average duration of the meetings was just under 2 hours. The following, major, topics were addressed during these meetings:

- > remuneration policy and related provisions of Sogefi's Code;
- > 2021 remuneration policy and remuneration paid in the fiscal year 2021;
- > assessment of the adequacy, consistency and practical application of the 2020 remuneration policy;
- > remuneration of directors holding special positions;
- > stock grant plans;
- > remuneration of the Executive in charge;
- > board self-assessment for fiscal year 2020;
- > new "*Regulation of the Appointment and Remuneration Committee*";
- > executive director succession plans;
- > board self-assessment for fiscal year 2021.

The committee was always able to access the information and business functions it required to perform its duties.

The Appointments and Compensation Committee occasionally invited the Chairman or the Managing Director to speak to provide information or views that the committee wished to acquire.

During this year and as of the date of this Report, the committee met on one occasion; three additional meetings are scheduled for the remainder of the year.

## **8. REMUNERATION OF DIRECTORS - REMUNERATION COMMITTEE**

The Board of Directors has defined a remuneration policy, adopting the principles and recommendations of the Corporate Governance Code of Borsa Italiana on remuneration.

For any further details on remuneration, reference should be made to the "*Report on remuneration policy and compensation paid*" prepared during 2021 (with reference to 2021 as regards policy and 2020 as regards remuneration paid), published on the Company's website in the "*Governance*" section. With reference to the remuneration for the year 2022 and the fees paid in 2021, reference should be made to the "*Report on the remuneration policy and fees paid - 2022*", which is currently being published within the legal terms on the Company's website in the "*Shareholders - Corporate Governance*" section.

With respect to compensation, the CNR provides support to the Board of Directors in the following areas:

- > assists the Board of Directors in drawing up the remuneration policy and monitors its implementation;
- > makes proposals or expresses opinions on the remuneration of directors holding particular offices, the General Manager and Executives with strategic responsibilities;
- > makes proposals or expresses opinions on the criteria and objectives for the implementation of the variable component of remuneration;
- > makes proposals or expresses opinions on share-based plans, including *(i)* the rules of the plans, with particular regard to the conditions and terms for the vesting of rights, *(ii)* the beneficiaries and *(iii)* the extent of the rights to be allocated;
- > verifies the actual achievement of the targets set for the accrual of the variable component of

remuneration and the rights of the plans and makes the relevant proposal to the Board of Directors;

- > periodically assesses the adequacy, consistency and practical application of the policy for the remuneration of directors and top management.

The “*Regulation of the Appointments and Remuneration Committee*” specifies that in any case no director or manager takes part in the meetings of the committee in which proposals are made to the Board regarding his/her own remuneration.

## **9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM-CONTROL AND RISK COMMITTEE**

### **9.1. Introduction**

During 2021 and early 2022, in implementation of Sogefi's Code, the Company updated its internal control and risk management system.

In this regard, the Company has updated its "*Guidelines on the internal control and risk management system*" (the "**Guidelines**").

The Guidelines define an internal control and risk management system ("**SCIGR**") that identifies a set of rules aimed at contributing to:

- > compliance with current legislation, the Articles of Association and internal regulations (e.g. policies, procedures and operating practices) in force from time to time;
- > to the reliability, trustworthiness and accuracy of financial and non-financial information;
- > to a management of the company, based on the adoption of conscious decisions, that is healthy, correct, prudent and consistent with the company's objectives; and;
- > to reduce the possibility of poor management decisions being made or fraudulent circumvention of the SCIGR;
- > the effective and efficient implementation of business processes;
- > to the achievement of the Company's sustainable success;

through an adequate process of identification, measurement and management of the main management and compliance risks, the monitoring of these risks, of the mitigation measures and of any corrective actions identified, the structuring of adequate information flows and the coordination of the players involved.

This SCIGR is inspired by and aligned with national and international best practices. In particular, the Company has defined the SCIGR in line with and according to the recommendations of the Corporate Governance Code as implemented by the Company with Sogefi's Code and in accordance with the so-called CoSO Report, which is the internationally recognized normative framework for understanding, analysing and evaluating system effectiveness in an integrated way.

The SCIGR is divided into three levels of control, consistent with the so-called "three lines" model and related principles, to support the identification of the structures and processes that can best assist in the achievement of objectives, facilitating robust governance and risk management processes. In the aforementioned "three-line" model, the Board of Directors, assisted by the Control, Risk and Sustainability Committee, defines the guidelines, deploys the necessary resources, ensures the necessary organisational delegation and subsequent supervision.

SCIGR's three levels of internal control are outlined below.

<i><b>I Livello di Controllo</b></i>	<i><b>II Livello di Controllo</b></i>	<i><b>III Livello di Controllo</b></i>
<i>I risk owners, e i componenti del management in generale, identificano, valutano, gestiscono e monitorano i rischi di competenza in relazione ai quali individuano ed attuano specifiche azioni di trattamento</i>	<i>Le funzioni aziendali di controllo dei rischi articolate in relazione a dimensione, settore, complessità e profilo di rischio dell'impresa, garantiscono esperienza, supporto, monitoraggio in relazione a specifici domini di rischio e di controllo interno (es. funzione Risk Management, Dirigente Preposto)</i>	<i>La funzione Internal Audit svolge un'attività indipendente e obiettiva di assurance e consulenza in relazione al sistema di controllo interno e di gestione dei rischi, finalizzata al miglioramento dell'efficacia e dell'efficienza dell'organizzazione</i>

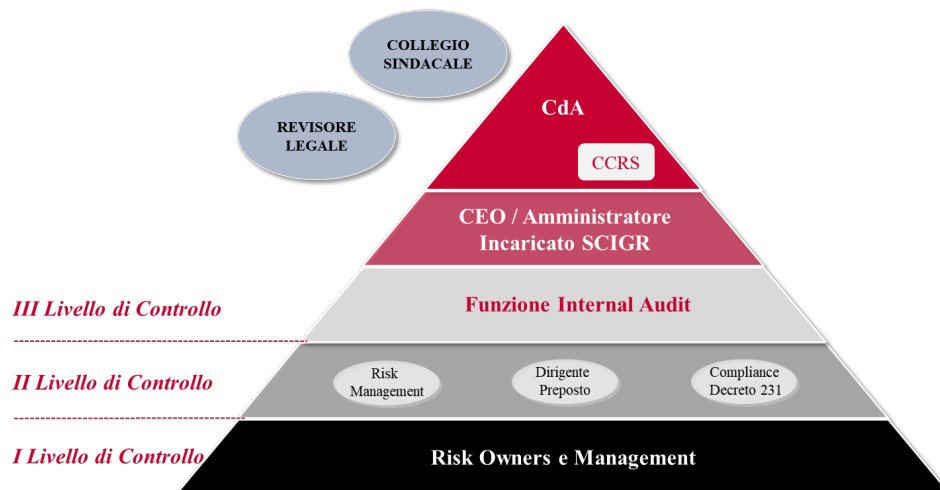
The organisation of the SCIGR involves the following actors, each for their own expertise:

- > the Board of Directors, which plays a role in providing guidance and assessing the adequacy of the system and, in particular:
  - defines the guidelines of the SCIGR in line with the Company's strategies and profile and assesses, at least annually, its adequacy and effectiveness;
  - appoints and removes the Director in Charge;
  - after consulting the Board of Auditors, he appoints and revokes the Manager in charge of preparing the company's financial reports, ensuring that he meets the requirements of professionalism and honourableness required by current legislation, determining his remuneration and the duration of his appointment and granting him adequate powers and means to perform the functions assigned to him by law;
  - appointing and revoking, after consulting the Board of Auditors, the head of the Internal Audit function, defining his/her remuneration in line with company policies, and ensuring that he/she is provided with adequate resources to perform his/her duties;
  - assigns to the Supervisory Body the supervisory functions pursuant to art. 6, paragraph 1, letter b) of Decree 231;
- > the Board in order to ensure coordination among the various entities involved in SCIGR:
  - it approves, on an annual basis, after consulting the Board of Auditors, the work plan prepared by the head of the Internal Audit function ("**Audit Plan**");
  - analyses the periodic report prepared by the Internal Audit function;
  - analyses the periodic report prepared by the Risk Management function;
  - analyses the periodic report prepared by the OdV;
  - defines the nature and level of risk compatible with the company's strategic objectives, including in its assessments all elements that may be relevant to the company's sustainable success;
  - assesses the opportunity to adopt measures to guarantee the effectiveness and impartiality of judgement of the other company departments involved in controls (second level of control), checking that they have adequate professionalism and resources;

- assesses, in consultation with the Board of Auditors, the results set out by the Acting Auditor in any letter of suggestions and in the additional report addressed to the Board of Auditors;
- > the director in charge of the SCIGR (hereinafter also referred to as the "**Appointed Director**"), who is responsible for establishing the SCIGR and ensuring that it is appropriate to the nature and size of the business conducted by the Company. Also in compliance with art. 2381 of the Civil Code, the Appointed Director is identified as the Managing Director (or Chief Executive Officer);
- > the Control, Risk and Sustainability Committee, set up within the Board of Directors, with the task, among others, of supporting the Board's assessments and decisions relating to the SCIGR and the approval of periodic financial and non-financial reports;
- > the head of the Internal Audit department, responsible for verifying that the SCIGR is functioning, adequate and consistent with the guidelines defined by the Board of Directors;
- > the Risk Management function, which is responsible for identifying risks, defining their possible impacts and developing mitigation measures;
- > the Manager in charge, who carries out the tasks set out in the Company's Articles of Association (art. 21) and in the applicable regulations (*ex multis, art. 154-bis* of the TUF) and is - in brief - responsible for the control system on financial reporting;
- > the Company's Supervisory Body, which is responsible for overseeing the functioning of and compliance with Model 231;
- > the Board of Auditors, which monitors the effectiveness of the SCIGR.

Finally, the SCIGR also covers the so-called "other" cases "risk owners" and, more generally, the members of the management, in their role of persons responsible, each within their own sphere of competence and within the terms laid down by the corporate organisation, for identifying, managing and monitoring the risks inherent in the area of corporate operations they supervise.

Below is the summary view of the SCIGR stakeholders.



## 9.2. Chief Executive Officer

As provided for in the Guidelines (also in compliance with the provisions of art. 2381, paragraph 3, of the Civil Code), the Chief Executive Officer was assigned the role of Appointed Director with the task of ensuring the functionality and adequacy of the SCIGR in relation to the nature and size of the business carried out by the Company.

In particular, the Appointed Director:

- > implements the guidelines defined by the Board of Directors, overseeing the implementation and management of the SCIGR, verifying its adequacy and effectiveness, as well as its adaptation to the dynamics of the operating conditions and the regulatory context (also with the support of the competent company departments);
- > with the support of the Risk Management function, is responsible for identifying the Company's main business risks, taking account of the characteristics of the activities carried out, and periodically submits them for examination to the Board of Directors;
- > with the support of the Risk Management function, assesses the possible impact of the risks of the subsidiaries on the Company, as independently defined and communicated by them;
- > may entrust the Internal Audit function with the carrying out of checks on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions, notifying at the same time the Chair of the Board of Directors, the Chair of the CCRoS and the Chair of the Board of Auditors (except where, for reasons of effectiveness of the check, it is appropriate to act without all or part of such communications);
- > promptly reports to the CCRoS, or to the Board of Directors, on problems and critical issues concerning corporate risks which have arisen in the performance of its activities or of which it has become aware.

During fiscal year 2021, the Chief Executive Officer:

- > with the support of the Risk Management function, it identified the main corporate risks, taking into account the characteristics of the activities carried out by the Issuer and its subsidiaries, and submitted them periodically to the Board of Directors for examination;
- > implemented the guidelines in force at the time, taking care of the planning, implementation and management of the internal control and risk management system, constantly checking its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legislative and regulatory context, promoting the above-mentioned update which led to the approval of the new Guidelines;
- > reported promptly to the Control, Risk and Sustainability Committee on problems and critical issues that arose during the performance of its activities or of which it became aware, so that the Committee could take the appropriate initiatives.

### **9.3. Control, Risk and Sustainability Committee**

The Control, Risk and Sustainability Committee is composed of three directors, all of whom are non-executive and independent, and have appropriate experience in accounting, finance and risk management.

As provided for in the "*Regulation of the Control, Risk and Sustainability Committee*", the work is coordinated by the Chair of the committee, the meetings are duly minuted with the assistance of the Secretary of the Board of Directors (who also acts as Secretary of the CCRoS), the Board of Auditors takes part in them and the Chairman of the committee reports on the work carried out to the Board of Directors at the first useful meeting of the latter and in any case at least every six months, coinciding with the examination of the annual and half-yearly financial reports.

The CCRoS performs advisory, propositional and monitoring functions on the Company's internal control and risk management system and on sustainability strategies and supports the Board of Directors in defining the guidelines of the Company's internal control and risk management system and in assessing its adequacy on an annual basis. The tasks assigned to it are those provided for in the Code of Corporate Governance, implemented by Sogefi's Code, the "*Regulations of the Control, Risk and Sustainability Committee*" and the "*Guidelines*". In particular, the CCRoS, with respect to the SCIGR:

- > supports the Board of Directors in the tasks and functions assigned to it in relation to the SCIGR, as referred to above under point 9.1;
- > after consulting the Manager in charge of preparing the company's financial reports, the Independent Auditors and the Board of Auditors, it assesses the correct application of the accounting standards and their uniformity with a view to drawing up the consolidated financial statements;
- > assesses the suitability of periodic financial and non-financial information to correctly represent the Company's business model, strategies, the impact of its activities and the performance achieved;
- > reviews the content of periodic non-financial information in the portion relevant to the SCIGR;
- > expresses opinions on the analysis and identification of the main corporate risks and supports the evaluations and decisions of the Board of Directors concerning the management of risks arising from prejudicial events of which the latter has become aware;
- > reviews the Company's Audit Plan- and proposes its adoption to the Board of Directors - and the reports prepared by the Internal Audit function;
- > monitored the autonomy, adequacy, efficacy and efficiency of the Internal Audit;
- > may entrust the Internal Audit function with the task of carrying out checks on specific operational areas, simultaneously notifying the Chairman of the Board of Directors, the Appointed Director and the Chairman of the Board of Auditors (except where, for reasons of effectiveness of the check, it is appropriate to act without all or part of these communications);
- > reports to the Board of Directors periodically (*i.e.*, on the occasion of the approval of the annual and half-yearly financial reports), on the adequacy of the SCIGR according to the parameter of art. 2381 of the Civil Code and the provisions of these Guidelines;
- > performs such other functions as may be assigned to it from time to time by the Board of Directors in connection with specific critical issues in SCIGR.

As provided for in the "*Regulation of the Control, Risk and Sustainability Committee*", the committee has (and was able to exercise during 2021) the power to access the information and corporate functions necessary to carry out its tasks and to make use of external resources and, to this end, the Board of Directors assigned the committee a specific expenditure budget, which was not used by the committee since, on all significant matters, the Company has taken steps, if deemed appropriate, to involve external consultants of primary standing and the committee did not consider it necessary to use consultants appointed by it.

In 2021, the committee met seven times and all members attended the meetings (except for one meeting in which one member was excused absent). The average duration of the meetings was over two hours.

In 2021 and early 2022, the committee conducted the following activities:

- > it verified the correct use of the accounting standards and their uniformity for the purpose of drawing up the financial statements and the consolidated annual report for 2020, having consulted the Manager in charge, the Independent Auditors and the Board of Auditors;
- > it verified the correct use of the standards adopted for the purpose of drawing up non-financial reports, having consulted the competent function, the Acting Auditor and the Board of Auditors;
- > analysed the main corporate risks on the basis of the report drawn up by the Risk Management function;
- > assessed the adequacy of the internal control and risk management system on the basis of reports prepared by the Internal Audit function;
- > monitored the autonomy, adequacy, efficacy and efficiency of the Internal Audit function;

- > examined and expressed its opinion on the annual Internal Audit plan of the Company;
- > examined the key results of the audit activities carried out, as resulting from the periodic reports prepared by the function;
- > systematically reported to the Board of Directors on the results of its assessments, also providing half-yearly and annual reports on the activities carried out;
- > it examined the update of the "*Regulations of the Risk Control and Sustainability Committee*", of the "*Procedure for drawing up and monitoring the implementation of the strategic, industrial and financial plans of the company and the group*", the "*Procedure on the criteria for identifying and approving transactions of strategic importance*", the "*Guidelines of the internal audit and risk management system*";
- > dealt with issues relating to sustainability (review of Sogefi's non-financial statement and ESG plans).

The Managing Director, the Manager in charge of drawing up the corporate accounting documents and the Head of the Internal Audit Department, the Head of the Risk Management Department attended some of the Committee's meetings, invited by the Committee's Chairman, in order to provide information or support.

The committee met twice during this year and as of the date of this Report; three additional meetings are scheduled for the remainder of the year.

#### **9.4. The Internal Audit**

With regard to the Internal Audit function, the Guidelines provide that:

- > in accordance with the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors and in compliance with the Company's Code of Ethics (an integral part of the 231 Model), Internal Audit is an independent and objective assurance and consultancy activity, aimed at improving the effectiveness and efficiency of the organisation; it assists the organisation in the pursuit of its objectives through a systematic professional approach, which generates added value as it aims to assess and improve control, risk management and corporate governance processes;
- > the head of the Internal Audit function is responsible for verifying that the SCIGR is functioning, adequate and consistent with these Guidelines and any further indications given by the Board of Directors;
- > the person in charge of the Internal Audit function:
  - has adequate expertise and professionalism in internal control and risk management;
  - is not responsible for any operational area;
  - reports hierarchically to the Board of Directors;
  - has direct access to all information needed to carry out the assignment;
- > the head of the Internal Audit function must carry out the following activities:
  - verifies, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the SCIGR, through the Audit Plan approved - after consulting the Board of Auditors - by the Board of Directors, based on a structured process of analysis and graduation of the main risks;
  - verifies, within the framework of the aforementioned Audit Plan, the reliability of information systems including accounting systems;
  - prepares individual audit reports on the activities carried out, which are shared on an event-

by-event basis with the Appointed Director, the bodies and functions involved (e.g. Supervisory Board, Appointed Manager, functions subject to audit) (except where, for reasons of audit effectiveness, it is appropriate to act without all or part of these communications);

- supports the other functions/control bodies (e.g. Supervisory Board, Executive in Charge), according to an integrated and coordinated approach aimed at maximising the effectiveness and efficiency of internal controls;
- prepares and transmits on a six-monthly basis, of the CCRoS and the Board of Directors and to the Appointed Director, except in cases where the subject matter of such reports specifically concerns the activities of such persons: *(i)* the Audit Plan for the year; *(ii)* a report containing adequate information on its activities *(iii)* an assessment of the suitability of the SCIGR; *(iv)* it prepares and transmits, also at the request of the Board of Auditors, reports on particularly significant events.

On 23 October 2012, the Board of Directors of the Company appointed Mr. Giorgio Imposimato as head of the Internal Audit function. The remuneration of the head of the Internal Audit department was defined in line with company policies and according to the activity assigned to him.

Consistent with the provisions of the prior guidelines and Sogefi's Code (and confirmed as of 25 February 2022 by the Guidelines, see below), the head of the Internal Audit function during 2021:

- > was not been responsible for any operational area;
- > is hierarchically answerable to the Board of Directors;
- > had direct access to all information relevant to the performance of the assignment;
- > verified, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, through the Audit Plan approved by the Company's Board of Directors on 26 February 2021, which was based on a structured process of analysis and prioritisation of the main risks;
- > prepared periodic reports containing adequate information on its activities, on the methods used to manage risks and on compliance with the plans defined for their containment, as well as an assessment of the suitability of the internal control and risk management system;
- > verified, as part of the Audit Plan, the reliability of information systems including accounting systems.

#### **9.5. Organisational model pursuant to Legislative Decree no. 231/2001**

Legislative Decree no. 231/2001 concerning "*Rules on the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law no. 300 of 29 September 2000*" and subsequent amendments and additions (the "**Decree 231**"), introduced the criminal liability of entities for acts fraudulently committed by persons having a special functional relationship with the Company, assuming that the unlawful conduct was carried out in the interest or to the advantage of the Company; liability which was also extended by Legislative Decree no. 61/2002 to the commission of corporate offences.

The decree provides for the possibility of exempting the company from liability if it can be proved that it has adopted and effectively implemented organisational models suitable for preventing criminal offences and that it has entrusted a body with autonomous powers of initiative and control with the task of supervising the functioning of and compliance with the model and ensuring that it is updated.

The Board of Directors of the Company, in order to prevent the commission of the offences provided for by Legislative Decrees no. 231/2001 and no. 61/2002, has provided for the setting up of a

Supervisory Body with the competences and powers established by the Code of Ethics. In addition, on 20 April 2004 the Board of Directors approved the "Organisational Model", which was subsequently supplemented following the extension of the regulations provided for in Legislative Decree 231/2001 and is available on the Company's website in the "Governance" section.

On 26 April 2019, the Board of Directors appointed as members of the Supervisory Board, pursuant to Legislative Decree 231/01, Andrea Gottardo, Giuseppe Bianchi and Vittorio Gennaro, who perform their function in coordination with the Internal Audit function.

The Company's Supervisory Body has supervised the functioning of and compliance with the Organisation, Management and Control Model adopted by the Company, verifying its effectiveness and formulating the necessary update proposals in light of regulatory developments.

During 2021, the Company's Supervisory Body held 4 meetings and oversaw the functioning of and compliance with the Organisation, Management and Control Model adopted by the Company, verifying its effectiveness and formulating the necessary update proposals based on regulatory developments.

In particular, as anticipated, during 2021, the Board of Directors, with the assistance of the Supervisory Body, monitored the implementation of its own Model 231 with a view, among other things, to *(i)* updating the catalogue of alleged offences in light of the recent regulatory changes, *(ii)* update the Company's risk assessment in light of the aforementioned regulatory changes and the Company's renewed organisational structure, *(iii)* increase the efficiency and effectiveness of the control protocols aimed at preventing the offences covered by Decree 231 that are relevant for the Company, also regulating the information flows (among other things) to the supervisory body pursuant to Decree 231 of the Company from its subsidiaries.

## **9.6. Independent auditors**

The Shareholders' Meeting held on 26 April 2017 resolved to appoint KPMG S.p.A. as independent auditors for the financial years 2017-2025.

During the Year, it examined the Additional Report required by Article 11 of EU Regulation no. 537/2014 prepared by the auditing firm KPMG S.p.A.

Prior to its assessment by the Board of Directors, the Additional Report was submitted for analysis to the Control, Risk and Sustainability Committee, which was informed by the Board of Auditors of the results of the audit of the 2020 financial statements contained in the Additional Report by KPMG concerning the legal audit of the Company's financial statements, and acknowledged that this document did not highlight any issues or critical points. The Board concurred with the Committee that no significant deficiencies were identified in the Company's system of internal control. The Board of Auditors also acknowledged that it had assessed the independence of the Independent Auditors.

## **9.7. Manager responsible for the preparation of corporate accounting documents**

In accordance with the provisions of the Articles of Association, on 26 July 2007 the Board of Directors appointed the Manager responsible for the preparation of the corporate accounting documents pursuant to Article 154-bis of the TUF. Since 1 August 2015 the position the Manager responsible for the preparation of the corporate accounting documents has been attributed to the Chief Financial Officer, Yann Albrand, who meets the law requirements having adequate experience in accounting and financial matters.

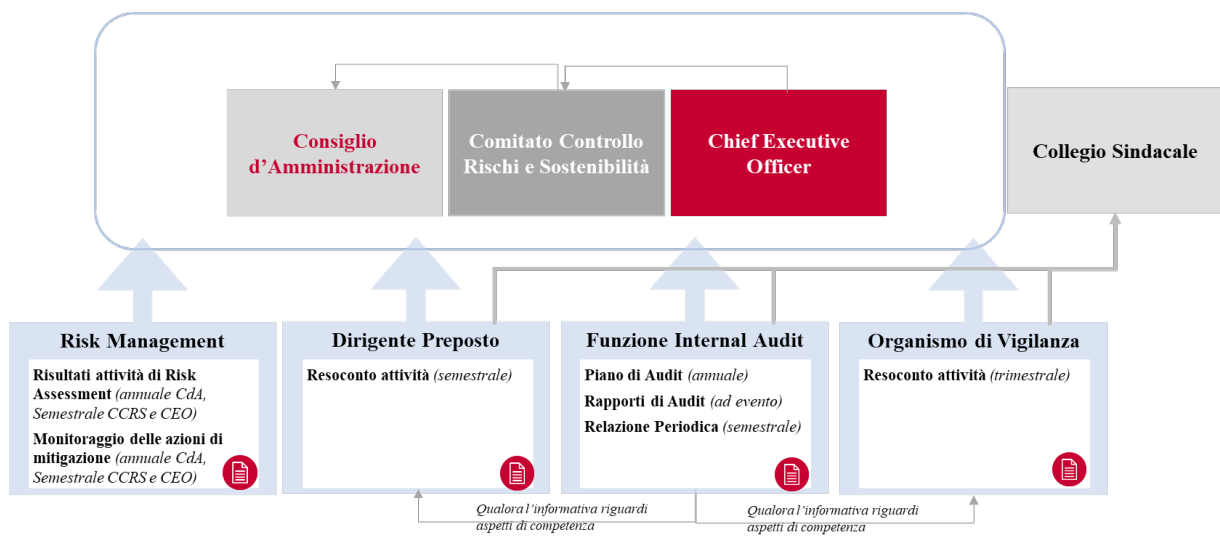
Pursuant to art. 24 of the Articles of Association, the appointment of the Manager responsible for the preparation of the corporate accounting documents is made by the Board of Directors, upon proposal of the Managing Director and in agreement with the Chairman, choosing among people with adequate experience in accounting and finance, after hearing the opinion of the Board of Auditors.

The manager in charge has adequate powers and means to carry out his/her duties, granted by means of a specific power of attorney.

### 9.8. Coordination between the parties involved in the internal control and risk management system

As anticipated in the preceding paragraphs, the Guidelines specify the methods of coordination between the subjects involved in the SCIGR, ensuring that the activities carried out by them are suitably documented and that the results are shared in special sessions of the Board of Directors itself and of the Risk Control and Sustainability Committee, which are held periodically at least once every six months, or more frequently if necessary.

In this regard, the following is a graphic representation of the main information flows provided for by the Guidelines:



Finally, the matrix of the main information flows towards the Company's corporate bodies and between corporate functions with control tasks is shown below.

Organo/Funzione Responsabile	Tipologia informativa/Documento	Periodicità	Soggetti Destinatari				
			CdA	Chief Executive Officer	Comitato Controllo, Rischi e Sostenibilità	Collegio Sindacale	Altre Funzioni
Funzione Risk Management	Risultati attività Risk Assessment	Annuale					• Funzione Internal Audit
	Risultati attività Risk Assessment	Semestrale					
	Resoconto monitoraggio delle azioni di mitigazione	Annuale					
	Resoconto monitoraggio delle azioni di mitigazione	Semestrale					
Dirigente Preposto	Resoconto attività	Semestrale					
Funzione Internal Audit	Piano di Audit	Annuale					• OdV e DP per aspetti di loro competenza
	Rapporti di audit	Ad evento					• OdV e DP per aspetti di loro competenza
	Relazione periodica	Semestrale					• OdV e DP per aspetti di loro competenza
Organismo di Vigilanza	Resoconto attività	Semestrale					
Chief Executive Officer	Criticità emerse nell'ambito del SCIGR	Ad evento					
Comitato Controllo, Rischi e Sostenibilità	Relazione sull'adeguatezza del SCIGR	Semestrale					

Recipients of

## 10. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

As anticipated, on 28 June 2021, the Board of Directors updated the "Regulations on Related Party Transactions", in accordance with the new "Regulations containing provisions on related party transactions" adopted by Consob with resolution 21624 of 10 December 2020. In the following weeks, the Company implemented the updated "Regulations on Related Party Transactions", ensuring, among other things, the periodic update of the Register of Related Parties and the preparation of the periodic reports by the Manager in charge of Preparation of the Company's Financial Reports.

The "Regulations governing Related Party Transactions" (available on the Company's website, in the "Governance" section, hereinafter also referred to as the "**Procedure**"):

- > determines the criteria and procedures for identifying the Company's related parties and updating the list of related parties;
- > sets out the principles for identifying transactions with related parties;
- > governs the procedures for carrying out transactions with related parties by the Company, identifying internal rules of conduct suitable for ensuring the transparency and substantial and procedural correctness of such transactions;
- > establishes the procedures for fulfilling the relevant disclosure obligations.

The procedure is available on the Company's website, in the "Shareholders-Corporate Governance" section.

The Board of Directors has established a Committee for Related Party Transactions. As already mentioned (see above under point 6), the COPC is composed of 3 directors, all of whom are non-executive and independent: Roberta Di Vieto, Mauro Melis and Roberta Canziani. The Board believes that this composition ensures that the committee has adequate accounting, financial and risk management experience.

As provided for in the "Regulation of the Committee for Related Party Transactions" adopted on 16 December

2021, the work is coordinated by the Chairman of the Committee, the meetings are duly minuted with the assistance of the Secretary of the Board of Directors (who also acts as secretary of the CCRoS), the Board of Auditors takes part in them and the Chairman of the Committee reports on the work carried out to the Board of Directors at the first useful meeting of the latter.

The committee performs advisory, proposing and monitoring functions and supports the Board of Directors with regard to transactions with related parties, pursuant to the Procedure. Specifically, the COPC has the following duties (capitalised terms are defined in the Procedure):

- > to assess and express an opinion on all Related Party Transactions other than the so-called "Transactions with Related Parties". Exempt transactions;
- > evaluate and render an opinion on Exempt Transactions if so requested by the Chairman of the Board of Directors, the Chief Executive Officer or the Board of Directors of the Company as a whole;
- > verify the correct application of the exemption conditions with regard to Ordinary Transactions concluded at Market Equivalent or Standard conditions that are Major Transactions;
- > verify, at least annually, the adequacy of the Procedure;
- > carry out any further tasks assigned to it by the Board of Directors of the Company and/or provided for in the Procedure (as amended from time to time).

In 2021, the committee met twice and all members attended the meetings. The duration of the meetings was about two hours.

In particular, during the Year, the Committee for Related Party Transactions met to examine the proposed revision of the Procedure relating to the Discipline of the Company's Related Party Transactions, in relation to Consob regulation no. 21624 of 10 December 2020, expressing itself favourably, as well as examined a proposal for the Committee's Regulations.

There have been no changes in the composition of the Committee for Related Party Transactions since the end of the Financial Year.

For the current fiscal year, the committee has scheduled three meetings, one of which has already been held.

With reference to the operating solutions suitable to facilitate the identification and adequate management of situations in which a director has an interest on his own behalf or on behalf of third parties, the Procedure for Transactions with Related Parties of the Company provides that the Managing Director shall identify a function to be entrusted with the responsibility of establishing, keeping updated and disseminating the list of Related Parties (the "Register of Related Parties"). The Managing Director has identified the General Counsel of the Issuer as the person entrusted with the responsibility of setting up, keeping updated and disseminating the Register of Related Parties. In this regard, and most recently when the Procedure for Related Party Transactions was updated, the following was done

- > require Executives with Strategic Responsibilities to complete, sign and return to the Company, no later than 5 (five) working days after delivery of the Procedure, the form set out in Annex 1 attached;
- > send to the Executives with Strategic Responsibilities and to all managers of the Company with powers of representation of the same or of one of its subsidiaries the updated list of Related Parties.

Executives with Strategic Responsibilities are required to promptly report any changes to the information already provided

Moreover, if, in relation to a specific transaction, there are one or more directors on the Committee for Related Party Transactions who are counterparties or related parties of the counterparty, these are

replaced with independent unrelated directors, to be identified among those most senior in descending order with respect to the duration of their office on the Board of Directors of the Company or, in case of equal seniority of office, with the member with the greatest seniority. If a transaction between related parties is within the competence of the Board of Directors, any directors involved in the transaction must abstain from voting on it, even though their presence is counted for the purposes of achieving the *quorum* required by law or the Articles of Association.

## **11. BOARD OF AUDITORS**

### **11.1. Nomination**

The appointment of Acting Auditors and the functioning of the Board of Auditors are governed by applicable legislation, by art. 26 of the Articles of Association and referred to in art. 2 of Sogefi's Corporate Governance Code.

The Board of Auditors is made up of three Acting Auditors and three alternate auditors, who remain in office for three financial years and may be re-elected.

The Board of Auditors is appointed by the Shareholders' Meeting on the basis of lists submitted by shareholders consisting of two sections: one for candidates for the office of Acting Auditor, the other for candidates for the office of Alternate Auditor and, in each section, the candidates are listed in progressive order. Lists with three or more candidates must include candidates of both genders in each section.

The lists of candidates, signed by the shareholders submitting them, must be lodged within the time limits and in the manner provided for by the applicable regulations.

Lists may only be submitted by shareholders who, alone or together with others, represent at least 2.5% of the share capital or such other percentage as may be determined by law or regulation, with the burden of proving ownership of the required number of shares, within the time limits and according to the procedures laid down by law.

Together with each list, within the aforementioned deadline, declarations are deposited in which the individual candidates accept their candidacy and certify, under their own responsibility, the non-existence of causes of ineligibility and incompatibility, and the existence of the requirements prescribed by law and regulations in force for members of the Board of Auditors.

The lists are also accompanied by a *curriculum vitae* concerning personal and professional characteristics, with an indication of the positions of administration and control held in other companies.

The election of the members of the Board of Auditors shall take place as follows:

- > from the list which obtained the highest number of votes during the Meeting, two acting members and two alternate members are taken, in the numerical order in which they were listed in the sections concerned;
- > The other statutory member and the other alternate member are taken from the second list that obtained the highest number of votes at the Shareholders' Meeting ("minority list") and that is not connected, even indirectly, with the shareholders who submitted or voted for the list that obtained the highest number of votes, on the basis of the progressive order with which they are listed in the sections of the list;
- > if only one list is presented, all of the acting and alternate auditors are taken from that list.

If the application the procedure referred to in the previous points does not allow the gender balance prescribed by current legislation to be respected, the last elected candidate on the section of the list obtaining the highest number of votes of the most represented gender shall fall from office and shall be

replaced by the first non-elected candidate on the same list and in the same section of the least represented gender. If none, the assembly shall integrate the Board of Auditors pursuant to the majorities foreseen by the law, thus ensuring the requirement fulfilment.

The chairmanship of the Board of Auditors shall go to the candidate on the minority list that obtained the highest number of votes. If only one list is presented, the first candidate for Auditor on the list is appointed as Chairman of the Board of Auditors.

In the event of the replacement of an Acting Auditor, the alternate auditor belonging to the same list as the outgoing auditor takes over, ensuring compliance with the requirements of the law and the Articles of Association, specifically taking into account the obligation of gender balance.

## **11.2. Composition and Functioning (Ex Art. 123-Bis, Paragraph 2, Letters D) and D-Bis), TUF)**

The Board of Auditors currently in office was appointed by the Shareholders' Meeting on 23 April 2021, with a three-year term of office, which will therefore expire with the approval of the Annual report as at 31 December 2023. Two members of the Board of Auditors, Giovanni Barbara and Rita Rolli, were taken from the list submitted to the meeting by the controlling shareholder CIR S.p.A. and one member, Daniela Delfrate, from a list submitted by a minority shareholder, Yoda s.s., holding a 1.665% stake. For further details, please refer to the attached Table 3.

The Board of Auditors met 15 times during 2021. The Acting Auditors were involved in update meetings that provided them with an adequate knowledge of the business sector in which the Company and its main subsidiaries operate, of company dynamics and of risk management. In particular, they attended the meetings of the Risk and Sustainability Control Committee and spoke with the Internal Audit Department and the Supervisory Body.

The average duration of the meetings was about two hours.

For the current current year, the Board of Auditors has scheduled 10 meetings, of which 7 already held.

There have been no changes in the composition of the Board of Auditors since the end of the Financial Year.

The composition of the Board of Auditors is adequate to ensure the independence and professionalism of its function. The adequacy check is carried out upon appointment, by means of the filing of declarations by the candidates for the position of Auditor, in which they state that there are no reasons for ineligibility and incompatibility as provided for by law, and that they comply with the independence, honourableness and professionalism requirements set out by current legislation and the Company's Articles of Association. The Board of Auditors verifies compliance with the said criteria after the appointment and during the term of office if circumstances relevant to independence occur and in any case on an annual basis, and the Company informs the market and provides information about it in the annual corporate governance report.

During the financial year, the Company's Board of Auditors, following notification to its colleagues by the Chair, Dr. Delfrate, assessed whether the requirements of professionalism and honourableness continued to apply to her. After conducting an in-depth investigation by examining the documentation made available by Dr. Delfrate and on the basis of the information received, the Acting Auditors Barbara and Rolli considered that there were no reasons to believe that the requirements of professionalism and integrity of the Acting Auditor Dr. Delfrate in relation to his position as a member of the Board of Auditors of Sogefi S.p.A. had been breached. With regard to this matter, the same colleagues of the Board of Auditors have requested that Dr. Delfrate provide immediate information should any new element emerge, with the undertaking to keep the Board of Directors promptly informed.

The Board of Directors of the Issuer received information on the event that involved Dr. Delfrate during the meeting held on 22 October 2021.

### *11.2.1. Diversity Criteria and Policies*

In line with the provisions of Sogefi's Corporate Governance Code, the Board of Auditors also has an adequate diversity, in terms of gender, age, experience/seniority, professional skills, education and international dimension. On occasion of their appointment, all the Acting Auditors have deposited the declarations whereby they stated non-existence of any cause of ineligibility and incompatibility provided by the law, as well as the possession of independence, professional and integrity requirements as stipulated by the law in force and by the Articles of Association of the Company. With particular reference to gender balance, at least one third of the control body shall be made up of the least represented gender.

In 2021 the Board of Auditors verified compliance with the said criteria, ensuring that the results of this check were published in this Report.

### *11.2.2. Independence*

Article 2 letter D) of the Company's Corporate Governance Code expressly states that all auditors must meet the requirements of the law and must be independent pursuant to Article 148, paragraph 3 of the TUF, as well as according to the criteria set forth in the Corporate Governance Code itself, as referred to for directors.

### *11.2.3. Remuneration*

According to Article 2, letter D) of the Company's Corporate Governance Code, the remuneration of Acting Auditors is commensurate with the commitment required, the importance of the role covered and the size and sector characteristics of the Company.

### *11.2.4. Interest Management*

Article 6 of the Company's Corporate Governance Code provides that any member of the supervisory body who, on his own behalf or on behalf of third parties, has an interest in a particular transaction of the Company shall promptly and fully inform the other members of the same body and the chairman of the board of directors of the nature, terms, origin and extent of his interest.

## **12. RELATIONS WITH THE SHAREHOLDERS**

### **12.1. Access to information**

The Company has created the "*Shareholders - Shareholders and Investors*" section on its website, in which information of major importance to its shareholders is made available, such as strategy, highlights of key financial data, financial statements, presentations dedicated to shareholders, press releases and the performance of Sogefi's stock on the Stock Exchange, as well as information on the Company's Corporate Governance.

The person in charge of handling relations with shareholders (Director of Investor Relations) is Yann Albrand, who also holds the position of Director of Group Administration, Finance and Control (Chief Financial Officer) and Manager in charge of drawing up the corporate accounting documents.

### **12.2. Dialogue with shareholders**

On 19 March 2021, the Board of Directors adopted a policy for managing dialogue with the general public. This policy is based on both (i) the general principle of providing correct, clear and timely information on the performance of the Company and the Group it heads and on significant corporate transactions, i.e. those capable of significantly influencing the price of listed financial instruments; and (ii) the general principle of guaranteeing equal access to information.

As regards the procedures for implementing this policy, on the occasion of the publication of the annual and half-yearly results, the Company organises a conference call for shareholders, during which the

Managing Director and the manager in charge of handling relations with shareholders explain and comment on the results for the period.

The policy for managing dialogue with shareholders can be consulted in the "Corporate Governance" area of the "Shareholders - Shareholders and Investors" section of the Sogefi website.

### **13. *SHAREHOLDERS' MEETINGS (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTER C), TUF***

The functioning of the shareholders' meeting is governed by Articles 10-16 of the articles of association.

In particular, the procedures and terms for convening meetings are governed by Article 10 of the Articles of Association. Each share gives the right to one vote.

The General Meeting of Shareholders held on 27 April 2001 approved and subsequently updated the Regulations for General Meetings, which can be consulted on the Company's website under "*Shareholders - Corporate Governance*", and which govern the procedures for attending, participating in and voting at General Meetings. Shareholders entitled to exercise their voting rights may ask to speak on the matters under discussion, making comments and requesting information, to which the Chair of the Board of Directors will reply.

The Board of Directors shall make available to the shareholders, within the time limits laid down by the regulations in force, a file containing the proposals on the agenda of the Shareholders' Meeting, the related material to be discussed and the answers to the questions submitted by the shareholders.

As far as possible, all the Directors and Auditors will attend the Meetings, especially those Directors who, because of the positions they hold, can make a useful contribution to the discussion at the Meeting; during the approval of the Financial Statements, a presentation is given in order to provide the shareholders with adequate information on the Company's performance and the activities carried out. Speeches will be given by the Chair and the Managing Director.

With regard to the percentages established for the exercise of the prerogatives set out to protect minorities, the Articles of Association provide for a minimum percentage of votes, equal to one fortieth of the voting capital, for the presentation of lists for the appointment of the Board of Directors and the Board of Auditors. A director and the Chair of the Board of Auditors will be drawn from the second list.

The Appointment and Remuneration Committee reports to shareholders on how the committee exercises its functions through this Report, as well as the Report on Compensation Policies and Compensation Paid.

### **14. *FURTHER CORPORATE GOVERNANCE PRACTICES (pursuant to Article 123-bis, paragraph 2, letter a), TUF***

#### **14.1. Code of Ethics**

The Board of Directors has approved, and subsequently updated (last update, February 2018), the Group's code of ethics, with the aim of clearly and transparently defining the set of values that the Group adheres to in order to achieve its objectives and establishing principles of conduct that are binding on Directors, employees and others who have dealings with the Group. The text of the code of ethics can be found on the Company's website in the "*Shareholders - Corporate Governance*" section.

#### **14.2. Non-financial statement and "ESG" responsibility**

The Company has always believed that management should aim for "sustainable success" and has incorporated into Sogefi's Code the emphasis of the Corporate Governance Code.

The Board of Directors has defined as one of the priorities for the year 2021 the determination and integration in the multi-year plans of environmental, social and governance ("ESG") objectives, also including the achievement of "ESG" objectives among the parameters for evaluating the performance of top management in line with Italian and international best practices.

During 2021, the Managing Director defined the guidelines for the Company's ESG plan. On 28 June 2021, the Board of Directors approved "*Guidelines for the Sogefi Group Sustainability Plan for the period 2022-2025*" and on 21 January 2022 approved the "*ESG Plan 2022-2025*", integrated into the Company's business plan.

The Group's Sustainability Report for 2021 has been prepared in accordance with the standards issued by the *Global Reporting Initiative*, commonly referred to as "*GRI Standards*". The Sustainability Report is the main tool for communicating the Company's and the Group's pursuit of sustainable success and for summarising the commitment to conducting business with the aim of creating value not only for shareholders but also for other stakeholders.

Group companies take part in the process of collecting data and non-financial information and drafting the document, with the aim of providing a clear and precise indication of the information considered significant for stakeholders in accordance with the principles of balance, comparability, accuracy, timeliness, clarity and reliability expressed by the GRI guidelines, as well as with the recommendations issued over time by ESMA and TFCO.

## **15. CHANGES SINCE THE END OF THE REPORTING PERIOD**

On 25 February 2022, the Company's Board of Directors approved the appointment, effective 1 May 2022, of Olivier Proust as the new Chief Financial Officer and Investor Relator to replace Yann Albrand who has mutually terminated his employment with the Company and is scheduled to leave the same on 30 April 2022. Mr. Proust has been with Sogefi since 2008 and currently holds the position of Head of Group Treasury.

In addition to his position as Chief Financial Officer, Mr. Albrand also served as the Company's Manager responsible for the preparation of the corporate accounting documents. The Board of Directors, having obtained the favourable opinion of the Board of Auditors, resolved to appoint, with effect from 1 May 2022, Maria Beatrice De Minicis, who has been with Sogefi since 2004 and is currently responsible for the consolidated financial statements and reporting of the Company, as the Manager responsible for the preparation of the corporate accounting documents.

## **16. CONSIDERATIONS ON THE LETTER FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE**

The Company has positively considered the invitation contained in the letter from the Chairman of the Corporate Governance Committee dated 3 December 2021, the contents of which were submitted to the Committees, the Board of Directors and, to the extent of their competence, the Board of Auditors of the Issuer.

The Board of Directors agrees with the recommendations contained therein and acknowledges that all the issues to which the Committee has drawn the attention of the issuers have been identified and are the subject of constant in-depth examination by the Board and the Committees, in order to pursue, where not yet fully achieved, alignment with best practices.

The Board of Directors has given a very favourable assessment of the new approach to the proportionality introduced by the Corporate Governance Code aimed at favouring the needs and peculiarities of smaller companies with a strong controlling shareholder. The Company belongs to the

"non-large" and "concentrated" category of issuers and judges both the categories and the flexibility identified by the Corporate Governance Code to be highly relevant. With regard to the Company's choices, in some cases the Company has decided to take full or partial advantage of the flexibility provided by the Corporate Governance Code while in others it has adhered to the more demanding requirements of the Code set forth for "large" or "non-concentrated" companies.

Regarding the [sustainability integration recommendation](#) business in the definition of strategies, the internal control and risk management system and the remuneration policy, Sogefi's new Corporate Governance Code identifies sustainable success and the creation of long-term value for the benefit of shareholders as the guiding principle for the activities of the Board of Directors. In the same direction is the extension of the responsibilities of the Control and Risk Committee, now the Control, Risk and Sustainability Committee, to sustainability issues. Moreover, through the Non-Financial Report, prepared in accordance with Legislative Decree 254/2016, the group has for years provided comprehensive and transparent disclosure to the market on the main sustainability objectives, indicators and initiatives carried out by the company, highlighting a growing awareness and corporate culture towards sustainable business activity. In 2021, *(i)* the Board of Directors assigned the Managing Director and General Manager the task of formulating strategic guidelines for the group, incorporating specific ESG objectives; *(ii)* the Guidelines of the Sogefi Group Sustainability Plan for the period 2022-2025 were then approved *(iii)* the objectives in terms of sustainability, whether relating to the business or to its environmental and social impacts, were then integrated into the strategy and policies of the Company, incorporating them into the multi-year business plan approved by the Board of Directors in January 2022 (the *2022-2025 Plan*); and *(iv)* from 2022, sustainability parameters are integrated as elements of the compensation policies, providing in particular that they are part of the key performance indicators and targets to which the accrual of variable compensation is linked.

With regard to the [recommendation concerning independence criteria](#), the Company - in compliance with the related provisions - assesses on an annual basis whether the independent members of the Board of Directors and the members of the Board of Auditors still meet the independence requirements and provides the market with transparent information concerning the assessment of independence requirements, by showing the criteria adopted and the specific reasons for such assessment. With respect to the current situation, the Company is disapplying a non-independence condition of the Corporate Governance Code, i.e., the maximum length of service of nine years, for one out of five independent directors (see Section 4.4.8. for an explanation of the reasons and circumstances of the disapplication). Finally, with regard to the criteria used to assess the materiality of professional, commercial or financial relationships and additional remuneration with reference to independent directors, there is no independent director who has such a relationship or receives additional remuneration from the Company and the Group.

With regard to the [recommendation concerning the adequacy of the pre-meeting information](#): the Company's Corporate Governance Code has explicitly determined the time limits for the pre-meeting information, with respect to the date of the Board meeting, considered appropriate for sending the documentation, identifying them as three days. There are no generic exemptions to meeting these deadlines. This Corporate Governance Report, reports on the effective compliance with the defined notice period, indicating the average notice with which the pre-audit report was sent during 2021, in line with the provisions of Sogefi's Code. Finally, it should be noted that the Board of Directors, as part of the self-assessment process, expressed its full satisfaction with the pre-executive report in terms of timing and quality.

With respect to [recommendations regarding the appointment and succession of directors](#), the Company has provided for a clear assignment of duties to the Appointment and Remuneration Committee and has also formulated the CEO succession plan, although the Corporate Governance Code provides an exemption for "non-major" issuers.

With regard to remuneration policies, as detailed in the Report on remuneration policy and compensation paid in 2021, predetermined, objective, clear and measurable criteria are defined for the determination of variable emoluments/remunerations and for the assignment of severance indemnities, providing for maximum amounts in both cases.

With reference to the self-assessment, the Board of Directors has assigned a clear role of implementation and supervision of the process to the Appointments and Remuneration Committee, which, in case of assignment to an external party, selects the consultants, assesses the methodology and contents and analyses the results, and formulates, if necessary, proposals for improvement reports to the Board.

Lastly, with regard to gender equality, the Group has adopted measures to promote equal treatment and opportunities between genders within the entire corporate organization, monitoring their concrete implementation, in the context of ESG plans.

## ANNEXA - TABLES

STRUCTURE OF BOARD OF DIRECTORS AND COMMITTEES (in office as of the date of this Report)											
Board of Directors <sup>(1)</sup>								BoD	Control, Risk and Sustainability Committee <sup>(2)</sup>	Committee Appointments and Remuneration <sup>(2)</sup>	Committee for Related Party Transactions
Office	Components	Year of birth	Date of first appointment (*)	In office since	In office until approval of the financial statements at	List (**)	No. of other assignments (***)	Shareholding			
Chair	MONDARDINI Monica	1960	19.04.2013	26.04.2019	31.12.2021	M	4	9/9			
Managing Director (•) (◊) <sup>(1)</sup>	SIPAHI Frédéric	1981	26.02.2021	23.04.2021	31.12.2021	M	-	7/9			
Director	DE BENEDETTI Rodolfo	1961	28.04.1997	26.04.2019	31.12.2021	M	4	9/9			
Director	CANZIANI Patrizia	1967	27.04.2016	26.04.2019	31.12.2021	M	2	9/9	7/7		2/2
Director	DI VIETO Roberta	1969	20.04.2010	26.04.2019	31.12.2021	M	4	9/9	7/7		2/2
Director (◊)	MELIS Mauro	1955	27.06.2016	26.04.2019	31.12.2021	M	2	8/9	6/7	6/6	2/2
Director	RICCOBON Ervino	1964	26.04.2019	26.04.2019	31.12.2021	m	-	9/9		5/6	
Director	STREIFF Christian	1954	26.04.2019	26.04.2019	31.12.2021	M	-	9/9		6/6	

• This symbol indicates the director in charge of the internal control and risk management system.

◊ This symbol indicates the Lead Independent Director (LID).

(\*) The date of first appointment of each director means the date on which the director was appointed for the first time (ever) to the Board of Directors of the Issuer.

(\*\*) This column indicates whether the list from which each director has been drawn is "majority" (indicating "M"), or "minority" (indicating "m").

It should be underlined that during the appointment of the current Board of Directors, two lists were submitted, one by the controlling shareholder CIR S.p.A. and one by a group of minority shareholders. Quorum required for submission of lists: 2.5% The column "List" indicates the list from which each director was drawn ("M": majority list; "m": minority list).

(\*\*\*) This column shows the number of directorships or Acting Auditor appointments held by the person concerned in other listed or large companies. In the Corporate Governance Report, the positions are listed in full.

(1) Co-opted by the Board of Directors on 26 February 2021, appointed Chief Executive Officer (CEO) on the same date and confirmed by the shareholders' meeting on 23 April 2021.

(2) Appointed by the Board of Directors on 26 April 2019.

**STRUCTURE OF THE BOARD OF AUDITORS (in office at the date of this Report)**

<b>Board of Auditors <sup>(1)</sup></b>									
<i>Office</i>	<b>Components</b>	<b>Year of birth</b>	<b>Date of first appointment</b>	<b>In office since</b>	<b>In office until</b>	<b>List</b>	<b>Indep. Code</b>	<b>Attendance at Board meetings</b>	<b>No. offices in other listed companies</b>
Chair	DELFRATE Daniela	1965	23.04.2021	23.04.2021	31.12.2023	m	x	8/8	1
Acting Auditor	BARBARA Giovanni	1960	23.04.2021	23.04.2021	31.12.2023	M	x	8/8	2
Acting Auditor	ROLLI Rita	1969	23.04.2021	23.04.2021	31.12.2023	M	x	8/8	2
Alternate Auditor	ALLIEVI Anna Maria	1965	23.04.2021	23.04.2021	31.12.2023	M	x	-	2
Alternate Auditor	DEL PICO Luca	1965	23.04.2021	23.04.2021	31.12.2023	M	x	-	-
Alternate Auditor	MASPES Maria Pia	1970	23.04.2021	23.04.2021	31.12.2023	m	x	-	2

**NOTE**

During the year 2021, the Board of Auditors was renewed, expiring with the approval of the financial statements as at 31 December 2020. It should be underlined that, on the occasion of the appointment of the current Board of Auditors by the Shareholders' Meeting held on 23 April 2021, two lists were submitted, one by the controlling shareholder CIR S.p.A. and one by a group of minority shareholders. Quorum required for submission of lists: 2.5% The column "List" indicates the list from which each director was drawn ("M": majority list; "m": minority list).

## ANNEX B - DIRECTORS' CURRICULA VITAE

	NAME AND SURNAME	CURRICULUM
	MONDARDINI Monica	<p>Monica Mondardini, 59, has a degree in Statistics and Economics from the University of Bologna. She has worked in the publishing and financial sectors and has gained significant experience abroad, having spent nine years in France and eleven years in Spain. She began her career in 1985 at Gruppo Editoriale Fabbri, participating in an international development project, which in 1989 took her to Spain. In 1990 she joined Hachette, a leading French publishing group belonging to the Lagardere group; she first managed the Spanish branch of Hachette Livre and then, in 1993, was appointed Director of the international branch, based in Paris, and member of the Executive Committee of Hachette Livre. In this role, she directed the group's foreign activities, present in particular in Spain and Latin America. In 1998 she moved to the Generali Group, as General Manager of Europ Assistance, based in Paris. Europ Assistance is a service company, including insurance, present in all major countries around the world, a pioneer in the sector in which it operates and a brand of great prestige. In 2001, she was appointed Managing Director of Generali Spain, based in Madrid, where she remained until the end of 2008. Generali Spain is one of the country's leading insurance companies; it is the result of a complex process of acquisitions by Generali of local companies and during the period of its management the companies have been restructured and integrated, making Generali one of the main players in the market. In January 2009 she returned to Italy, as Managing Director of Gruppo Editoriale L'Espresso, which became, after the integration with Itedi (publisher of the newspapers La Stampa and Il Secolo XIX) GEDI Gruppo Editoriale, the main Italian publisher of newspapers, pioneer and leader in online information, as well as one of the largest European groups in daily and multimedia information. She served as the company's Managing Director until April 2018. From May 2013 she assumed the position of Managing Director of CIR S.p.A., the holding company that controls Sogefi S.p.A., of which she is Chair, GEDI Gruppo Editoriale, of which she is Deputy Chairman, and KOS S.p.A., of which she is a Director. She is also an independent director of Crédit Agricole S.A. In 2006 she received from the Comites of Madrid the "Targa all'Italianità", reserved to Italians resident in Spain who have given prestige to their country. In 2014, she was awarded by the French Embassy in Rome and the French Chamber of Commerce in Italy as Economic Personality of the Year in relations between the two countries. In 2016, she was awarded the title of Knight of the Legion of Honour.</p>
	SIPAHI Frédéric	<p>Frédéric Sipahi is Chief Executive Officer of the Sogefi Group. Dr. Sipahi, born in 1981, is a French national with a degree in Finance and Auditing. Since 2003, he has developed his entire career in the automotive sector, first at PSA, then at Faurecia, where he held positions of increasing responsibility in the Finance and Control department. He started working at Sogefi Group in 2012 as Chief Financial Officer of the Air&amp;Cooling Division. In 2013 he was promoted to the role of Chief Financial Officer of the Engine Systems Division, covering 22 production plants and 5 R&amp;D Centres, in Europe, America, India and China, contributing to the management of a turnover of €800 M and 4500 people. Since 2015, he has assumed responsibility for the Air &amp; Cooling division, as General Manager, achieving a significant improvement in performance, both in terms of increased profitability and cash generation; he also achieved positive results in 2020, despite the context. He was also able to give the business a strategic product reorientation, effectively positioning it towards new technologies. From 2019, he is also committed to the Filtration division, for which he has already initiated significant rationalisation programs.</p>
	DE BENEDETTI Rodolfo	<p>Rodolfo De Benedetti (Turin, 1961) has been Chairman of CIR and COFIDE since April 2013. The COFIDE-CIR group, of which he is a controlling shareholder together with his brothers Marco and Edoardo, operates in various industrial sectors, in particular healthcare (KOS), automotive components (Sogefi) and media (GEDI Gruppo Editoriale). Within the group he is also a member of the board of directors of Sogefi and GEDI Gruppo Editoriale. Previously, he was Managing Director of CIR since 1993 and of COFIDE since 1995. He joined COFIDE in 1988 as Director of International Affairs and later served as General Manager. In 1990 he also became General Manager of CIR. Prior to his positions at CIR and COFIDE, Rodolfo De Benedetti worked from September 1985 to December 1986 with Lombard Odier, one of the leading Swiss private banking groups based in Geneva, as Assistant to the Chief Executive Officer, and from January 1987 to January 1988 with the investment bank Shearson Lehman Brothers (New York) as an Associate in the Merchant Banking Group. He is a shareholder and board member of Decalia Asset Management S.A., an international investment management company established in 2014. He is a member of the Board of Directors of Aon Italia, a company active in risk consultancy and insurance and reinsurance brokerage, and a member of the Board of Directors of October, a non-banking platform active in the granting of loans to small and medium-sized enterprises. He is also a member of ERT (European Round Table of Industrialists), a forum that brings together over 50 leading European companies from various sectors, and Chairman of the European Advisory Board of Harvard Business School. Rodolfo De Benedetti studied in Geneva, where he graduated in 1982 in Political Economy and in 1985 in Law. Married to Emmanuelle de Villepin, he is father of Neige, Alix and Mita</p>
	CANZIANI Patrizia	<p>Patrizia Canziani is on the Board of Directors of Sogefi S.p.A. and Illimity Bank S.p.A. She has held executive positions in the financial sector with over 20 years of experience in leading investment banks, proposing and implementing financing structures, asset management, and capital optimisation, primarily for European banks and financial companies. She has also been a consultant on financial crimes and abuses, as well as a bank monitor. She is an expert in</p>

		sustainability and holds a postgraduate degree in Sustainable Finance from the University of Oxford, Smith School of Enterprise and the Environment. Before moving to the world of finance, she worked as an Economist at the IMF, advising the Italian government on its welfare system, and at the London School of Economics as a Lecturer and Researcher. Patrizia Canziani holds a Doctorate (PhD) in Economics from MIT and a degree in Economics from Bocconi University.
	DI VIETO Roberta	She is a partner of Studio di Consulenza Tributaria e Legale Pirola Pennuto Zei & Associati, a leading consulting firm, present in many Italian cities, as well as in China and London, with over 600 professionals, in which she has been working since May 2000. She is responsible for a team of 22 professionals working in the area of compliance and employment law. Previously, she gained significant experience in the corresponding Associate Firm KPMG Milan. She has gained significant experience in providing legal assistance to Italian and foreign groups. Since the introduction of the regulations on the administrative liability of entities (Legislative Decree no. 231/2001), extensive experience in the preparation of organisational, management and control models for complex companies, as well as extensive experience in the application and maintenance of said models, also through the provision of consultancy and training on the subject. As well as in favour of private entities, the consulting activity in the field of Legislative Decree 231/2001 and the preparation of organisational, management and control models has also been carried out in favour of public bodies operating in the health sector and welfare and mutuality funds in the construction sector. She is an independent director of a listed company. She is Chair of numerous supervisory bodies and holds the position of Acting Auditor in important companies, including multinational ones.
	MELIS Mauro	Business Manager, since April 2012 he is Chief Executive Officer of ISTITUTO EUROPEO DI ONCOLOGIA S.r.l. (IRCCS), CENTRO CARDIOLOGICO S.p.A. FONDAZIONE MONZINO (IRCCS), he is director of FONDAZIONE ISTITUTO EUROPEO DI ONCOLOGIA, of TTFACOR S.r.l., of GRUPPO MERCEOLOGICO SANITÀ ASSOLOMBARDA. From 2006 to 2010 he was Managing Director and General Manager of SI HOLDING, the parent company of cartaSi, which controls four companies: CartaSi S.p.A., Si Servizi S.p.A., Si Call S.p.A., SiRe Ltd. Since 1985, it has been the protagonist of the cultural evolution that led to the diffusion of "electronic money" in Italy. From 1989 to 2006 he was in the EUROP ASSISTANCE GROUP as Executive Vice President Italy, Germany, Central and Eastern Europe, CIS.
	RICCOBON Ervino	He is an independent management consultant focused primarily on the automotive, assembly, aerospace, defence and high-tech industries. Riccobon has several years of management experience in the automotive industry; first in Ferrari (2012-2016) as head of the Product and Process Competitiveness Department and member of the top management team that followed the company's IPO at the end of 2015 and then in Fiat Chrysler Automobiles (2016-2018), where he had a global role with responsibility for product cost reduction, product portfolio coordination and leadership of strategic initiatives. In both cases, he reported directly to the Group CEO. Riccobon also has extensive management consulting experience with McKinsey & Company (1994-2012); becoming a Partner in 2000 and Director in 2005). During this time, he has served numerous clients in Europe, the United States, China, India and Brazil on the topics of operational improvement, strategy, organisation and global alliances. He led the Advanced Industries practice in the Mediterranean and was part of the global leadership team for the Automotive and Operations practices. Riccobon holds a Bachelor of Science degree with honours in Mechanical Engineering from Turin Polytechnic and an MBA from SAA in Turin.
	STREIFF Christian	A business manager, from 2006 to 2009 he was general manager of the automotive company PSA Peugeot Citroen; in 2006 he was general manager of Airbus, he gained 26 years of full experience in a large company such as Saint-Gobain.

**ANNEX C - LIST OF OFFICES HELD BY DIRECTORS AND ACTING AUDITORS OF SOGEFI S.P.A.**

**LIST OF OFFICES HELD BY THE DIRECTORS OF SOGEFI S.P.A. IN OTHER COMPANIES LISTED ON ITALIAN REGULATED MARKETS, IN FINANCIAL, INSURANCE, BANK COMPANIES AND IN COMPANIES NOT LISTED BUT OF RELEVANT IMPORTANCE (AS AT 31 DECEMBER 2021)**

	<b>NAME AND SURNAME</b>	<b>CURRICULUM</b>
	Mondardini Monica	Managing Director of CIR S.p.A. * Director of KOS S.p.A. * Director of Hera S.p.A. Director of Edenred S.A.
	Frédéric Sipahi	N/A
	De Benedetti Rodolfo	Chairman of CIR S.p.A.* Director of Decalia Asset Management S.A. Vice Chairman of Decalia Asset Management SIM S.A. Director of AON Italy
	Patrizia Canziani	Director of Illimity S.p.A. Director of Kexim Bank UK Limited
	Roberta Di Vieto	Director of MM S.p.A. Acting Auditor of Shell Energy Italia S.r.l. Acting Auditor of Ermenegildo Zegna Holditalia S.p.A. Acting Auditor of EZI S.p.A.
	Mauro Melis	Managing Director of Istituto Europeo di Oncologia S.r.l. Managing Director of Centro Cardiologico Fondazione Monzino S.p.A.
	Ervino Riccobon	No position
	Christian Streiff	No position

\* Group companies

**LIST OF APPOINTMENTS HELD BY SOGEFI S.P.A.'S STATUTORY AND ALTERNATE AUDITORS IN OTHER COMPANIES LISTED ON ITALIAN REGULATED MARKETS (AS AT 31 DECEMBER 2021)**

	<b>NAME AND SURNAME</b>	<b>CURRICULUM</b>
	Daniela Delfrate	Acting Auditor of CY4GATE SpA
	Giovanni Barbara	Chairman of AEDES SIIQ S.p.A. Acting Auditor of PIAGGIO & C. S.p.A.
	Rita Rolli	Director of TREVI Finanziaria Industriale S.p.A. Director of SNAM S.p.A.
	Maria Pia Maspes	Acting Auditor of Digital Bros S.p.A. Acting Auditor of Cairo Communications S.p.A
	Luca Del Pico	-
	Anna Maria Allievi	Chairman of the Board of Auditors Credem S.p.A Chairman of the Board of Auditors Interpump S.p.A.