



REPORT ON CORPORATE GOVERNANCE AND SHAREHOLDER STRUCTURE

Pursuant to Article 123-*bis* of the Italian Consolidated Law on Finance

Issuer: DeA Capital S.p.A.

Website: www.deacapital.com

Year to which the Report refers: 2020

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CORPORATE GOVERNANCE AND SHAREHOLDER STRUCTURE

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GLOSSARY

Code or **Corporate Governance** Code: the *Corporate Governance* Code of listed companies approved in January 2020 by the *Corporate Governance* Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

Italian Civil Code: the Italian Civil Code

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

Issuer, DeA Capital or **Company:** DeA Capital S.p.A., with registered office in Milan, at Via Brera 21, to which this Report refers.

FY: the financial year ended 31 December 2020.

Instructions to the Stock Exchange Regulations: the Instructions to the Regulation of Markets organised and managed by Borsa Italiana S.p.A.

Stock Exchange Regulations: the Regulations of the Markets organised and managed by Borsa Italiana S.p.A..

Consob Issuers' Regulation: the Regulation issued by Consob with resolution no. 11971 of 1999 (as subsequently amended) in respect of issuers.

Consob Market Regulations: the Regulations issued by Consob with resolution No. 20249 of 2017 (as amended) in respect of markets.

Consob Related Parties Regulation: the Regulation issued by Consob with resolution no. 17221 of 12 March 2010 (as subsequently amended) in respect of transactions with related parties.

Report: this report on corporate governance and ownership structure drawn up pursuant to Article 123-bis of the Italian Consolidated Law on Finance.

Remuneration Report: the report on the remuneration policy and remuneration paid) prepared pursuant to Article 123-ter of the Consolidated Law on Finance and in accordance with Article 84-quater of the Consob Issuers' Regulation and Article 5 of the Code, available on the Issuer's website (www.deacapital.com, "Governance/Shareholders' Meetings" section), which provides a breakdown of the items that make up the remuneration of the Directors, General Managers, Executives with strategic responsibilities and Auditors of DeA Capital.

Articles of Association: the articles of association of DeA Capital.

TUF or **Consolidated Law on Finance:** Italian Legislative Decree no. 58 of 24 February 1998 (as subsequently amended).

1. **ISSUER PROFILE**

Description of the Issuer's activities

DeA Capital S.p.A., together with its group companies, is the leading independent *Alternative Asset Management* platform in Italy, with *Combined Assets Under Management* ⁽¹⁾ of approximately EUR 23,800 million and a wide range of products and services for institutional investors.

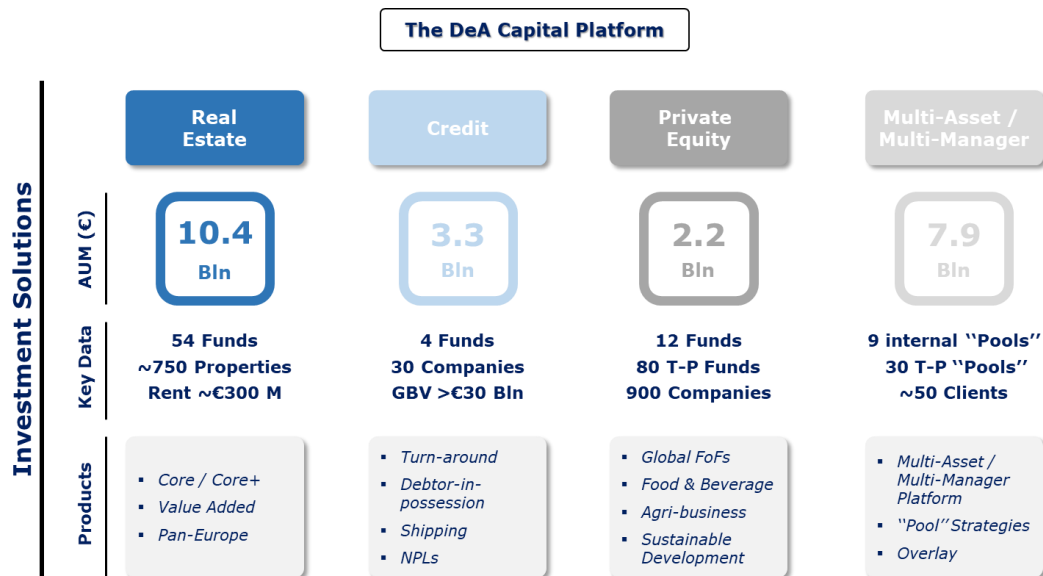
The Group Platform – currently focused on the two subsidiaries, DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR, as well as on the relative majority shareholding indirectly held in Quaestio Capital Management SGR – is engaged in the promotion, management and enhancement of investment funds in *real estate*, *private equity* and credit, as well as in *multi-asset/multi-manager* investment solutions.

In support of the Platform's activity, using the available capital, DeA Capital S.p.A. has also built over time a portfolio of *Alternative Investment* consisting mainly of funds managed by the Platform's AMCs.

The Company's ability to carry out investment initiatives that are structurally very complex, on the one hand, and raise funds through its AMCs, on the other, is proof of the effectiveness of its business model, which combines Alternative Asset Management with that of investment to create value in a unique way in Italy's "alternative management" sector.



⁽¹⁾ *Combined Assets Under Management* means the assets under management of the AMCs owned by the Group with an absolute/relative majority (non-consolidated), and those under management by international subsidiaries.



DeA Capital S.p.A. is listed on the FTSE Italia STAR section of the Milan stock exchange and heads the De Agostini Group in the area of financial investments.

Corporate social responsibility policies

With reference to the social responsibility policies adopted by the Group, it should be noted that the company's subsidiaries, DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR, have adopted the PRI (*Principles for Responsible Investment*), a United Nations initiative created to promote the integration of ESG (*Environmental, Social and Governance*) principles in asset management. In this context, the Group's two asset management companies have begun a process of implementing the ESG approach, and have begun the preparatory work.

As part of the process as mentioned above and in compliance with the new contents of the Code, DeA Capital also launched a project to integrate ESG principles into the company's processes - to be developed in several stages, including through the involvement of ESG rating agencies - also for the benefit of the entire platform and consistent with enhancing communication with its stakeholders.

Governance model adopted by the Issuer

In order to guarantee an effective and transparent division of roles and responsibilities of its corporate bodies and, in particular, a correct balance between management and control departments, the Issuer has adopted a corporate governance system, in addition to being constantly in line with the continuous evolution of regulations and national and international best practices, inspired by the principles and recommendations of the Code adopted by the Company. Non-compliance or partial compliance with specific provisions of the Code is explained in the section of the Report dealing with the governance practice otherwise applied by the Company.

The Issuer is organised in accordance with the traditional management and control model set out in Articles 2380-bis et seq. of the Italian Civil Code, with the Shareholders' Meeting ⁽²⁾, the Board of Directors ⁽³⁾ and the Board of Statutory Auditors ⁽⁴⁾. The statutory audit activity is carried out by the audit firm (external body) ⁽⁵⁾.

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 Articles of Association, the Rules of Procedure of the Shareholders' Meeting, the internal regulations of the Board of Directors and its committees, as well as the applicable corporate procedures.

During the financial year and during the first months of FY 2021, the Company carried out an activity to verify and adapt its *governance* structures and tools to the new Corporate Governance Code (applicable starting from FY 2021 and of which the level of adaptation to the recommendations set out therein will be reported to the market in the context of the corporate governance report to be published in 2022).

In this context, the Board of Directors, in order to comply with the recommendations prescribed in the Code, on 10 November 2020, approved the amendments to the regulations of the internal board committees and, on 4 February 2021, adopted an ordinance defining its operating rules, including the methods for recording minutes of meetings and the procedures for managing information to Directors.

Statement on the nature of the Issuer's SMEs

The average market capitalisation of the Issuer during the FY was Euro 315,072,665 and therefore the Issuer falls within the definition of an SME pursuant to Article 1, paragraph 1, letter w-quater.1) of the Consolidated Law on Finance and Article 2-ter of the Consob Regulation on Issuers.

In particular, the above-mentioned provision of the Consolidated Law on Finance provides that an issuer qualifies as an SME if it has a market capitalisation of less than EUR 500 million. Issuers of listed shares that have exceeded this limit for three consecutive years are not considered SMEs. The above-mentioned provision of the Consob Issuers' Regulations specifies that "capitalisation is the simple average of the daily capitalisations calculated with reference to the official price, recorded during the year".

In light of the foregoing, we note that the relevant threshold for disclosure obligations under Article 120 of the Consolidated Law on Finance is 5% of the share capital.

⁽²⁾ See Section 16.0 of this report.

⁽³⁾ See Section 4.0 of this report.

⁽⁴⁾ See Section 14.0 of this report.

⁽⁵⁾ See Section 11.5 of this report.

2. INFORMATION ON OWNERSHIP STRUCTURE (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1, CONSOLIDATED LAW ON FINANCE) AS AT 12 MARCH 2021

a) Share capital structure (ex art. 123-bis, paragraph 1, letter a), Consolidated Law on Finance)

As at the date of this Report, the Issuer's share capital, fully subscribed and paid up, amounts to Euro 266,612,100.00, divided into 266,612,100 ordinary shares with a nominal value of Euro 1.00 each, of which 7,038,678 are treasury shares.

DeA Capital's shares are indivisible, issued on a dematerialised basis and confer the rights and obligations provided for by law and the Articles of Association.

For more details, see Table 1a annexed to this Report.

In relation to equity-based incentive plans, it should be noted that they have been allocated ⁽⁶⁾: (i) no. 975,000 *Units* in accordance with the 2017-2019 *Performance Share Plan*, approved by the Shareholders' Meeting of the Issuer on 20 April 2017; (ii) no. 1,350,000 *Units* in accordance with the 2018-2020 *Performance Share Plan*, approved by the Shareholders' Meeting of the Issuer on 19 April 2018; (iii) no. 1,050,000 *Units* in accordance with the 2019-2021 *Performance Share Plan*, approved by the Shareholders' Meeting of the Issuer on 18 April 2019; and (iv) no. 1,420,000 *Units* in accordance with the 2020-2022 *Performance Share Plan* approved by the Shareholders' Meeting of the Issuer on 20 April 2020. The beneficiaries of the *performance share* plans are certain employees and directors holding special offices of the Issuer, its subsidiaries and the parent company De Agostini S.p.A. ("**De Agostini**"). *Performance share* plans give their beneficiaries the right to receive free of charge one ordinary share of the Issuer for each assigned *unit*.

It should also be noted that on 18 April 2019, the DeA Capital Shareholders' Meeting approved the plan called "2019-2021 DeA Capital Share Plan - for the CEO" in favour of the CEO, Mr Paolo Ceretti. This share plan entitles the beneficiary to the allocation of DeA Capital shares subject to certain conditions.

Finally, it should be noted that the share-based incentive plans adopted by the Issuer do not entail increases in share capital.

For further information on the *performance share* plans and the share plan, please refer to (i) the information documents prepared by the Issuer pursuant to Article 84-bis of the Consob Regulation on Issuers and (ii) the Remuneration Report submitted annually to the vote of the Shareholders' Meeting. These documents are available at www.deacapital.com, in the Governance/*Incentive Plans*, and Governance/*Shareholders' Meetings* sections, respectively.

⁽⁶⁾ It should be noted that the *performance share* plans in question were subsequently amended by the Board of Directors to take into account the effects related to the distribution of extraordinary dividends made during the *vesting* period of each plan.

b) Restrictions on the transfer of securities (as per Article 123-bis, paragraph 1, letter b), Consolidated Law on Finance)

The Articles of Association of the Issuer do not provide for restrictions on the transfer of securities.

c) Significant shareholdings (as per Article 123-bis, paragraph 1, letter c), Consolidated Law on Finance)

As of the date of this Report, the Shareholders holding, directly or indirectly, more than 5% of the Issuer's share capital, through pyramid or cross-shareholding structures, according to the communications made pursuant to Article 120 of the Consolidated Law on Finance, are those indicated in Table 1b attached to this Report.

d) Securities granting special rights (as per Article 123-bis (1) d) Consolidated Law on Finance)

The Issuer has not issued securities conferring special rights of control.

On 17 April 2015, the Shareholders' Meeting amended Article 9 of the Articles of Association, introducing the mechanism of increased voting, as per Article 127-quinquies of the Consolidated Law on Finance. Specifically, pursuant to article 9 of the Articles of Association, two voting rights will be allocated for each ordinary DeA Capital share held by the same shareholder of the Company for a continuous period of at least 24 months, starting from the registration of the shareholder in a special list, established and maintained by the Company at its registered office.

As of the date of this report, no DeA Capital shareholder with an interest of more than 3% was included in the list of shareholders who have obtained the additional voting rights referred to in Article 127-quinquies, para. 2 of the Consob Issuers' Regulation.

The relevant documentation is available on the Issuer's institutional website (www.deacapital.com), in the *Governance/Increased Vote* section.

e) Employee shareholding: mechanism for exercising voting rights (as per Article 123-bis, paragraph 1, letter e), Consolidated Law on Finance)

In the case of employee share ownership, there are no mechanisms for the exercise of voting rights by employees if they are not exercised directly by them.

f) Restrictions on voting rights (as per Article 123-bis, paragraph 1, letter f), Consolidated Law on Finance)

The Issuer's Articles of Association do not provide for restrictions on the exercise of voting rights.

g) Agreements between shareholders (as per Article 123-bis (1) g) Consolidated Law on Finance)

As of the date of this Report, there are no agreements entered into pursuant to Article 122 Consolidated Law on Finance.

h) *Change of control* clauses (pursuant to Article 123-bis (1) h) of the Consolidated Law on Finance) and provisions of the Articles of Association on takeover bids (pursuant to Articles 104 (1-ter) and 104-bis (1))

At the date of this Report, the Issuer has no significant agreements in place that include *change of control* clauses.

As far as the Issuer is aware, certain management regulations for funds managed by the Issuer's subsidiaries, DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR, contain clauses that allow investors to replace the AMC in the management of the fund in the event of a change of control concerning the Company, as well as in the event of a merger, spin-off, transfer of a company or business unit or an extraordinary transaction involving the transfer of fund management to another AMC.

In addition, it should be noted that certain loan agreements signed by the Issuer's subsidiary, DeA Capital Real Estate SGR, on behalf of funds managed by the latter, provide for mandatory early repayment of the loan in the event of a change of control concerning the Company.

It should be noted that the Issuer's Articles of Association do not contain any provisions on takeover bids that derogate from the so-called "take-over" rules. "passivity rule" under Article 104 of the Consolidated Law on Finance, nor providing for the application of the so-called neutralisation rules under Article 104-bis, paragraphs 2 and 3 of the Consolidated Law on Finance.

i) Powers to increase share capital and authorisations to purchase treasury shares (pursuant to Article 123-bis, paragraph 1, letter m), Consolidated Law on Finance)

During the year, the Shareholders' Meeting did not grant the Board any powers either to increase the share capital, pursuant to Article 2443 of the Italian Civil Code, or to issue equity instruments.

On 20 April 2020, the Ordinary Shareholders' Meeting of the Issuer approved a new plan for the purchase and disposal of ordinary shares of the company in order to: (i) to intervene, in compliance with the provisions in force, also through authorised intermediaries, in order to support on the market, for a set period of time, the liquidity of the shares and other financial instruments issued by the Issuer, so as to favour the regular course of trading and avoid price movements that are not in line with market trends (ii) to offer shareholders an additional means of monetising their investment and remuneration as an alternative to the distribution of dividends; (iii) to acquire treasury shares to be used, where appropriate, to service existing and future share incentive plans, including long-term plans, reserved for directors and/or employees and/or collaborators of the Issuer, the parent company, or other companies controlled by the Issuer; (iv) to acquire treasury shares to be used, in accordance with the Issuer's strategic guidelines, for capital transactions or other transactions in relation to which it is appropriate to exchange or dispose of share packages by swap, contribution or other act of disposal; (v) to seize the opportunity to make a good investment, also in consideration of the risk and expected return of alternative investments; (vi) to employ excess liquid resources; and (vii) to send a positive signal of confidence to the market. The new purchase and disposal plan

replaces the previous plan authorised by the Issuer's Ordinary Shareholders' Meeting on 18 April 2019 and which expired with the approval of the 2019 financial statements.

To this end, the aforementioned Ordinary Shareholders' Meeting authorised, according to and under Article 2357 of the Italian Civil Code, the purchase, on one or more occasions and a revolving basis, for the period between the date of the resolution and the date of the Shareholders' Meeting called to approve the financial statements as of 31 December 2020, of a maximum number of shares of the Company not exceeding 20% of the share capital of the same, also taking into account the shares already held by the Issuer or its subsidiaries and, in any case, in compliance with the legal limits and for the pursuit of the purposes mentioned above. The purchase may be made according to one of the methods provided for by the combined provisions of Article 132 of the Consolidated Law on Finance and Article 144-*bis* of the Consob Regulation on Issuers, taking into account the specific exemption provided for by paragraph 3 of Article 132 of the Consolidated Law on Issuers and, in any case, by any other method allowed by the relevant legal or regulatory provisions. The unit price for the purchase of shares may not be more than 20% higher or lower than the share's reference price on the trading day prior to each purchase.

The Ordinary Shareholders' Meeting of 20 April 2020 also authorised, without time limits, according to and under Article 2357-*ter* of the Italian Civil Code, the execution of acts of disposition, on one or more occasions, on the treasury shares acquired and those already held in the Issuer's portfolio. Disposal operations may be carried out even before the purchases have been exhausted and may take place one or more stages: (i) by sale to be made on the market, also for *trading* activities, or outside the regulated market; (ii) by transfer to directors, employees, and/or collaborators of the Issuer and/or subsidiaries and/or the parent company De Agostini in implementation of the incentive plans; (iii) by other disposition act, in the context of transactions in relation to which it is appropriate to proceed with the exchange or sale of share packages also by swap or contribution; or, finally (iv) in the case of capital transactions or other transactions of a financial nature involving the use, allocation or disposal of treasury shares (such as, by way of example, mergers, demergers, issuance of convertible bonds or warrants served by treasury shares, transfer as collateral or the establishment of restrictions for financial transactions), or in the event of distribution of dividends. The unit price for the sale of shares may not be 20% lower than the reference price recorded by the share on the stock trading session preceding each individual sale transaction. This price limit will not apply in the event of transfers to directors, employees and/or collaborators of the Issuer and/or subsidiaries and/or the parent company De Agostini in implementation of incentive plans, as well as in the event of disposals other than sales, such as swap or contributions, or as part of capital transactions involving the allocation or disposal of treasury shares (including, by way of example, mergers, demergers, issuance of convertible bonds or warrants serviced by treasury shares).

In execution of the aforementioned shareholders' resolution of 20 April 2020, on 8 September 2020, the Company's Board of Directors decided to initiate the plan for the purchase of treasury shares, up to a total quota of 5% of the share capital or – taking into account the 2.04% already held – for purchases equal to approximately 3% of the share capital (therefore for a maximum of 7,879,026 shares) to be used for share incentive plans.

It has also been provided that purchases of treasury shares are made on the MTA of Borsa Italiana S.p.A., benefiting from the so-called exemption. "safe harbour" referred to in Regulation (EU) 596/201 and through Intermonte SIM, as an authorised intermediary that will operate completely independently, in the manner and within the operational limits set out in the Shareholders' Meeting's authorisation and in accordance with the provisions of Article 5 of Regulation (EU) 596/2014 and Delegated Regulation (EU) 1052/2016.

For further details, please refer to the minutes of the aforementioned Ordinary Shareholders' Meeting and to the illustrative Report of the Board of Directors available on the institutional website of the Issuer (www.deacapital.com) in the *Governance/Shareholders' Meetings* section, as well as to the press releases issued on 20 April 2020 and 8 September 2020 available in the *Investor Relations/Press Releases* section.

The total number of treasury shares held by the Issuer at year-end amounts to 6,922,403 shares.

I) Management and coordination activities (pursuant to Article 2497 et seq. of the Italian Civil Code)

The Issuer is subject to the management and coordination of De Agostini pursuant to Articles 2497 et seq. of the Italian Civil Code.

With reference to further information pursuant to Article 123-*bis* of the Consolidated Law on Finance, please refer to the following paragraphs of this Report:

- the information required by Article 123-*bis*, paragraph 1, letter i) of the Consolidated Law on Finance concerning agreements between the company and the directors providing compensation in the event of resignation or dismissal without just cause or termination of employment following a takeover bid is illustrated in Section 9 of this Report, dedicated to the remuneration of directors, as well as in the Report on Remuneration for the Year;
- the information required by Article 123-*bis*, paragraph 1, letter l) of the Consolidated Law on Finance concerning the appointment and replacement of directors and the amendment of the articles of association is illustrated in Section 4, paragraph 4.1 of this Report, dedicated to the Board;
- the information required by Article 123-*bis*, paragraph 2, letter b) of the Consolidated Law on Finance concerning the main characteristics of the risk management and internal control systems is illustrated in Section 11, paragraph 11.1 of this Report;
- the information required by Article 123-*bis*, paragraph 2, letter c), of the Consolidated Law on Finance relating to information on the operating mechanisms of the Shareholders' Meeting, its main powers, the rights of Shareholders and the procedures for exercising them are illustrated in Section 16 of this Report dedicated to the Shareholders' Meeting;

- the information required by Article 123-*bis*, paragraph 2, letter d), of the Consolidated Law on Finance concerning the composition and functioning of the management and control bodies and their committees is set out in Sections 4, 6, 7, 8, 10 and 13 of this Report;
- the information required by Article 123-*bis*, paragraph 2, letter d-*bis*) of the Consolidated Law on Finance, relating to the description of the diversity policies applied in relation to the composition of the administration, management and control bodies with regard to aspects such as age, gender composition and educational and professional background, as well as a description of the objectives, implementation methods and results of such policies are contained in Sections 4 and 14 of this Report.

3. COMPLIANCE (PURSUANT TO ARTICLE 123-BIS (2)(A) CONSOLIDATED LAW ON FINANCE)

The Issuer has adopted the Code. It should be noted that the Company has complied with the principles and recommendations of the Code, in the version adopted in July 2018 and in force for the Year; the provisions of the Code are almost fully implemented, except for a few limited deviations indicated and explained later in this Report.

It should also be noted that, in January 2020, the *Corporate Governance* Committee adopted a new version of the Code, with the provisions of which listed companies are required to comply from the 2021 financial year, informing the market in the Corporate Governance Report to be published in 2022. On [•] March 2021, the Issuer announced its compliance with the new version of the Code as of 1 January 2021.

The Code is available to the public on the *website* of the *Corporate Governance* Committee of Borsa Italiana S.p.A. at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

With a view to a proportional application of the provisions of the new Code, some recommendations are graded according to the size and ownership structure of the individual company, providing for: (i) a set of recommendations addressed only to "large companies" (*i.e.*, companies whose capitalisation exceeded EUR 1 billion on the last trading day of each of the three preceding calendar years); (ii) simplified modalities for the application of specific recommendations by companies other than "large" companies; and (iii) the adaptation of specific recommendations to "concentrated ownership companies" (*i.e.*, companies in which one or more shareholders participating in a voting agreement hold, directly or indirectly, a majority of the votes exercisable at an ordinary general meeting).

During the year and in the first months of the 2021 financial year, the Company carried out activities to verify and adapt its *governance* structures and tools to the principles and recommendations of the new Corporate Governance Code, with particular reference to the recommendations applicable to the category of "non-large" and "concentrated ownership" companies to which the Issuer belongs.

In this context, the Board of Directors, in order to comply with the recommendations prescribed in the Code, on 10 November 2020, approved amendments to the regulations of its internal board committees and, on 4 February 2021, adopted an ordinance defining its operating rules, including the methods for recording minutes of meetings and the procedures for managing information to Directors.

Adaptation to the principles and recommendations of the Code is still in progress at the date of this Report. Information on how the Code has been implemented will be included in the Corporate Governance Report to be published in 2022.

Neither the Issuer nor its strategically significant subsidiaries are subject to non-Italian legal provisions that affect the Issuer's *corporate governance* structure.

4. BOARD OF DIRECTORS

4.1 Appointment and replacement (as per Article 123-bis, paragraph 1, letter I) Consolidated Law on Finance)

The appointment and replacement of directors and amendments to the articles of association are governed by the legislation in force at the *time*.

The Company is managed by a Board of Directors consisting of 3 to 21 members, who may or may not be shareholders, as approved by the Shareholders' Meeting at the time of their appointment.

In the composition of the Board, a balance between the male and female genders must be ensured in compliance with the applicable laws and regulations.

The Ordinary Shareholders' Meeting determines, at the time of appointment, the number of Board members within the limits mentioned above, as well as the duration of their office, which may not exceed three financial years; the directors' terms of office expire on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their office. Directors are eligible for reappointment. If the number of Directors has been determined to be less than the maximum number provided for, the Shareholders' Meeting, during the term of office of the Board, may increase this number. The term of office of the newly appointed Directors shall expire at the same time as those in office at the time of their appointment.

The Shareholders' Meeting determines the remuneration payable to the members of the Board of Directors.

The Directors must meet the requirements provided for by the legislation in force at the time; of these, a minimum number corresponding to the minimum provided for by the said legislation must meet the independence requirements outlined in Article 148, third paragraph, of the Consolidated Law on Finance (for the independence requirements of Directors, please also refer to paragraph 4.6 below).

Failure to meet the requirements shall result in the disqualification of the Director. If a Director ceases to meet the independence requirement, he/she shall not be removed from office if the requirements continue to be met by the minimum number of Directors who must meet such requirement according to current legislation.

The Board of Directors is appointed based on the lists submitted by the shareholders.

The lists shall contain a number of candidates not exceeding the number of members to be elected, listed in sequential order. Each candidate may appear on only one list under penalty of ineligibility.

The lists with at least three candidates may not consist only of candidates of the same gender (male or female). The candidates of the least represented gender in these lists may not be less than the proportion that complies with the *pro tempore* regulations on gender balance.

Shareholders who, alone or jointly with others, hold shares representing at least 2.5% of the share capital with voting rights at the Ordinary Shareholders' Meeting or representing any lower percentage established by inviolable provisions of law or regulations have the right to submit lists. It should be noted that in its Resolution no. 44 of 29 January 2021, Consob set a minimum quota of 2.5% for DeA Capital for the submission of candidate lists for the election of management and supervisory bodies.

Any shareholder, shareholders belonging to the same group, shareholders who are party in a relevant shareholders' agreement pursuant to Article 122 of the Consolidated Law on Finance, they may not submit or participate in the submission, even through a third party or trust company, of more than one list, nor may they vote for different lists. Endorsements and votes cast in violation of this prohibition shall not be attributed to any list.

The lists submitted by shareholders, signed by those submitting them, must be filed at the Issuer's registered office, available to anyone requesting them, within the time limit laid down by current provisions and are subject to the other forms of advertising provided for by the legislation in force at the time.

Together with each list must be filed: (i) declarations in which each candidate accepts his/her candidacy, he/she undertakes - if appointed - to accept the office and certifies, under his/her responsibility, the absence of causes of ineligibility and incompatibility, as well as the possession of the requisites prescribed for the respective offices by the laws in force (ii) a *curriculum vitae*, containing detailed information on the personal and professional characteristics of each candidate, with an indication of whether he or she qualifies as independent; (iii) an indication of the identity of the shareholders who have submitted lists and the total percentage of shares held. Those who have submitted lists must also deposit copies of the certifications issued by authorised intermediaries attesting to their ownership of the number of shares necessary for submitting the lists within the terms and according to the procedures indicated by the regulations in force. Lists submitted without complying with the above provisions shall be deemed not to have been submitted.

The appointment mechanism adopted for the selection of candidates for the various lists is as follows:

- a) the Directors to be elected, except one, are taken from the list obtaining the highest number of votes, according to the sequential number with which they are listed in the list itself, without prejudice to the provisions of the Articles of Association to ensure a balance between genders in compliance with the applicable requirements of the law and regulations;
- b) the remaining Director shall be drawn from the list obtaining the highest number of votes after the list bringing the highest number of votes and which is not connected in any way, even indirectly, with the shareholders who submitted or voted for the list referred to in letter a) above;

- c) if two lists obtain the same number of votes, the Shareholders' Meeting shall vote again, without prejudice to the provisions of the Articles of Association to ensure a balance between genders following the applicable provisions of the law and regulations.

If at the end of the vote the legal and regulatory requirements concerning the balance between the male and female genders are not met, the candidate of the most represented gender indicated as the last in progressive order on the list that obtained the highest number of votes is excluded and is replaced by the next candidate from the same list belonging to the other gender. This replacement shall take place until a number of candidates of the least represented gender equal to the measure consistent with the *pro tempore* rules on gender balance are elected.

The Independent Directors are taken from the list that obtained the highest number of votes. If, with the candidates elected in the manner set out above, the appointment of a number of Directors meeting the independence requirements established for Statutory Auditors in Article 148, third paragraph, of the Consolidated Law on Finance equal to the minimum number established by law concerning the total number of Directors, the non-independent candidate(s) indicated as the last in numerical order in the list that received the highest number of votes, as per letter a) above, shall be replaced by the first independent candidate(s) not elected from the same list according to the numerical order in which the candidates are listed, or, failing that, by the first independent candidate(s) according to the sequential order in which the candidates are listed, according to the number of votes obtained by each, provided that the applicable provisions on gender balance (male and female) are respected.

Suppose an elected candidate is unable or unwilling to take office. In that case, he or she shall be replaced by the first of the non-elected candidates from the list to which that candidate belonged, provided that the applicable provisions on gender balance (male and female) are respected.

Lists that have not obtained a percentage of votes equal to at least half of that required by the Articles of Association for the presentation of lists shall not be considered.

If only one list is submitted or if no list at all is submitted, the Shareholders' Meeting shall pass resolutions with the majorities provided for by law, without complying with the above procedure, but in any case in compliance with the applicable provisions on gender balance (male and female).

If, during the financial year, one or more Directors cease to hold office, provided that the majority is still made up of Directors appointed by the Shareholders' Meeting, Article 2386 of the Italian Civil Code shall be applied. Civil Code and in compliance with the applicable provisions on gender balance (male and female), as set out below:

- a) the Board of Directors shall replace the Directors who have ceased to hold office, provided that they are still eligible and willing to accept the office; the Shareholders' Meeting shall replace the Directors who have ceased to hold office, with a resolution adopted by a legal majority, selecting, if possible, their replacements from among the candidates on the same list who have previously accepted the replacement;
- b) if there are no previously non-elected candidates or candidates with the required qualifications remaining on the list as mentioned above, or in any case when for

any reason it is not possible to comply with the provisions of letter a) above, the Board of Directors shall replace them, and the Shareholders' Meeting shall subsequently do the same, with the majorities required by law without voting lists.

In any case, the Board and the Shareholders' Meeting shall proceed with the appointment in such a way as to ensure the presence of the minimum total number of Independent Directors required by the legislation in force at the time and in such a way as to ensure compliance with the applicable provisions on gender balance (male and female).

Succession Plans

At the date of this Report, no succession plans for executive directors have been adopted.

In particular, also taking into account the circumstance that the new Code recommends the definition of a succession plan only for "large companies", the Board of Directors of the Company, sharing the opinion expressed by the Remuneration and Appointments Committee, confirmed the assessment made in the previous year not to adopt a succession plan for Executive Directors. The reasons for this decision also lie in the fact that the current allocation of proxies within the Board of Directors between the Chairman and the Chief Executive Officer is suitable to allow for the continuity, at least temporarily, of the management of the Company in the event of the loss of one of these figures, as well as in need to spare the Company procedures for the replacement of executive directors, also considering the presence of a controlling shareholder that, until now, has allowed for timely intervention in the identification of the same.

Regulations of the Board of Directors

On 4 February 2021, the Board of Directors, in compliance with Recommendation 11 of the Code ⁽⁷⁾, adopted a regulation defining its rules of operation, including the procedures for taking minutes of meetings and the procedures for handling information to Directors, as well as specific powers of the Chairman of the Board of Directors, the Chief Executive Officer, as the primary person responsible for the management of the Company (Chief Executive Officer), and the Secretary of the Board of Directors. The Regulations of the Board of Directors entered into force on 4 February 2021.

In compliance with the principles and recommendations of the Code, the Regulations of the Board of Directors, among other things:

- (i) provides for the Board's competence to decide on "Significant Transactions", i.e. transactions of significant strategic, economic, equity or financial importance;
- (ii) identifies the criteria of diversity, including gender diversity, for the composition of the Board and the Board of Statutory Auditors;

⁽⁷⁾ According to which "The Board of Directors shall adopt regulations defining the rules of operation of the Board itself and its committees, including how minutes of meetings are taken and the procedures for handling information to directors. These procedures identify the deadlines for the prior provision of information and how the confidentiality of the data and information provided is to be protected so as not to prejudice the timeliness and completeness of the information flows."

- (iii) governs the process for assessing the independence and self-assessment of Directors;
- (iv) defines the powers of the Chairman of the Board of Directors and the criteria for assessing his independence, as well as the powers of the Chief Executive Officer and the role of the Secretary of the Board of Directors; and
- (v) regulates the manner in which the meetings of the Board of Directors are held, including the confidentiality obligations of the Directors.

4.2 Composition (as per Article 123-bis, paragraph 2, letter d) and d-bis, Consolidated Law on Finance)

The current Issuer's Board consists of eleven members and was appointed by the Ordinary Shareholders' Meeting of 18 April 2019 and will remain in office until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

The Board was appointed by the Ordinary Shareholders' Meeting of 18 April 2019 according to the list voting system and based on the only list submitted by the shareholder De Agostini consisting of: Lorenzo Pellicoli, Paolo Ceretti, Marco Drago, Dario Frigerio, Carlo Enrico Ferrari Ardicini, Marco Emilio Boroli, Davide Mereghetti, Francesca Golfetto, Donatella Busso, Daniela Toscani and Elena Vasco. The candidates were elected with the favourable vote of 69.80% of the voting share capital.

Following the resignation of Marco Drago, on 12 May 2020 the company's Board of Directors appointed Nicola Drago as a new non-executive and non-independent director of DeA Capital. In accordance with the law, Mr Nicola Drago will remain in office until the next Shareholders' Meeting of the Company scheduled for 20 April 2021.

The Board of Directors has verified that all Directors meet the regulatory requirements and that the Directors Donatella Busso, Francesca Golfetto, Daniela Toscani, Davide Mereghetti and Elena Vasco meet the independence requirements.

The personal and professional characteristics of each Director are illustrated in their *curriculum* filed at the registered office and available on the Issuer's institutional website www.deacapital.com in *the Corporate Governance/Corporate Bodies* section.

It should also be noted that, since the Company participates, directly and indirectly, in the share capital of a number of asset management companies, the directors of DeA Capital must meet, in addition to the regulatory requirements set out in the Consolidated Law on Finance for directors of listed companies, the criteria of honourability and the criteria of correctness and professional competence required for directors of companies participating in the capital of asset management companies under Article 14 of the Consolidated Law on Finance and the Bank of Italy Regulation of 19 January 2015.

The Board encourages, as a matter of established practice, interaction with managers with strategic responsibilities through the active participation of the latter in Board meetings; this is deemed useful to allow the Board a greater understanding of the capabilities of the persons at the helm of the Company, of the sector in which the Issuer operates, of corporate dynamics and their evolution, of regulatory developments, as well as to receive further support in the decision-making process.

For further details, see Table 2a attached to this Report, in which the names of each member of the Board of Directors in office are reported, specifying the position held, the year of birth, the length of service, the list from which he/she was taken, the position of Executive Director, Non-Executive Director and Independent Director, the attendance at the Board and Committee meetings during the Financial Year, as well as the number of management and supervisory positions currently held in other companies listed on regulated markets, in financial, banking or insurance companies or of significant size.

At the closing date of the financial year, there were no other changes in the composition of the Board other than those reported in relation to the co-option of Nicola Drago.

Diversity criteria and policies

In compliance with the provisions of the Code and without prejudice to the provisions of the law and regulations in force at the time, as well as the additional requirements for the composition of internal board committees, the Company's Board of Directors has identified the following diversity criteria for the structure of the Board in the Board Regulation.

a) Gender diversity

In relation to gender diversity, the legal provisions in force at the *time* apply.

In this regard, it should be noted that the 2020 Budget Law (Law No. 160 of 27 December 2019) has amended Article 147-ter, paragraph 1-ter, of the Consolidated Law on Finance, providing that the allocation of directors shall be made based on a criterion ensuring that at least two-fifths of the directors belong to the least represented gender. This provision will be applicable from the first renewal of the Issuer's administrative body after 1 January 2020, the date on which the aforementioned law comes into force.

It should be noted, therefore, that the former Article 147-ter, paragraph 1-ter, of the Consolidated Law on Finance, introduced by Law 120/2011, still applies to the current Board of Directors, pursuant to which the least represented gender must obtain at least one-third of the elected directors. This criterion also confirms the recommendations of the new Code.

At the date of this Report and in compliance with the above-mentioned provisions, the Company's Board of Directors includes four female directors out of eleven, i.e. a "pink quota" of 36% of the Board members.

b) Diversity of skills and professional experience

The Directors must guarantee the overall contribution, in a diversified and balanced manner, of proven skills and experience, gained through the exercise, for at least three years, of activities: i) professional; ii) of administration, control or management in companies, public bodies or supervised/listed companies; or iii) of university teaching - in one or more of the following areas:

- economic and financial sector;
- dynamics of the economic and financial system (e.g. national and international markets) and the reference market;

- methodologies for the management and control of strategic, financial and operational risks;
- corporate governance and/or corporate management processes (e.g. internal control system, legal, management control, conflicts of interest);
- accounting administration, financial reporting and taxation;
- human resources management and/or remuneration policies;
- business organisation and technologies;
- economic, social and environmental sustainability.

In relation to the role of the Chairman, it is expected that he/she must be a person with sufficient authority to ensure the proper functioning of the Board and has skills in the economic-financial or legal field or experience in the management of issues of strategic importance and *business* issues.

The Chief Executive Officer must be endowed with recognised *leadership* and significant managerial skills as well as authority and a recognised strategic orientation. In particular, the Chief Executive Officer must have a significant wealth of skills and experience in the economic-financial field, or a distinctive professional *curriculum* obtained by holding senior positions in companies of a size comparable to the Company or belonging to groups comparable to the one to which the Company belongs.

c) *Age diversity*

In order to promote the creation of a balance between experience, continuity and innovation, the Board Regulation recommends the presence of directors from different age and seniority brackets.

Gender equality and opportunity policies

During the year, the Issuer did not adopt specific measures aimed at promoting equal treatment and opportunities between genders within the company.

According to the Code of Ethics adopted by the Issuer's Board of Directors on 30 July 2007 and last amended on 9 May 2013, maintaining a peaceful working environment that respects the needs of all is one of the Company's fundamental principles. This is why DeA Capital, among other things, promotes a career development and internal progression policy based on proven merit, competence and professionalism. The opportunities offered are therefore based on the value of those contributions that have made the business successful, without any discrimination or attribution of unfair advantages; DeA Capital is also committed to combating discriminatory behaviour, unlawful pressure, discrimination, or harassment of any kind, so that everyone is allowed and guaranteed to be able to work effectively and with personal satisfaction.

Therefore, the Issuer's corporate organisation is oriented towards ensuring the achievement of the objectives of equal treatment and opportunities between genders within the Company. In this regard, it should be noted that, as of the date of this Report, 52% of the Issuer's employees are female and 48% are male.

Maximum number of offices held in other companies

Even taking into account the circumstance that the new Code recommends that the Board of Directors of only "large companies" should express a guideline on the maximum number of positions on the boards of directors or auditors in other listed

or large companies that can be considered compatible with effective performance as a company director, the Board did not consider it necessary to define general criteria for its Directors. It remains the duty of each Director to assess the compatibility of the offices held in other companies with the diligent performance of the responsibilities undertaken as a Director of the Issuer.

During the Financial Year, at the meeting held on 10 March 2020, the Board of Directors, after verifying the positions currently held by its Directors in other listed companies, in financial, banking, insurance companies or large companies, deemed that the number and quality of the positions held did not interfere and was, therefore, compatible with the functional performance as a Director in the Issuer.

Based on the information received from the Directors and in line with the provisions of the Code, Table 2b attached to this Report shows the administration and supervisory positions held by the Directors in office in companies listed on regulated markets (including foreign markets), in financial, banking, insurance companies or companies of significant size (indicating whether or not the Company in which the position is held is part of the Group to which the Issuer belongs or of which it is part).

Induction Programme

In consideration of the many years of experience gained by almost all the Directors in the business sector in which the Issuer operates, as well as the extensive information provided by the Chairman and the Chief Executive Officer during Board meetings concerning any regulatory updates of interest to the Company, which was also considered satisfactory by the Directors during their self-assessment, the Chairman did not deem it necessary to promote further *ad hoc* initiatives during the financial year aimed at increasing the Directors' knowledge of the Company's business sector, corporate dynamics and their evolution, as well as the regulatory framework of reference (so-called "*induction programme*").

4.3 Role of the Board of Directors (as per Article 123-bis, paragraph 2, letter d), Consolidated Law on Finance)

The Board has the power and the duty to manage the Issuer's activities, pursuing the ultimate and primary objective of creating value for the Shareholders.

Pursuant to the Articles of Association, in fact, the Board manages the Company's business and is invested with all the administrative powers needed (ordinary and extraordinary) for this purpose, except as reserved by law, the Articles of Association and the Shareholders' Meeting.

Therefore, the Board is reserved for:

- examination and approval of any strategic, industrial and financial plans of the Issuer and of the Group of which the Issuer is the parent company, if any, and periodically monitoring their implementation based on the information received from the delegated bodies;
- examination and approval of the Issuer's corporate governance system and the Group structure of which the Issuer is the parent company, drafting and adopting the Company's corporate governance rules.

The Board, also in line with the recommendations of the Code, during the Year:

- assessed the adequacy of the organisational, administrative and accounting structure of the Issuer and its strategically important subsidiaries, with particular reference to the internal control system and risk management, in accordance with the procedures adopted by the Issuer for this purpose; within the scope of this activity, the Board has availed itself of the support of the Control and Risk Committee, the Head of the Internal Audit Department and the Manager responsible for preparing the Company's financial reports, as well as of the procedures and audits implemented also pursuant to Law 262/2005; in this regard, it should be noted that during the financial year, and in particular at the meeting of 10 March 2020, the Board, taking into account the reports of the Control and Risk Committee and the Head of the Internal Audit Department and the Head of the Internal Audit Department, as well as the Internal Audit Plan, assessed the organisational, administrative and accounting structure of the Issuer and its strategically important subsidiaries, and expressed a positive opinion on the internal control system and more generally on the governance system of the Company and the Group;
- has not considered it necessary to develop criteria for the identification of subsidiaries with strategic importance, as the Issuer finds most of its subsidiaries to be strategic;
- assessed, at least quarterly, the general management performance, taking into account, in particular, the information received from the delegated bodies, periodically reviewing the results achieved.

The Board shall also be responsible for the examination and prior approval of:

- transactions of the Issuer and its subsidiaries subject to management and coordination of significant strategic, economic, equity or financial importance for the Issuer itself under the Code's recommendations. In this regard, without prejudice to matters that cannot be delegated under the law and the articles of association, the following transactions are considered of significant strategic, economic, equity or financial importance: (i) acquisitions, contributions, disposals of shareholdings, companies, business units or real estate, joint venture agreements for an amount exceeding Euro 50,000,000; (ii) assumption of loans for an amount exceeding Euro 50,000,000; (iii) other transactions with a significant impact on the Company's balance sheet and income statement (i.e. with a value exceeding, in terms of amount or consideration, Euro 50,000,000); (ii) Major Transactions with related parties as defined in the procedure for regulating transactions with related parties, adopted by the Company, and in the Consob Related Parties Regulation; and (iii) any other transaction considered significant from time to time, including based on a report by the delegated bodies; and
- of the Issuer's transactions in which the Chief Executive Officer has an interest on its behalf or on behalf of third parties pursuant to Article 2391 of the Civil Code.

With regard to the management of conflicts of interest and transactions with related parties of the Issuer and the Group headed by the Issuer, please see the Section 12 below.

According to Article 14 of the Articles of Association, the Board also meets outside the registered office of the Company, in Italy or abroad, when called by the Chairman

or his deputy, or, after notifying the Chairman of the Board, by the Board of Statutory Auditors or, even individually, by each of its members.

Meetings shall be convened by registered letter, fax transmission or e-mail, sent at least three days before the date set for the meeting, or, in urgent cases, by telegram, fax transmission or e-mail sent at least one day before. However, the Board may validly deliberate even in the absence of a formal call, if all its members and all the Statutory Auditors in office are present.

Board meetings are chaired by the Chairman or, in his absence or impediment, by the Chief Executive Officer. If the latter is absent or unable to attend, the meetings are chaired by another Director appointed by the Board.

The Board of Directors' meetings may be held by teleconference, videoconference and/or other telecommunications means. All participants can be identified and can follow the discussion, intervene in real-time to debate the agenda items, and receive, view, and send documents.

The minutes, if not drawn up by a notary, shall be drawn up by the Secretary and signed by the Chairperson and the Secretary.

During the year, the indications suggested by the Code were applied, such as:

- the Chairman convened the Board meetings and ensured that the Directors were provided with the necessary documentation and information to make informed decisions on the matters submitted for their approval. According to the Board's rules of procedure, the Secretary shall make available to the Directors, at least 2 calendar days prior to the date of the meeting (or at least 24 hours earlier in case of urgency), such documentation as is reasonably necessary to provide adequate information concerning the matters to be deliberated upon by the Board. This deadline, which is generally considered to be reasonable, has usually been respected. The Chairman coordinated the Board's activities and led the relevant meetings;
- the Board has received adequate information on the powers conferred on the delegated bodies.

The Articles of Association do not provide for a minimum frequency of Board meetings. During the financial year, four Board meetings were held on the following dates: 10 March 2020, 12 May 2010, 8 September 2020 and 10 November 2020.

The meetings were duly recorded.

The duration of board meetings averaged 2 hours and 27 minutes.

During the financial year, the General Manager and other executives of the Company attended the Board meetings to provide, where required, specific details on the items on the agenda.

The calendar of the leading corporate events for 2021 (already communicated to the market and Borsa Italiana S.p.A.) foresees 4 board meetings to approve the annual financial report, the half-yearly financial report and the additional periodical financial information. In 2021, one of the four meetings mentioned above has already been held on 12 March 2021, in addition to a meeting on 4 February 2021.

The corporate events calendar is available, in Italian and English, on the Issuer's institutional website www.deacapital.com.

Regarding the Financial Year, on 12 March 2021, the Board of Directors of the Issuer, with the support of the Remuneration and Nomination Committee, carried out the annual assessment on the functioning of the Board itself and its committees, as well as on their size and composition, also taking into account the professional, experience, including managerial and gender characteristics of its members, also concerning the diversity criteria according to the Code.

The self-assessment process took place through the distribution to individual Board Members of a questionnaire concerning, among other things, the evaluation:

- on the size, composition - also taking into account the professional characteristics, experience, including managerial and gender characteristics of its members with reference to diversity criteria - as well as on the functioning of the Board itself and its Committees;
- on the participation, the knowledge of the Company, the knowledge of regulatory developments and the autonomy of judgement of the Executive Directors, Non-Executive Directors and Independent Directors;
- on the identification of elements that can improve the functionality and efficiency of the Board;
- on the level of satisfaction of the Directors.

The Directors were given the opportunity to express three degrees of judgment and to make their comments.

All the Directors participated in the Board's self-assessment process; moreover, taking up a suggestion made by some Directors last year to involve in the self-assessment process also members of the Issuer's management who, due to their role, interface with the Board and participate in its meetings, the self-assessment questionnaire was also sent to the General Manager and the Secretary of the Board of Directors.

The Remuneration and Nomination Committee reviewed the latest self-assessment process at its meeting held on 9 March 2021 and presented it to the Board of Directors, which reviewed and confirmed them at its meeting held on 12 March 2021 with an overall positive assessment.

The Board's self-assessment process revealed positive results regarding the composition, size and functioning of the Board itself and its committees, which were assessed as adequate concerning the Issuer's management and organisational needs. In particular, it emerged that the Directors considered that the various

components (executive, non-executive, independent) and the professional and managerial skills of the Directors themselves were adequately represented. With regard to the Committees set up within the Board of Directors, there is agreement on the adequacy of their composition, their role and the effectiveness of their activities. The Directors have also assessed the information flows to the Board of Directors as substantially adequate, in order to take informed decisions.

Lastly, it should be noted that the Shareholders' Meeting did not authorise, on a general and preventive basis, any exceptions to the non-competition clause laid down in Article 2390 of the Italian Civil Code.

4.4 Delegated bodies

Chief Executive Officer

The Board of Directors carries out its activities, not only directly and collectively, but also by delegating part of its functions to the CEO, within the limits permitted by law and the Articles of Association.

During the year, the office of Chief Executive Officer was held by Paolo Ceretti, who was granted all powers of ordinary and extraordinary administration, with the power to sign (i) with a single signature, any deed, document or contract that implies a commitment of expenditure, even prospective, or is connected with an investment not exceeding Euro 20,000,000.00, and (ii) with a joint signature with the Chairman, any deed, document or contract implying a commitment of expenditure, even prospective, or connected with an investment not exceeding Euro 50,000,000.00.

The *Chief Executive Officer* is primarily responsible for the management of the Issuer.

It should be noted that, in compliance with the new provisions of the Code and starting from FY 2021, the Chief Executive Officer has been assigned the specific powers provided for by the new Code in relation to the risk management and control system, for which please refer to Section 11 below.

[There is no situation of interlocking directorates within the meaning of the Code]

Chairman of the Board of Directors

During the financial year, the Chairman of the Issuer's Board of Directors was Mr Lorenzo Pellicoli. He, in consideration of the structure of the Group as well as the operational complexity of the Company, was granted powers of ordinary and extraordinary administration for the management of the Issuer, with the power to sign (i) with a single signature, any deed, document or contract that implies a commitment of expenditure, including future expenditure, or is connected with an investment not exceeding Euro 20,000,000.00, and (ii) with a joint signature with the Chief Executive Officer, any deed, document or contract implying a commitment of expenditure, including future expenditure, or connected with an investment not exceeding Euro 50,000,000.00.

The Chairman is not primarily responsible for the management of the Issuer and is not a controlling shareholder of the Issuer.

The Chairman, assisted by the Secretary, shall in particular: (a) ensure the correct and effective functioning of board meetings; (b) act as a liaison between the executive directors and the non-executive directors; (c) define the calendar of board meetings; (d) convene board meetings, defining the date and time, as well as the place where the meeting is to be held, the agenda and the manner of participation, as well as, in agreement with the Chief Executive Officer, the possible intervention of persons external to the Board of Directors; (e) in the context of Board meetings, directs and coordinates the debate and conducts discussions; (f) ensure that the pre-Board briefing and additional information provided during meetings are adequate to enable directors to act in an informed manner in the performance of their duties (g) ensure the timeliness and completeness of the pre-Board information on the items on the agenda; (h) ensure that the activities of Board committees with investigative, proposing and advisory functions are coordinated with the activities of the Board; (i) in agreement with the Chief Executive Officer, he shall ensure that the senior managers of the Company and those of the Group companies it oversees, who are responsible for the relevant corporate departments, attend Board meetings, including at the request of individual Directors, to provide the necessary details on the items on the agenda; (j) ensure that all the members of the Board of Directors and the Board of Statutory Auditors can participate, after their appointment and during their term of office, in initiatives aimed at providing them with adequate knowledge of the business sectors in which the Company operates, of corporate dynamics and their evolution also with a view to the creation of value in the long term, as well as compliance with the principles of proper risk management, the law and the Code; (k) ensure the adequacy and transparency of the self-assessment process of the Board of Directors, with the support of the Nomination Committee (l) in agreement with the Chief Executive Officer, shall formulate proposals for the adoption or amendment of a policy for the management of dialogue with the generality of shareholders, also taking into account the engagement policies adopted by institutional investors and asset managers; (m) ensure that the Board of Directors is informed, within the first available meeting, on the development and significant contents of the dialogue with all shareholders; and (n) supervise the recording of minutes relating to Board proceedings.

Executive Committee (as per Article 123-bis, paragraph 2(d), Consolidated Law on Finance)

The Issuer has not deemed it necessary to set up an executive committee.

Information to the Board

During the Financial Year, the Chief Executive Officer reported to the Board of Directors on the activities carried out in the exercise of the powers delegated to him at least quarterly and in such a way as to enable the Directors to express themselves in an informed manner on the matters submitted to their examination.

4.5 Other Executive Directors

There are no other directors on the Board who should be considered executive directors.

4.6 Independent Directors

Pursuant to the combined provisions of Articles 147-ter, paragraph 4 and 148, paragraph 3 of the Consolidated Law on Finance and in compliance with the provisions

of Article 2.2.3, paragraph 3, letter m) of the Stock Exchange Regulations and Article IA.2.10.6 of the Instructions to the Stock Exchange Regulations and in compliance with Article 2 of the Code, the Board of Directors includes among its members 5 Independent Directors, in the persons of Davide Mereghetti, Donatella Busso, Francesca Golfetto, Daniela Toscani and Elena Vasco.

The Independent Directors meet the independence requirements outlined in Article 2 of the Code, Article 148, paragraph 3, letters b) and c) of the Consolidated Law on Finance, and Article 16 of the Consob Market Regulations, has also declared:

- (i) that he/she does not control the Issuer, directly or indirectly, including through subsidiaries, trustees or intermediaries, or to be able to exercise significant influence over it;
- (ii) that he/she does not participate, directly or indirectly, in any shareholders' agreement through which one or more persons may exercise control or significant influence over the Issuer;
- (iii) that he/she is not, nor has been in the previous three financial years, an executive director or employee of the Issuer, of one of its strategically important subsidiaries, of a company under common control with the Issuer, or of a company or entity that directly or indirectly, including jointly with others through a shareholders' agreement, controls the Issuer or can exercise significant influence over it;
- (iv) that he/she does not have or has not had in the previous three financial years, directly or indirectly (e.g. through subsidiaries or companies of which he/she is an executive director, or as a partner in a professional firm or consultancy company), a significant commercial, financial or professional relationship:
 - (a) with the Issuer, any of its subsidiaries, or any of its executive directors or *top management* (meaning senior managers who are not members of the Board of directors and who have the power and responsibility for planning, directing and controlling the activities of the Company and the group to which it belongs);
 - (b) with a person who, also jointly with others through a shareholders' agreement, controls the Issuer, or - in the case of a company or entity - with its executive directors or *top management*;
- (v) without prejudice to point (iv) above, that they do not have any employment, self-employment or other pecuniary or professional relationships that would compromise their independence: (a) with the Issuer, its subsidiaries or parent companies or with companies subject to joint control; (b) with the Issuer's directors; (c) with persons who are related by marriage, kinship or affinity up to the fourth degree of kinship to the directors of the companies referred to in point (a) above;
- (vi) that he/she does not receive, nor has he received in the previous three financial years, from the Issuer or a subsidiary or parent Company, significant additional remuneration, concerning the "fixed" emolument as a non-executive director of the Issuer and the compensation for participation in committees recommended by the Code or provided for by current legislation;

- (vii) that he/she has not been a director of the Issuer for more than nine of the last twelve financial years;
- (viii) that he/she is not an executive director in another company in which an executive director of the Issuer holds a directorship;
- (ix) that he/she is not a partner or director of a company or entity belonging to the network of the company appointed to perform the legal audit of the Issuer;
- (x) that he/she is not a close relative of a person who is in one of the situations referred to in the previous points;
- (xi) that he/she is not a spouse, relative or similar within the fourth degree of directors of the Issuer, director, spouse, relative or similar within the fourth degree of directors of the Issuer's subsidiaries, of the companies controlling it and of those subject to joint control;
- (xii) according to Article 16 of the Market Regulations, not to hold the position of director in the Company exercising management and coordination activities over the Issuer or other listed companies controlled by that Company.

The Issuer considers that the number and authority of the Non-Executive Directors and Independent Directors are adequate concerning the size of the Board and the activity carried out by the Issuer and such as to ensure that their judgement can have a significant impact on the Issuer's Board decisions. Non-executive Directors and Independent Directors bring their specific expertise to board discussions, contributing to decisions in line with the Company's interests.

Based on the information provided by the interested parties, the Board assessed, at the meeting held on 10 March 2020 and at the meeting held on 12 March 2021, the fulfilment of the independence requirements of its Independent Directors.

The Board of Statutory Auditors, verified the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members, confirming their proper application and, therefore, the independence of the directors as mentioned above.

The Independent Directors have confirmed their eligibility to qualify as independent (undertaking to promptly notify the Board of Directors and the Board of Statutory Auditors of any changes in this regard that would compromise their independent judgement), both when accepting their appointment and through a written notice sent to the Issuer at the beginning of each financial year following that of their appointment.

The Independent Directors currently on the Board regularly attended the Board meetings held during the Financial Year.

In line with the provisions of the Code, the Independent Directors met once during the Financial Year, in the absence of the other directors, at a meeting convened *ad hoc* on 5 March 2020, at the invitation of the Lead Independent Director. At the said meeting: (i) the results of the self-assessment questionnaires on the composition, size and functioning of the Board and its Committees relating to 2019 were examined; (ii) the draft of the Corporate Governance Report for 2019 was viewed ; (iii) the updated 2019 related party mapping was viewed; and (iv) the letter from the Corporate Governance Committee of Borsa Italiana dated 19 December 2019 was viewed.

The lists for the appointment of the Board, in which the Independent Directors have indicated their eligibility to qualify as independent, do not contain any commitments to maintain their independence during their term of office and, if applicable, to resign. In this regard, Article 11 of the Issuer's Articles of Association provides that the loss of the prescribed requirements, results in the Director's removal from office. However, it should be noted that the fact that a Director no longer meets the independence requirement does not lead to his or her disqualification from holding office if the minimum number of Directors required to meet this requirement under current legislation continues is still being met.

4.7 Lead Independent Director

Since the Chairman of the Board has management powers, the Board, at its meeting of 18 April 2019, deemed it appropriate to appoint the independent non-executive Director Davide Mereghetti as *Lead Independent Director* according to the Code so that he represents the point of reference and coordination of the requests of the non-executive Directors and in particular of the independent Directors.

The Lead Independent Director Davide Mereghetti, Independent Director with adequate accounting and financial expertise, is also a member of the Remuneration and Nomination Committee.

The Lead Independent Director is granted, among other things, the power to convene, independently or at the request of other Directors, special meetings of only independent directors to discuss issues deemed of interest with respect to the functioning of the Board or the management of the Company.

It should be noted that, on 12 May 2020, the Board of Directors approved the Company's new organisational structure, on the proposal of the Chief Executive Officer, Paolo Ceretti, and with the favourable opinion of the Remuneration and Appointments Committee; in this context, the appointment was approved, with effect from 1 July 2020, of Manolo Santilli (former Chief Financial Officer) as General Manager of the Issuer, entrusting him with the task of supervising and guaranteeing, through the Company's dedicated structures: (i) the administrative, fiscal and treasury management of the same; (ii) the preparation of economic and financial reports, also at a consolidated level, including budgets and strategic plans; (iii) the management of legal and corporate affairs; (iv) the supervision of relations with investors and financial institutions, as well as with internal and external control bodies; (v) ordinary and extraordinary financial operations, also through the supervision and coordination of operations of strategic importance at Group level; and (vi) the management of information systems.

The General Manager reports directly to the Chief Executive Officer, supporting him in defining the Group's strategic guidelines and carrying out any further tasks and powers assigned by the Chief Executive Officer from time to time.

In addition, Mr. Manolo Santilli also continues to perform the functions of Manager in charge of preparing the Company's accounting documents.

It should also be noted that, on 11 February 2021, an Advisory Board was set up to support the activities of the Alternative Asset Management Platform, with particular reference to *business development* and *go-to-market* strategies. The Advisory Board is made up of Flavio Valeri, as Chairman, Dario Frigerio, already a Director of the Issuer, and Gianluca Muzzi, individuals with proven experience, expertise and interpersonal skills who can assist DeA Capital in evaluating strategic issues considered essential for the Group.

5. HANDLING OF CORPORATE INFORMATION

5.1 Procedure for handling Inside Information

In order to monitor access to and circulation of inside information, before it is disclosed to the public, to ensure compliance with the confidentiality obligations provided for by law and regulations, as well as to regulate the internal management and external communication of such information, the Board has adopted a procedure for the handling of inside information.

The procedure was last amended on 13 March 2018 to incorporate the indications formulated in the guidelines adopted by Consob on 13 October 2017, including the mapping and monitoring of the so-called "relevant information" and the establishment of the register of persons having access to such information ("Relevant Information List").

According to the procedure, the external disclosure of inside information is made through press releases - or other suitable means under the law - the content of which is approved by the Chief Executive Officer, or, in the event of the Chief Executive Officer's absence or impediment, by the Chairman of the Board of Directors. Whenever possible, the texts of press releases, approved in draft form, are shared with Board members and Statutory Auditors at relevant Board meetings.

The texts of the press releases, once approved by the competent corporate bodies, shall be promptly disclosed by the Head of Investor Relations of the Issuer, in accordance with the provisions in force from time to time, also through timely publication on the Issuer's website, where they shall remain available for the minimum time provided for by the provisions as mentioned above. For the above purposes, the Head of Investor Relations of the Issuer may make use of third parties in accordance with the procedures set out in the applicable provisions.

Directors, Statutory Auditors, collaborators and all employees of the Issuer and its controlled entities are required to maintain the confidentiality of inside information acquired in the performance of their duties and notify the Head of *Investor Relations* of the Issuer immediately. The persons as mentioned above are also required to immediately notify the Head of Investor Relations of all information in respect of which there are reasonable doubts as to its nature as inside information, and to

comply with the same obligations of confidentiality indicated above, until the nature of inside information ceases to exist or is excluded.

The Chief Executive Officer assesses the relevance of the information received and, if he considers it to be Inside Information or has doubts about it, he immediately prepares, together with the Head of Investor Relations, one or more press releases.

The Issuer may delay the public disclosure of Inside Information, even concerning controlled entities, when all the following conditions are met: (i) immediate disclosure would probably prejudice the legitimate interests of the Issuer, (ii) delay in disclosure would probably not have the effect of misleading the public, (iii) the Issuer can guarantee the confidentiality of such information. The Chief Executive Officer is responsible for assessing whether these circumstances exist.

The procedure for the handling of inside information shall be brought to the attention of all Directors, Statutory Auditors, collaborators and employees of the Issuer and its controlled entities by appropriate means.

5.2 Register of persons with access to inside information

With particular reference to the obligation for listed issuers to establish and manage a register of persons with access to Inside Information according to the provisions of Article 18 of Regulation (EU) No. 596/2014 and in the implementing regulations, the procedure for the handling of Inside Information adopted by the Issuer provides for the establishment of a register of persons with access to Inside Information (the "**Register**"), the management of which is entrusted to the Company's *Investor Relations* Department.

For each person having access, on a regular or occasional basis, to inside information under his or her working or professional activity or the functions performed on behalf of the Issuer, the Register shall contain the identification data and further information required by the legislation in force at the time referring to the Informed Persons entered in the Register.

The Register should be updated when the reason for the registration of an informed person changes, or when a new informed person must be registered, or when it should be noted that an informed person no longer has access to inside information.

The information contained in the Register must be kept for at least 5 (five) years after the circumstances that led to its registration or updating cease to exist.

The Investor Relations Manager promptly notifies the Informed Parties of their addition to the Register and any updates of the information concerning them, as well as the obligations deriving from having access to inside information and sanctions relating (i) to the offences of insider trading and market manipulation and, more generally, (ii) to the unauthorised disclosure of inside information.

5.3 Internal Dealing

In the implementation of the rules contained in Article 114, paragraph seven of the Consolidated Law on Finance, as well as in Article 19 of Regulation (EU) No. 596/2014 and the relevant implementing regulations, the Issuer has adopted a specific "Code of Conduct on Internal Dealing" (hereinafter, the "**Internal Dealing Code**"), concerning the regulation of disclosure obligations relating to transactions in financial

instruments issued by the Issuer or other financial instruments linked to them carried out by so-called "relevant persons" and/or persons closely associated with them, in order to ensure the necessary transparency and consistency of information to the market. The Internal Dealing Code was last amended on 13 March 2018.

The above-mentioned Internal Dealing Code is available on the Issuer's website www.deacapital.com in the *Governance – Internal Dealing* section.

The Internal Dealing Code, in addition to identifying the so called "relevant persons", defining their behavioural and information obligations and the "person in charge" of receiving, managing and disseminating such information, prohibited the performance of the transactions as mentioned above during the following periods in the 30 (thirty) days prior to the date set for approval of the draft financial statements; in the 30 (thirty) days prior to the date set for approval of the half-yearly financial report; in the 30 (thirty) days prior to the date set for approval of the periodic additional financial information as at 31 March; in the 30 (thirty) days prior to the date set for approval of the periodic additional financial information as at 30 September.

Notifications of relevant transactions pursuant to the *Internal Dealing* regulations made during the year were disclosed to the market in compliance with the *Internal Dealing* Code and are available on the Issuer's institutional website www.deacapital.com, in the *Governance/Internal Dealing* section.

6. INTERNAL BOARD COMMITTEES (AS PER ARTICLE 123-BIS, PARAGRAPH 2, LETTER D), CONSOLIDATED LAW ON FINANCE)

A Remuneration and Nomination Committee and a Control and Risk Committee have been established within the Board of Directors.

The powers and composition of each Committee have been defined by the Board in accordance with the principles and recommendations of the Code.

In particular, each Committee has adopted its own operating rules, which have been set out in specific internal regulations subsequently submitted to the Board for approval. Lastly, it should be noted that the internal regulations of the Committees as mentioned above were recently amended by the Board of Directors on 10 November 2020 in compliance with the new provisions of the Code, following the examination and approval of the relevant amendments by the respective Committees at their meetings held on 6 November 2020.

Each Committee shall be duly constituted with the presence of a majority of its members and resolutions shall be passed in accordance with the majority of the attending members; in the event of a tie, the Chairman shall have the casting vote.

The Committees shall report periodically to the Board on their activities.

7. NOMINATION COMMITTEE

Considering the size, organisational structure and ownership structure of the Company, the Issuer considered that the functions of the nomination committee were not such as to require the establishment of an *ad hoc* committee for nominations and could, instead, be easily performed by the members of the remuneration committee. Therefore, for the reasons set out above and to ensure more significant streamlining and flexibility of the committees set up within the Board, the Issuer has decided to

assign the functions of the nomination committee to the remuneration committee, combining the relevant tasks in a single committee called the "Remuneration and Nomination Committee" under the provisions of the Code.

8. REMUNERATION and NOMINATION Committee

The Board has set up an internal Remuneration and Nomination Committee.

Based on the more rigorous approach recommended by the Code, the Remuneration and Nomination Committee is composed of three Independent Directors, currently in the persons of: Elena Vasco, acting as Chairperson, Davide Mereghetti and Francesca Golfetto ⁽⁸⁾.

The Chairperson is responsible for coordinating and planning the Committee's activities, convening its meetings, guiding the proceedings and presenting proposals, opinions, recommendations and, in general, the results of the Committee's work to the Board.

At least one of the Committee members shall have adequate knowledge and experience in financial matters or remuneration policies, to be assessed by the Board of Directors at the time of appointment.

During the Financial Year, four meetings of the Remuneration and Nomination Committee were held on 9 March 2020, 16 April 2020, 11 May 2020 and 6 November 2020.

In particular, at its meeting on 9 March 2020, the Committee approved the Remuneration Report for the Year and resolved to submit it to the Board for approval on 10 March 2020. In addition, the Committee reviewed the guidelines and objectives of a new long-term incentive plan for the Company's *management* based on *performance shares* and approved the CEO's MBO statement and MBO sheet for 2021.

With reference to its responsibilities in the field of nominations, the Committee, at the meeting as mentioned above of 9 March 2020, (i) assessed the adequacy of the diversity criteria, including gender, applied in relation to the composition of the Board; (ii) positively assessed the size, composition and functioning of the Board; (iii) deemed it unnecessary to define general criteria regarding the maximum number of offices held by its directors or auditors, and (iv) assessed that it was not necessary to adopt a plan for the succession of executive directors.

At its meeting on 16 April 2020, the Committee resolved to settle the second *tranche* of the 2016-2018 Performance Share Plan as well as verified the achievement of the targets under the 2017-2019 Performance Share Plan for the purposes of vesting units and consequently resolved to settle the incentives due to the beneficiaries under that Plan. In addition, the Committee expressed a favourable opinion on the granting of an extraordinary bonus to the Chief Executive Officer.

⁽⁸⁾ Please note that the Remuneration and Nomination Committee reflects the composition criteria required by Article 13, paragraph 3, letter b, point ii) of the Consob Related Parties Regulation to apply the exemption contained therein.

At the subsequent meeting on 11 May 2020, the Committee proposed to the Board the identification of the beneficiaries and the determination of the number of *units* to be allocated to each of them in relation to the 2020-2022 Performance Share Plan approved by the Shareholders' Meeting of 20 April 2020. It also examined the proposals formulated in relation to the Company's new organisational structure, expressing a favourable opinion on the General Manager's remuneration package, and carried out the preliminary activity regarding the verification of the prohibition on the accumulation of offices *pursuant to* Article 36 of Italian Law no. 214/2011 ("prohibition on interlocking").

At its meeting of 6 November 2020, following the distribution of the extraordinary dividend approved by the shareholders' meeting of the Company held on 20 April 2020, the Committee examined proposals to amend the long-term *performance share* plans to take account of the reduction in the value of the DeA Capital share resulting from the distribution of the extraordinary dividend and thus to maintain the main incentive and loyalty objectives underlying these plans.

Attendance at these meetings is shown in Table 2a attached to this Report.

The meetings lasted about one hour and were duly recorded. The Chairman of the Remuneration and Nomination Committee informed the Board of what was discussed in the Committee meetings at the first available meeting.

In carrying out its functions, the Remuneration and Nomination Committee has the right to access the information and company departments necessary for the performance of its duties and use external consultants under the terms established by the Board.

During the financial year, the Committee did not use financial resources, as it uses of the Issuer's means and corporate structures to perform its duties.

In accordance with the provisions of the Code, no director takes part in the meetings of the Remuneration and Nomination Committee at which proposals are made to the Board regarding his own remuneration. During the Financial Year, the Remuneration and Nomination Committee did not take any resolutions in relation to which its members needed to abstain.

The participation of non-members in the meetings of the Remuneration and Nomination Committee took place at the invitation of the Committee and with reference to individual items on the agenda.

The entire Board of Statutory Auditors has always been invited to each meeting. They were always attended by the Chairman of the Board of Statutory Auditors or an auditor appointed by him.

As of the date of this Report, a meeting of the Remuneration and Nomination Committee has already been held on 9 March 2021. For the time being, with reference to the 2021 FY, three further meetings of the Committee have been scheduled for 15 April 2021, 7 May 2021 and 8 November 2021.

Functions of the Remuneration and Remuneration Committee

The Remuneration and Appointments Committee assists the Board of Directors in matters relating to the remuneration of directors, auditors and *top management* (i.e.

senior managers who are not members of the Board of Directors and who have the power and responsibility for planning, directing and controlling the activities of the Company and the group it heads), by issuing opinions, recommendations and proposals.

The Committee, in accordance with the recommendations of the Code and the provisions of the law and regulations, performs the following tasks:

A) On the subject of remuneration:

- (i) supports the Board of Directors in the elaboration of the remuneration policy;
- (ii) submits proposals or expresses opinions on the remuneration of executive directors and other directors holding particular offices, as well as on the setting of *performance* targets related to the variable component of such remuneration;
- (iii) monitors the concrete application of the remuneration policy and verifies, in particular, the actual achievement of *performance* targets;
- (iv) periodically assesses the adequacy and overall consistency of the policy for the remuneration of directors and *top management*;
- (v) supports the Board of Directors: (i) in the preparation of the *stock option* plans and other long-term plans adopted by the Company from time to time; (ii) in the definition of the relevant technical aspects related to the formulation and application of the plans referred to in (i) above, and (iii) in the assessments regarding the incentive system deemed most appropriate (*stock option* plans, other share-based plans);
- (vi) supervises the application of the incentive systems, *stock option* plans, and other long-term plans adopted by the Company from time to time, the methods for selecting participants in the plans, the identification of the objectives and the determination of the bonuses as better described in the respective plans;
- (vii) verifies the achievement of results under the various annual and long-term incentive plans and approves the payment of incentives;
- (viii) expresses a prior reasoned opinion on the Company's interest in carrying out transactions with related parties concerning the allocation or increase of remuneration and economic benefits, in any form, to a member of an administrative or control body or a manager with strategic responsibilities, according to the Procedure for Transactions with Related Parties, as well as on the appropriateness and substantial correctness of the relevant conditions;
- (ix) at the request of *management*, is available to discuss remuneration issues.

B) On the subject of appointments and composition of the Board of Directors:

- (i) the self-assessment process of the Board of Directors and its committees;

- (ii) the definition of criteria and recommendations for the optimal composition of the Board of Directors and its committees;
 - (iii) the identification of candidates for the office of director in the event of co-option under the law, ensuring compliance with the provisions on the minimum number of independent directors and the quotas reserved for the least represented gender;
 - (iv) the possible submission of a list by the outgoing Board of Directors, to be implemented in accordance with the procedures adopted in this respect by the Company that ensure its transparent formation and presentation;
 - (v) the preparation, updating and implementation of any succession plan for the Chief Executive Officer and the other executive directors;
 - (vi) the management of the preliminary activity relating to the periodic checks on (i) the requirements of independence and integrity of the directors and (ii) the absence of causes of incompatibility and ineligibility of the directors themselves.
- C) In general, the Committee: (i) assess the adequacy of its entire regulation; and (ii) perform any further duties assigned to it by the Board of Directors.

For further information on the Remuneration and Nomination Committee, please refer to the Remuneration Report available on the Issuer's website (www.deacapital.com, "Governance" section).

9. REMUNERATION OF DIRECTORS

General remuneration policy

The Board, on the proposal of the Remuneration and Nomination Committee, defines a policy for the remuneration of directors, members of the supervisory body and top management in accordance with the recommendations of Article 5 of the new Code.

For further details regarding the remuneration policy and the remuneration paid by the Issuer to its directors, members of the supervisory body and executives with strategic responsibilities during the Financial Year, please refer to the Remuneration Report published on the Issuer's website in the section *[Governance/Shareholders' Meetings]*, approved by the Board of Directors at its meeting of [12 March 2021], following the proposal of the Remuneration Committee.

Share-based remuneration plans

There are share-based incentive plans reserved for certain directors, senior managers and employees of the Issuer, its subsidiaries and the parent company De Agostini, provided that they are involved in the Issuer management. In this regard, it should be noted that, in preparing the incentive plans, the Board has ensured that:

- a) the exercise of the options allocated or the conversion into shares of the rights allocated is subject to an appropriate *vesting* period and in any case not less than three years;

- b) the *vesting* referred to in point a) is conditional on the achievement of specific predetermined and measurable *performance* targets.

The incentive plans adopted by the Company provide for a lock-up period on a portion of the shares purchased and/or allocated following the exercise of options and/or conversion of units. For beneficiaries of the above plans who are also executive directors, the lock-up period extends until the end of their term of office as a director, while for other beneficiaries the lock-up period is 2 years from the date of exercise of the options and/or conversion of units.

For more information on share-based compensation plans, see the relevant sections of the Remuneration Report, available on the Issuer's website (www.deacapital.com, "Governance" section).

Remuneration of directors holding special offices

For information on the remuneration of directors holding particular offices, please refer to the Remuneration Report, available on the Issuer's website (www.deacapital.com, "Governance" section).

Remuneration of key management personnel

For information on the remuneration of executives with strategic responsibilities, please refer to the Remuneration Report, available on the Issuer's website (www.deacapital.com, "Governance" section).

Incentive mechanisms for the Head of the Internal Audit Department and the Manager in charge of preparing corporate accounting documents

The incentive mechanisms of the Head of the *Internal Audit* Department and of the Manager in charge of preparing the company's financial reports are consistent with the tasks assigned to them.

Remuneration of non-executive directors

For information on the remuneration of non-executive directors, please refer to the Remuneration Report, available on the Issuer's website (www.deacapital.com, "Governance" section).

Directors' compensation in the event of resignation or dismissal, or in the event of termination of their employment following a takeover bid (as per Article 123-bis, paragraph 1, letter i), Consolidated Law on Finance)

During the Financial Year, no agreements were entered into between the Issuer and the Directors providing for compensation in the event of resignation or dismissal/termination without a legitimate cause or if the employment relationship ceases as a result of a takeover bid, except as indicated below.

The Board of Directors' meeting of 9 May 2019, subject to the favourable opinion of the Remuneration Committee of 6 May 2019 and the Board of Statutory Auditors, approved the terms and conditions of the economic relationship between the Chief Executive Officer and the Company which provides, *inter alia*, in the event of termination of the relationship before its natural expiry date:

- (i) in the event of a good leaver (and therefore, by way of example, in cases of termination of the relationship at the Company's initiative in the absence of a legitimate cause or following the resignation of the Chief Executive Officer for a legitimate cause), the right of the Chief Executive Officer to receive from the Company, subject to the completion of the relevant governance procedures and without prejudice to the provisions of the Company's pro-tempore remuneration policies in force, a gross, lump-sum and all-inclusive amount equal to the sum of the fixed remuneration and the MBO (calculated at the target value) that the Chief Executive Officer would have received until the approval of the financial statements as at 31 December 2021; and
- (ii) in the event of a bad leaver (and therefore, by way of example, in cases of termination of the relationship at the initiative of the Company in the presence of a legitimate cause or following the resignation of the Chief Executive Officer without a legitimate cause), the Chief Executive Officer shall not be entitled to receive the treatment referred to in paragraph (A) above, nor any other remuneration and/or indemnity in respect of and on termination of the relationship.

Following the resignation of Marco Drago, on 12 May 2020 the company's Board of Directors co-opted Nicola Drago as a new non-executive and non-independent director of DeA Capital. In accordance with the law, Mr Nicola Drago will remain in office until the next Shareholders' Meeting of the Company scheduled for 20 April 2021. During the year, there were no other events such as termination of office and/or dissolution of the relationship with an executive director or general manager that would require disclosure to the market.

10. CONTROL AND RISK COMMITTEE

The Board of Directors has set up an internal Control and Risk Committee made up of three Independent Directors: Donatella Busso, acting as Chairperson, Daniela Toscani and Elena Vasco.

The Chairperson is responsible for coordinating and planning the Committee's activities, convening its meetings, guiding the proceedings and submitting proposals, recommendations and, in general, the results of the Committee's work to the Board.

As a whole, the Committee has adequate expertise in the business sector in which the Company operates to assess the relevant risks. At least one of the members of the Committee shall have adequate knowledge and experience in accounting and finance or risk management, to be assessed by the Board of Directors at the time of appointment.

During the Financial Year, five meetings of the Control and Risk Committee were held on 22 January 2020, 5 March 2020, 11 May 2020, 7 September 2020 and 6 November 2019.

The duration of the Control and Risk Committee meetings averaged approximately two hours; it should be noted that the attendance of directors at the meetings of the Control and Risk Committee is shown in Table 2a attached to this Report.

The entire Board of Statutory Auditors has always been invited to each meeting. They were always attended by the Chairman of the Board of Statutory Auditors or an auditor delegated by him. The meetings of the Control and Risk Committee have been duly recorded. The Chairman of the Audit and Risk Committee informed the Board of what was discussed at the Committee meetings.

Five Control and Risk Committee meetings are scheduled for 2021, two of which have already been held.

In carrying out its functions, the Control and Risk Committee has the right to access the information and company departments necessary for the performance of its duties and make use of external consultants under the terms established by the Board.

During the year, the Control and Risk Committee had at its disposal a budget of EUR 50,000 gross per annum, which, in addition to the services rendered by the Issuer's means and corporate structures, was sufficient to ensure the performance of its duties.

The participation of non-members in the Control and Risk Committee meetings took place with reference to individual items on the agenda and at the invitation of the Committee Chairperson.

Functions assigned to the Control and Risk Committee

The Control and Risk Committee has the task of supporting the assessments and decisions of the Board of Directors relating to the internal control and risk management system and the approval of periodic financial and non-financial reports (the latter, when prepared by the Company).

In particular, the Committee, in accordance with the recommendations of the Code and the provisions of the law and regulations, performs the following tasks:

- (i) supports the Board of Directors in carrying out, among other things, the following activities:
 - 1) the definition of the guidelines of the internal control and risk management system in line with the Company's strategies to allow the Board of Directors to assess the adequacy of the organisational, administrative and accounting structure of the Company and its strategically important subsidiaries;
 - 2) evaluating, at least once a year, the adequacy of the internal control and risk management system concerning the characteristics of the Company and the risk profile assumed, as well as its effectiveness;
 - 3) the appointment and dismissal of the head of the *internal audit* department, as well as the definition of his/her competences and remuneration in line with corporate policies, and the allocation of adequate resources to him/her for the performance of his/her tasks;
 - 4) approval, at least once a year, of the work plan prepared by the head of the *internal audit* department;

- 5) the assignment to the Board of Statutory Auditors or to a specially constituted body of supervisory functions pursuant to Article 6(1)(b) of Italian Legislative Decree no. 231/2001;
 - 6) the assessment of the findings set out by the statutory auditor in any letter of recommendations and in the additional report addressed to the supervisory body;
 - 7) the description, in the report on corporate governance, of the main features of the internal control and risk management system and the methods of coordination between the persons involved in it, their overall assessment of the adequacy of the system itself and the choices made regarding the composition of the supervisory body *under* no. 5);
- (ii) after consulting the manager responsible for preparing the company's financial reports, the statutory auditor and the Board of Statutory Auditors, it assesses the correct use of accounting standards and, in the case of groups, their homogeneity for the purposes of preparing the consolidated financial statements;
 - (iii) assesses the suitability of periodic financial and non-financial information (the latter where prepared by the Company), to correctly represent the Company's *business* model, strategies, the impact of its activities and the *performance* achieved;
 - (iv) examines the content of periodic non-financial information relevant to the internal control and risk management system (if prepared by the Company);
 - (v) expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the assessments and decisions of the Board of Directors relating to the management of risks deriving from harmful events of which they have become aware;
 - (vi) examines periodic and particularly significant reports prepared by the *internal audit* department;
 - (vii) monitors the independence, adequacy, effectiveness and efficiency of the *internal audit* department;
 - (viii) may entrust the internal audit department with the performance of checks on specific operational areas, simultaneously notifying the Chairman of the Board of Statutory Auditors and, where deemed appropriate, also the Chief Executive Officer;
 - (ix) expresses prior opinions on the approval by the competent body of certain transactions entered into by the Company, or its subsidiaries, with related parties, pursuant to the Procedure for Transactions with Related Parties.

During the Financial Year and on the first meetings of 2021, the Control and Risk Committee carried out constant verification activities regarding the internal control and risk management system, focusing its work on (i) assessment of the annual Audit Plan of the Internal Audit Function and analysis of the risk assessment functional to its construction (ii) (ii) assessment of the activities carried out by the Head of the Internal Audit Department and the progress of the work plan referred to in the

previous point, carrying out the in-depth analyses deemed necessary from time to time; (iii) assessment of the adequacy of the Internal Audit Department, also given the new tasks entrusted to it from time to time; (iv) analysis of the controls carried out by the Senior Manager responsible for preparing the Company's financial reports to issue the certifications provided for by art. 154-bis of the Consolidated Law on Finance; (v) analysis of the methods followed in the valuation of certain significant items of the assets in the financial statements, including through meetings with the Executive in Charge of Preparing the Company's Accounting Documents;(vi) exchanges of information with the Board of Statutory Auditors; (vii) exchanges of information flows with the Supervisory Body according to Italian Legislative Decree no. 231/2001 and analysis of the proposed amendments to the Company's Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001; (viii) analysis of information flows from the internal audit functions of the Group's subsidiaries, analysing in particular events that could have been indicative of critical issues in the internal control and risk management system of those companies; (ix) monitoring of the adequate performance of internal audit services provided by the Parent Company to Group companies that have requested them; (x) exchanges of information flows with the Company appointed to audit the Issuer's financial statements (xi) meetings with the Chief Executive Officers of the main subsidiaries in order to understand and assess the ways in which the main risks relating to these companies are identified, measured, managed and monitored; (xii) prior analysis of all transactions between related parties of "Minor Importance", in accordance with the provisions of the relevant company procedure (xiii) monitoring of the progress of activities aimed at improving the Company's Internal Control System, as identified from time to time; (xiv) analysis of the ways in which the Company has managed the impact of the spread of the COVID 19 pandemic on both the business and the Company's internal control system, also monitoring, in coordination with the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001, the controls in place to protect the health and safety of employees. (xv) monitoring the activities implemented by the Company in relation to recent regulatory innovations, with particular regard to the Corporate Governance Code issued by Borsa Italiana on 31 January 2020 and CONSOB Resolutions no. 21623 and 21624 of 10 December 2020; in this latter context, the Committee assessed in advance the new rules of procedure of the Board of Directors as well as the proposed amendments to the Committee's regulations and the Guidelines for Internal Audit activities.

11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Board of Directors defines the guidelines of the internal control and risk management system, intended as a set of processes aimed at monitoring the efficiency of corporate operations, the reliability of the information provided to corporate bodies and the market, compliance with laws and regulations, and the safeguarding of corporate assets. Specifically, the Board has adopted a set of procedures aimed at correctly identifying and managing the main risks in various areas of activity, including the preparation of accounting documents, management of privileged information, *internal* dealing, transactions with related parties and valuation of investments (*impairment*).

In the exercise of these functions and in accordance with the new provisions of the Code, the Board of Directors is assisted by the Control and Risk Committee, established within the Board and having the functions indicated in Section 10 of this Report, and by the director in charge of the internal control and risk management system (the "**Appointed Director**") with the tasks indicated in Section 11.2 below.

It should be noted that in compliance with recommendation no. 34 of the new Code, the Board of Directors has entrusted, as from the 2021 financial year, the Chief Executive Officer with the tasks relating to the internal control and risk management system attributed by the previous version of the Code to the Appointed Director. The Board also takes into consideration the organisation and management models adopted by the Issuer and the Group companies of which the Issuer is the parent company pursuant to Italian Legislative Decree 231/2001.

11.1 Risk Management and Internal Control System in relation to the financial reporting process (as per Article 123-bis, paragraph 2, letter b), Consolidated Law on Finance)

The Issuer has established a system of risk management and internal control concerning the financial reporting process defined based on the "COSO Report," which identifies internal control as a process aimed at providing reasonable assurance regarding the achievement of:

- the effectiveness and efficiency of operational activities;
- the reliability, accuracy, reliability and timeliness of financial reporting, in order to ensure that it provides a genuine and fair view of the balance sheet, financial and profit and loss situation, in accordance with applicable accounting standards; and
- compliance with applicable laws and regulations.

In this context, it is therefore clear that the risk management and internal control system concerning the financial reporting process cannot be understood as an isolated system, but rather as part of a more complex risk assessment and management system, as more fully described in the Report on Operations attached to the Consolidated Financial Statements as at 31 December 2020.

The control system as a whole is inspired by the principles dictated by the COSO *Framework* Report, which provides that the achievement of the corporate objectives described in the first paragraph is based on the following 5 structural components of the control system:

- control environment,
- risk assessment;
- control activities;
- information and communication;
- monitoring.

The periodic assessment of the system of internal control over the financial reporting process is designed to ensure that these components work together to achieve the above objectives.

Description of main features

Existing risk management and internal control system phases in relation to the financial reporting process.

The Issuer has implemented and maintains a set of administrative and accounting procedures to ensure that the internal control system on financial reporting has a high-reliability standard.

This system provides:

- a set of procedures through which the Issuer ensures an efficient data exchange system with its subsidiaries and carries out the necessary coordination for financial reporting purposes. The key elements of this system are:
 - the Group's IAS/IFRS Accounting Principles Manual distributed among all DeA Capital Group companies;
 - the procedure for closing the periodic accounts and preparing the consolidated and separate financial statements of the Issuer;
 - a system of procedures drawn up by the Issuer relating to the main corporate accounting processes and disseminated, as a model, to all DeA Capital Group companies.

All these procedures are subject to a periodic evaluation process aimed at identifying and implementing any aspects that can be improved and incorporating the effects of issuing new accounting standards or amending existing ones.

The approach adopted by DeA Capital to assessing, monitoring and continuous updating of the Internal Control System for *Financial Reporting* is based on a process defined in accordance with the COSO *Framework* model and is *top-down-risk based*.

It allows for assessments to be made following an approach that focuses on the areas of most significant risk and/or materiality, i.e. the risks of material misstatement in the components of the financial statements and related disclosure documents. To this end, we proceed to:

- identify and assess the origin and likelihood of material misstatements in the elements of financial reporting;
- assess whether the existing key controls are adequately defined to detect, in advance or afterwards, possible errors in the elements of financial reporting;
- testing the operation of controls based on an assessment of the risk of error in financial reporting, focusing testing activities on the highest risk areas.

The identification and assessment of risks of error that could have a material impact on financial reporting are carried out through a risk assessment process carried out at least once a year and, in any case, whenever there is a material change in the structure of the Group.

This risk assessment process identifies, through a top-down approach, the organisational entities, processes and related accounting entries that are generated, as well as the specific activities that could potentially cause material errors.

Subsequently, risks and related controls are associated with the accounts and business processes that underlie the formation of accounting data.

Once the processes and their significant associated risks have been identified, specific controls (so-called 'key controls') are identified and assessed, the application of which is capable of limiting the risk of a potential material misstatement in the *Financial Reporting*.

This process also allows the maintenance of a virtuous cycle of updating the internal control system on financial reporting through the structuring of specific controls for risks previously not monitored and the consequent updating of internal procedures.

On the basis of international *best practices*, the controls in place within the Group can be divided into two main categories:

1. controls operating at company levels such as assignment of responsibilities, powers and delegations, segregation of duties, *four eyes review* and selection of privileges and access rights to IT applications;
2. controls operating at a process level, such as issuing authorisations, carrying out reconciliations, performing consistency checks, etc. These controls may be of the "preventive" type to prevent the occurrence of anomalies or fraud that could lead to errors in financial reporting or of the "detective" type to detect anomalies or fraud that have already occurred. These controls may have a 'manual' or 'automatic' connotation, such as application controls that refer to the technical and parameterisation characteristics of the information systems supporting the *business*.

Roles and functions involved

Preparing the consolidated financial statements involves the submission of several reporting packages by the subsidiaries to the Issuer. For each *reporting package*, a person is identified who is required to certify that the data transmitted have been prepared in such a way as to allow the Director responsible for preparing the Company's financial reports to issue his or her certification according to Article 154-*bis* of the Consolidated Law on Finance.

While respecting the autonomy and responsibilities of each Group company, the structure headed by the Director responsible for preparing the Company's financial reports provides a constant point of reference for all subsidiaries to ensure that accounting processes are managed according to the highest quality standards. In particular, it verifies, together with the administrative departments of each Company and in coordination with those responsible for reporting packages, the adequacy of the control systems that monitor risks of error that could have a material impact on financial reporting, as identified during the risk assessment process described in the previous paragraph.

In addition, in compliance with the autonomy as mentioned above and responsibility, the Director in charge of preparing the Company's financial reports carries out testing activities throughout the year, aimed at verifying the practical application both in the

Issuer and in the subsidiaries of the procedures governing the controls on the main corporate processes. This activity was carried out with the support of the Internal Audit Department, assisted by the external consultant chosen by the Director in Charge of Financial Reporting to carry out tests of the effectiveness of the controls, according to the scope and in the areas determined by the Director in Charge of Financial Reporting himself.

The results of this activity are presented to the function managers, and improvement plans are agreed upon with the reporting package directors to put in place corrective actions or improvement plans.

The Director responsible for preparing the Company's financial reports submits reports at least once a year to the Control and Risk Committee on the activities carried out, and the same report is submitted to the Board of Directors on the occasion of the approval of the Issuer's Half-Yearly Financial Report and Consolidated and Annual Financial Statements.

The Control and Risk Committee supported the Board of Directors in defining the guidelines of the internal control and risk management system so that the main risks affecting the Group are correctly identified and adequately measured, managed, and monitored.

During the financial year, the Control and Risk Committee reported to the Board of Directors on the work of the Committee, on the results of the checks carried out and on the functioning of the internal control and risk management system, highlighting that the latter was substantially consistent with the size and organisational and operational structure of the Issuer.

On 12 March 2021, the Issuer's Board of Directors, also taking into account the indications provided by the Control and Risk Committee, was able to express, with reference to the Financial Year, a positive evaluation on the adequacy, effectiveness and efficient operation of the Issuer's internal control and risk management system, taking into account the characteristics of the Company and the risk profile assumed. At the same meeting, the Board approved the 2021 work plan prepared by the Head of the *Internal Audit* Department.

11.2 Director in charge of the internal control and risk management system

On 18 April 2019, the Board of Directors appointed Chairman Lorenzo Pellicioli as Director in charge of the internal control and risk management system.

During the year, the Director in charge, with the support of the Internal Audit Department, contributed to identifying the main corporate risks, taking into account the characteristics of the activities carried out by the Issuer and its subsidiaries, explicitly promoting the implementation of corporate procedures. The operating conditions and the legislative and regulatory framework did not require any significant interventions on the internal control and risk management system during the financial year. Furthermore, during the course of the Financial Year, no issues or problems came to his attention that needed to be reported to the other parties involved in the internal control and risk management system.

It should be noted that, in compliance with the new provisions of the Code and, therefore, as from 2021, the Board of Directors resolved to revoke the appointment of the Director in charge Mr Lorenzo Pellicoli, entrusting the related functions to the Chief Executive Officer. In particular, the Chief Executive Officer has been assigned the following responsibilities with specific reference to the risk management and control system:

- (i) identification of the leading corporate risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries;
- (ii) implementation of the guidelines defined by the Board of Directors, taking care of the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legal framework;
- (iii) entrusting the internal audit department, if deemed appropriate, with the task of carrying out checks on specific operational areas and compliance with internal rules and procedures in the execution of corporate transactions, while simultaneously notifying the Chairman, the Chairman of the Control and Risk Committee and the Chairman of the Board of Statutory Auditors;
- (iv) the timely updating of the control and risk committee on problems and critical issues that have emerged in the performance of its activities or of which it has otherwise become aware so that the committee can take the appropriate initiatives.

11.3 Head of Internal Audit Department

On November 13, 2009, the Board of Directors, upon the proposal of the executive director in charge of overseeing the functionality of the internal control system and after hearing the opinion of the Internal Control Committee (now the Control and Risk Committee), appointed Mr Davide Bossi as Head of *the Internal Audit Department*, who was also entrusted with the position of Member of the Supervisory Body according to Italian Legislative Decree 231/2001.

The Board of Directors, held on 17 April 2015, confirmed, subject to the favourable opinion of the Control and Risk Committee, which assessed it during the meeting held on the same date, that the remuneration of Internal Audit is consistent with current company policies and ensuring that it is adequately resourced to carry out its responsibilities.

The Head of the Internal Audit Department is not responsible for any operational area and does not report hierarchically to any manager of operational areas, including the administration and finance area. It reports hierarchically to the Board of Directors, through its Chairman, and functionally to the Control and Risk Committee.

The Internal Audit Department has an annual *budget* of EUR 60,000.

THE Head of the Internal Audit Department is responsible for:

- constantly verifying, examining and evaluating the adequacy and effectiveness of the internal control and risk management systems, processes, procedures and mechanisms prepared and/or implemented by the Company's

management, in line with the applicable legislation and the corporate rules, as defined from time to time by the Board of Directors;

- proposing to management the most appropriate preventive/corrective measures to remedy any shortcomings that may have emerged during the audit and verification activities;
- supporting other corporate functions in the definition and subsequent implementation of policies, procedures, behavioural rules and working methods of both an operational and an administrative-accounting nature;
- coordinating effectively with the external auditors to avoid duplication and failure to monitor certain areas relevant to both;
- submitting periodic reports on internal audit matters to the relevant corporate bodies;
- responding adequately to any requests from supervisory authorities, to the extent of its competence;
- cooperating with the several *Internal Audit* Department that may exist within the Group;
- reporting, at least every six months, to the Board of Directors, the Control and Risk Committee, the Director in charge and the Board of Auditors on the activities carried out and providing an assessment of the suitability of the internal control and risk management system;
- maintaining relations and carrying out secretarial activities in support of the Parent Company's Supervisory Board and, where required, the Company's Control and Risk Committee;
- ensuring the cooperation with the Parent Company's Board of Auditors.

The activities of the Internal Audit Department are carried out based on an annual work plan approved by the Board of Directors, after consulting the Board of Statutory Auditors and the Director in charge of supervising the functionality of the internal control and risk management system.

The Head of the Internal Audit Department proposed the above work plans, who draws them up based on a structured process of risk analysis and prioritisation.

Extraordinary audit activities may be required:

- a) by the Control and Risk Committee, which must simultaneously notify the Chairman of the Board of Statutory Auditors;
- b) by the Managing Director, who must simultaneously notify the Chairman of the Control and Risk Committee, the Chairman of the Board of Statutory Auditors and the Chairman of the Board of Directors;
- c) by the Board of Statutory Auditors, which has the power to request the Internal Audit Department to carry out checks on specific operational areas or

corporate transactions, simultaneously notifying the Chairman of the Control and Risk Committee, the Chairman of the Board of Directors and, from 2021, the Chief Executive Officer;

- d) by the SB, which shall at the same time notify the Chairman of the Control and Risk Committee, the Chairman of the Board of Statutory Auditors, the Chairman of the Board of Directors and the Chief Executive Officer, unless the specific control activities directly concern those bodies.

During 2020, the Internal Audit Department:

- verified, both on an ongoing basis and concerning specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, through an audit plan approved by the Board of Directors, based on a structured process of analysis and prioritisation of the main risks;
- had direct access, on a case-by-case basis, to all information relevant to the performance of their duties;
- verified the reliability of the information systems, also with particular regard to the AMCs controlled by the Issuer, DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR;
- prepared periodic reports containing adequate information on its activities, on how risk management is carried out 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 and forwarded them to the Chairman of the Board of Statutory Auditors, the Control and Risk Committee, the Board of Directors and the Appointed Director. Since no particularly significant events occurred, it was not necessary to prepare periodic reports on these events to be sent to the Chairman of the Board of Statutory Auditors, the Control and Risk Committee, the Board of Directors and the Appointed Director;
- has fulfilled the obligations assumed by the Issuer towards the subsidiaries that have entrusted it with the execution of the activities of the Internal Audit Department.

During 2020, therefore, we proceeded, on the one hand, (i) to adequately execute the contracts for outsourcing the Internal Audit Departments of DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR, on the other hand, (ii) to carry out the audit activities of the Parent Company in accordance with the priorities agreed with the relevant corporate bodies, and finally, (iii) to take on the new responsibilities assigned to the Internal Audit Department by the group's investee companies, specifically: responsibility for receiving, examining and evaluating the reports relating to DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR, as well as responsibility for the Internal Audit Department of Quaestio Capital Management SGR S.p.A.

With regard to the first area, the Internal Audit Department, with reference to the outsourcing contracts signed by DeA Capital Real Estate SGR and DeA Capital Alternative Funds SGR, carried out the audits agreed on an annual basis with the

respective Boards of Directors and summarised in the audit plans. By way of example, it should be noted that the following were analysed: (i) the processes for the valuation of the assets of both securities and real estate funds; (ii) the progress of the activities agreed upon in connection with extraordinary corporate transactions and following the observations made, during inspections, by the Supervisory Authorities; (iii) the methods for managing the works of the real estate funds that are eligible for capitalization; (iv) the planning and budgeting processes of the asset management company; (v) the investment methods of direct asset management funds with a credit component; (vi) the adequacy of processes relating to anti-money laundering compliance; (vii) the adequacy of the remuneration policies adopted by the two asset management companies; (viii) the adequacy of the second-level control functions; (ix) the soundness of the IT security controls on the data stored in the central corporate archives. With reference to the second area, the Internal Audit Department maintained, in continuity with the previous year, the verification of the operation and suitability of the Issuer's internal control and risk management system. In particular, the activity of the Head of the Internal Audit Department, in accordance with the priorities agreed with the Control and Risk Committee, was essentially aimed at implementing the Internal Audit plan, as amended in order to take into account the effects derived from the spread of the COVID-19 pandemic. In this context, specific audits were carried out to verify, for example, the implementation of actions agreed upon following previous audits concerning the management of privileged information, the method of assigning tasks to suppliers, and the soundness of IT security measures to protect data stored on company servers.

In addition, in implementing the annual activity plan, it provided support to the Director in Charge of Preparation of the Company's Financial Reports to check the evidence of the controls provided for in the accounting procedures and gave support to internal departments in drafting or updating systems.

Finally, the Head of the Internal Audit Department, in addition to supporting the Control and Risk Committee through all the activities already described, also carried out an action of awareness and training of company personnel on various issues related to the Italian Legislative Decree 231/2001, supporting the company structures in updating the Organisation, Management and Control Model, discussed below.

11.4 Organisational Model according to Italian Legislative Decree 231/2001

On 30 July 2007, the Issuer adopted the organisation, management and control model for the prevention of offences under Legislative Decree 231/2001, as amended ("**Model**").

The Model was last updated on 10 November 2020 to take account of regulatory changes since the previous revision.

The Model consists of the following sections:

- "General Section" which explains the contents of the Italian Legislative Decree 231/2001, the function of the organisation, management and control model, the tasks of the Supervisory Board, the disciplinary system and, in general, the principles, logic and structure of the Model itself;
- "Special Sections" which refer to the specific types of crimes analysed and the sensitive activities identified to prevent the crimes provided for by the Italian

Legislative Decree 231/2001; these special sections concern in particular: crimes involving government agencies; crimes relating to health and safety at work; corporate crimes; corruption crimes between private individuals; crimes of market abuse and manipulation; crimes of receiving, laundering and using money from illegal activities; computer-related crimes; tax crimes;

- Code of Ethics;
- the annexes referred to in the individual sections.

The rules contained in the Model apply to all those who perform, including de facto, management, administration, direction or control departments in DeA Capital, to their subordinates, both employees and collaborators, as well as to all consultants, agents, proxies and, more generally, third parties who act, including de facto, on behalf of Group companies, within the limits of the powers delegated to them and in relation to the scope of the activities identified as "at-risk".

The Model has been sent to all DeA Capital managers, published on the corporate intranet and is available on the Issuer's institutional website www.deacapital.com in the Corporate Governance/Organisational Model section (webpage: <https://www.deacapital.com/corporate-governance/modello-organizzativo/>).

The Board of Directors has also appointed a Supervisory Board with autonomous powers of initiative and control to oversee the effectiveness and updating of the model and/or its constituent elements. This activity consists of analysing the adequacy of the model for the reasonable prevention of the crimes provided for in the Italian Legislative Decree 231/2001.

In particular, the Supervisory Body must:

- check the effectiveness, consistency and adequacy of the model adopted, proposing any necessary changes and additions to the relevant company departments;
- periodically report to the Board of Directors, the Managing Director and the Board of Auditors on the state of implementation and operation of the model;
- promote, in concert with the relevant corporate functions, training/information and internal communication programmes, regarding the model, the standards of conduct and the procedures adopted according to the Italian Legislative Decree 231/2001;
- provide for internal reporting mechanisms that systematically make available to the several corporate departments valuable information for carrying out the function of monitoring the validity of the model;
- respond adequately to instances of misconduct by proposing to the relevant corporate departments the application of internal disciplinary systems.

At the date of this Report, the Supervisory Body, appointed by the Board of Directors at the meeting of 18 April 2019, is in office for FY 2019-2020-2021 and is composed of the Chairman of the Board of Statutory Auditors, Cesare Grifoni (Chairman), Donatella Busso and the Head of the *Internal Audit* Department, Davide Bossi.

The Issuer has not used the option to assign the functions of the Supervisory Board to the Board of Statutory Auditors. In particular, also given the current system of controls implemented by DeA Capital and the best practices in this area, it is believed that the tasks assigned by law to the Supervisory Board can be pursued more effectively through an ad hoc multi-subjective supervisory body that combines different skills and professionalism, thus making the body's activities more effective and far-reaching.

The companies controlled by DeA Capital with an Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 are: DeA Capital Partecipazioni S.p.A.; DeA Capital Alternative Funds SGR S.p.A. and DeA Capital Real Estate SGR S.p.A..

11.5 Auditing Firm

PricewaterhouseCoopers S.p.A., with registered office at Via Monte Rosa 91, Milan, is responsible for the legal audit of the Company and is registered in the register of auditing companies according to Article 161 of the Consolidated Law on Finance. The appointment was made, according to Italian Legislative Decree no. 39/2010, by the Shareholders' Meeting of 17 April 2015, for FY 2015-2023, on the reasoned proposal of the Board of Statutory Auditors.

11.6 Director responsible for the preparation of Corporate Accounting Documents

The Board, subject to the mandatory opinion of the Board of Statutory Auditors, appoints the Director responsible for preparing the Company's financial reports according to Article 154-bis of the Consolidated Law on Finance, determining his remuneration and granting him adequate means and powers to perform the tasks assigned to him.

Under Article 13 of the Articles of Association, the Director in charge of preparing the Company's financial reports must have, in addition to the requirements of integrity prescribed by current legislation for those who perform administrative and management functions, standards of professionalism characterised by specific expertise in administration, finance and control in companies of significant size. To be ascertained by the Board itself, this competence must be acquired through work experience in a position of appropriate responsibility for a reasonable period. If the requisites of integrity are no longer met during the term of office, the office is revoked, and, in this case, the revoked Director in Charge of Preparation of the Company's Financial Reports shall be promptly replaced.

On 26 June 2007, the Board, with the favourable opinion of the Board of Statutory Auditors, appointed Mr Manolo Santilli, the current General Manager of the Issuer, as the Managing Director responsible for preparing the Issuer's Corporate Accounting Documents. At the time of the appointment, the Board verified the requisites required by law and by the Articles of Association for assuming the said office. The COO's curriculum vitae is available on the Issuer's institutional website www.deacapital.com in the "Company/Management" section.

At the time of his appointment, the Board of Directors granted the Director responsible for preparing the Company's financial reports all the powers and means

necessary to perform the tasks assigned to him under Article 154-bis et seq. of the Consolidated Law on Finance.

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

Coordination between the parties involved in the internal control and risk management system occurs through exchanges of information flows during regular meetings.

Specifically:

- with regard to the Board of Statutory Auditors, they are invited to all meetings of the Board of Directors and the Control and Risk Committee. Furthermore, one of the Issuer's auditors is also a member of the Supervisory Body pursuant to Italian Legislative Decree 231/2001 and, at each meeting of the latter, updates colleagues on any situations detected during the Board's periodic audits that might be relevant under Italian Legislative Decree 231/2001; the Board of Statutory Auditors also invites the Head of the Internal Audit Department to each meeting, from whom he receives updates on the activities carried out and on what was found during the activity itself;
- with regard to the Board of Directors and the Director in charge of the internal control and risk management system, receives periodic reports from the Head of the Internal Audit Department, the Chairman of the Control and Risk Committee and the Chairman of the Supervisory Body according to Legislative Decree 231/2001. In addition, the Board of Directors meets the Board of Statutory Auditors at each of its meetings;
- with regard to the Head of the Internal Audit Department, he is invited to all the meetings of the Control and Risk Committee and the Board of Statutory Auditors, to which he reports on the activity carried out and on what was found during the activity itself; he is also a member of the Supervisory Body according to Legislative Decree 231/2001;
- with regard to the Control and Risk Committee, they meet, at each of their meetings, with the Board of Statutory Auditors (or at least their Chairman or their delegate) and with the Head of the Internal Audit Department, who reports on the activities carried out during the period and submits periodic reports thereon. In addition, a member of the Committee is also a member of the Supervisory Body pursuant to Italian Legislative Decree 231/2001.

12. DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS

On 11 November 2010, the Issuer's Board adopted the procedure on related party transactions, as last amended on 13 March 2018, subject to the favourable opinion of the Control and Risk Committee (the "**RPT Procedure**").

The RPT Procedure identifies three main categories of transactions between related parties:

Minor Transactions: transactions with related parties whose foreseeable maximum amount of the consideration or the maximum foreseeable value of the services to be provided by the Issuer does not exceed, for each transaction: (i) Euro 100,000.00, per annum, for transactions with related parties who are natural persons; and (ii) Euro 300,000.00, per annum, for transactions with related parties that are legal entities.

Major Transactions: transactions in which at least one of the following indices of relevance is above the 5% threshold: (i) counter-value, meaning the ratio between the counter-value of the transaction and the Issuer's net equity (or, if greater, the Issuer's capitalisation); (ii) assets, meaning the ratio between the total assets of the entity subject to the transaction and the total assets of the Issuer; (iii) liabilities, meaning the ratio between the total liabilities of the entity acquired and the total assets of the Issuer.

Minor Transactions: transactions with related parties other than Major Transactions and Minor Transactions.

Depending on the related parties involved in individual transactions and the type of transaction, the following will be involved: (i) the Remuneration and Nomination Committee for transactions concerning the allocation of remuneration and economic benefits to members of the administrative and control bodies and directors with strategic responsibilities; (ii) the Control and Risk Committee for transactions with related parties of another nature.

The Board is exclusively competent for the approval of Major Transactions and resolves on such transactions after receiving a favourable opinion from the competent Committee made up exclusively of Independent (and unrelated) Directors on the Issuer's interest in carrying out the transaction as well as on the appropriateness and factual correctness of the related conditions. The Chief Executive Officer must ensure that the Committee is involved in the negotiation and preliminary stages by receiving complete, adequate and timely information on the transaction. Within seven days from the approval of the transaction by the Board or, from the moment in which the contract (even preliminary) is concluded, the Issuer shall make available to the public, at the registered office and according to the procedures indicated in Title II, Chapter I, of the Consob Regulation on Issuers, an information document prepared in accordance with Annex 4 of the Consob Related Parties Regulation.

The Board and the delegated bodies, within the limits of the management powers assigned to them, approve Minor Transactions subject to the reasoned and non-binding opinion of the Control and Risk Committee or the Remuneration and Nomination Committee if the transaction concerns the allocation or increase of remuneration and economic benefits, in any form, to a member of an administrative or control body or a manager with strategic responsibilities. The Chairman or Chief Executive Officer shall ensure that committee members receive timely, complete and adequate information on the transaction. If the transaction falls within the board's competence, the Chairman or the Chief Executive Officer shall ensure that the same information is promptly forwarded to the directors.

The provisions of the Consob Related Parties Regulation and the RPT Procedure do not apply:

- (i) to Minor Transactions;

- (ii) compensation plans based on financial instruments approved by the Shareholders' Meeting according to Article 114-*bis* of the Consolidated Law on Finance and related executive transactions;
- (iii) resolutions of the board of directors concerning the remuneration of directors holding special offices - other than resolutions passed by the board of directors within the limits of an overall amount established in advance by the shareholders' meeting according to Article 2389, paragraph 3, of the Italian Civil Code. - as well as managers with strategic responsibilities, provided that:
 - a. the Company has adopted a remuneration policy;
 - b. the Remuneration and Appointments Committee has been involved in the definition of the remuneration policy ⁽⁹⁾;
 - c. a report setting out the remuneration policy has been submitted to the advisory vote of the shareholders' meeting;
 - d. the remuneration awarded is consistent with such policy.
- (iv) Ordinary Transactions;
- (v) Ordinary Investment transactions between Group companies;
- (vi) related party transactions entered into with or between subsidiaries, including jointly, as well as those with associated companies, provided that in the subsidiaries or associate companies that are counterparties to the transaction there are no "significant interests", as defined in the Procedure, of other related parties of the Issuer.

The RPT Procedure is available on the Issuer's website www.deacapital.com in the *Corporate Governance/Org. Model* section.

According to Article 4.1 letter b) of the RPT Procedure, if one or more members of the committee from time to time involved in issuing the relevant opinion (*i.e.* the Remuneration and Nomination Committee or the Control and Risk Committee) is the counterparty of the Minor Transaction under assessment or is a Related Party thereto, the other members of the Committee shall call to join the board another Unrelated Director (Non-Executive and, if necessary, Independent, depending on whether or not it is necessary to restore the presence of at least two Independent Directors) or, failing that, a standing member (other than the Chairman) of the Board of Statutory Auditors, provided that he/she is different from the counterparty of the Minor Transaction under assessment or from a Related Party thereto.

According to Article 4.2, letter b) of the RPT Procedure, if a member of the Committee, made up of Independent Directors only, involved from time to time in issuing the relevant opinion is the counterparty of the Major Transaction under assessment or a related party thereof or is not an Independent Director, the other members of the committee shall call another Unrelated Independent Director or, failing that, an Unrelated standing member of the board of statutory auditors (other than the Chairman) to join the committee.

According to Article 7.2 of the RPT Procedure, Directors who have an interest, even potential and indirect, in a transaction must promptly and thoroughly inform the board of the interest's existence, nature, terms, origin, and extent. The Board is required to assess, on a case-by-case basis, the appropriateness of requesting the director with the conflict of interest to leave the Board meeting before the start of the discussion and until the resolution has been adopted and to abstain from voting.

⁽⁹⁾ See footnote 10 above.

In the case of the Chief Executive Officer, he shall refrain from carrying out the transaction and refer it to the Board.

13. APPOINTMENT OF STATUTORY AUDITORS

The appointment and replacement of statutory auditors shall be governed by the laws and regulations in force *at the time* and by Article 18 of the Articles of Association.

Article 18 of the Issuer's Articles of Association establishes that the Board of Statutory Auditors comprises three statutory auditors and three alternate auditors who remain in office for three financial years and may be re-elected.

At least one of the Statutory Auditors must be female, if the majority of the Statutory Auditors is male or male, if the majority of the Statutory Auditors is female. The remuneration of the Statutory Auditors is established by the Shareholders' Meeting.

The Statutory Auditors must meet the requirements of integrity, professionalism and independence established by the applicable legislation and must not exceed the limits on the accumulation of offices provided for by the applicable legislation in force.

According to Article 18 of the Articles of Association, the Board of Statutory Auditors is appointed based on lists presented by the shareholders and the minority shareholders are entitled to elect one statutory auditor and one alternate auditor. Shareholders who, individually or jointly with others, own shares representing at least 2.5% of the share capital with voting rights at the Ordinary Shareholders' Meeting or representing any lower percentage established or referred to by binding legal or regulatory provisions be entitled to submit lists. It should be noted that in its Resolution no. 44 of 29 January 2021, Consob set a minimum quota of 2.5% for DeA Capital for the submission of candidate lists for the election of management and supervisory bodies.

Each shareholder, as well as shareholders belonging to the same group and shareholders who are party to a shareholders' agreement according to Article 122 of the Consolidated Law on Finance, may not submit, not even through a third party or trust company, more than one list or vote for different lists. Endorsements and votes cast in violation of this prohibition shall not be attributed to any list. Each candidate may stand for election on only one list, under the penalty of ineligibility.

Together with each list must be filed: (i) information on the identity of the shareholders who have submitted the lists, with an indication of the total percentage of share capital held; (ii) a declaration by the shareholders other than those who hold, even jointly, a controlling or relative majority interest, certifying the absence of any relationship of connection with the latter, as provided for by Article 144-*quinquies* of the Consob Issuers' Regulations (iii) a resume containing exhaustive information on the personal and professional characteristics of each candidate, highlighting any administration and control positions held in other companies, as well as declarations in which the individual candidates accept the nomination, undertake - if appointed - to accept the position and certify, under their responsibility, that there are no grounds for ineligibility or incompatibility, and that they meet the regulatory and statutory requirements for their respective offices. Those who have submitted lists must also deposit copies of the certifications issued by authorised intermediaries attesting to their ownership of the number of shares necessary for submitting the lists within the terms and according to the procedures indicated by the regulations in force. Lists submitted without complying with the above provisions shall be deemed

not to have been submitted.

The election of Statutory Auditors proceeds as follows:

- a) two standing members and two alternate members are taken from the list that has obtained the highest number of votes at the Shareholders' Meeting, based on the sequential number with which they are listed in the sections of the list, without prejudice to the provisions of the Articles of Association to ensure gender balance (male and female) in compliance with the applicable provisions of the law and regulations;
- b) the remaining standing member and the other alternate member are taken from the second list that has obtained the highest number of votes at the Shareholders' Meeting and which, according to the applicable rules and regulations, is not connected, even indirectly, with the shareholders who submitted or voted for the list that obtained the highest number of votes, based on the sequential number with which they are listed in the sections of the list.

The Chairman of the Board of Statutory Auditors is the Statutory Auditor drawn from the second list that obtained the highest number of votes at the Shareholders' Meeting.

If at the end of the vote, the legal and regulatory provisions concerning the balance between male and female genders are not respected, the candidate for Statutory Auditor of the most represented gender indicated as the last in progressive order on the list obtaining the highest number of votes shall be excluded and shall be replaced by the next candidate, drawn from the same list, belonging to the other gender.

If the first two lists obtain the same number of votes, a new vote shall be held in accordance with the applicable provisions on gender balance (male and female). In the event of a tie between two or more lists other than the one that obtained the highest number of votes, the eldest candidates shall be elected Auditors until all the posts are filled.

If, at the expiry date of the deadline for submitting lists, only one list is submitted, or only lists that are interconnected according to the applicable rules and regulations, lists may be submitted up to the fifth day following that date. In that case, the 2.5% threshold is reduced by half.

If only one list is submitted, the entire Board of Statutory Auditors shall be appointed from that list, and the first candidate on that list shall be appointed Chairman of the Board; it is understood in any event that at least one standing auditor must belong to the gender (male or female) least represented. If no list is submitted, the Shareholders' Meeting shall decide by a majority of those voting, excluding abstainers from the calculation, in compliance with the applicable provisions on gender balance (male and female).

In the event of failure to meet the requirements of the law and the articles of association, the statutory auditor ceases to hold office.

If a Statutory Auditor is replaced, he or she is replaced by the alternate belonging to the same list as the outgoing Statutory Auditor, provided that the applicable provisions on gender balance (male and female) are respected. It is understood that the chairmanship of the Board of Statutory Auditors will remain with the minority auditor.

When the Shareholders' Meeting has to appoint the standing and/or alternate auditors necessary to complete the Board of Statutory Auditors, the following procedure is followed if it is required to replace auditors elected in the majority list, the appointment is made by relative majority vote without list constraints and in compliance with the applicable provisions on gender balance (male and female); if, on the other hand, it is necessary to replace auditors elected in the minority list, the Shareholders' Meeting replaces them by relative majority vote, choosing them from among the candidates indicated in the list to which the auditor to be replaced belonged, provided that the applicable provisions on gender balance (male and female) are respected.

If the application of these procedures does not allow, for any reason, the replacement of the auditors designated by the minority, the Shareholders' Meeting shall proceed with a relative majority vote, in compliance with the applicable provisions on gender balance (male and female); however, in ascertaining the results of this last vote, the votes of shareholders who, according to the communications made according to current regulations, hold, even indirectly or even jointly with other shareholders who are party to a relevant shareholders' agreement according to Article 122 of the Consolidated Law on Finance, a relative majority of the votes may be cast in the shareholders' meeting, and shareholders who control are controlled by or subject to joint control.

14. COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS (as per Article 123-bis, paragraph 2, letters d) and d-bis), Consolidated Law on Finance)

The Issuer's Board of Statutory Auditors in office at the end of the Financial Year is composed of 3 standing members and 3 alternate members appointed by the Ordinary Shareholders' Meeting of 18 April 2019.

The Board thus constituted will remain in office until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

The personal and professional characteristics of each member of the Board of Statutory Auditors, pursuant to articles 144-octies and 144-decies of the Consob Issuers' Regulation, are illustrated in the *curriculum* filed at the Company's registered office and available on the Issuer's institutional website (www.deacapital.com) in the *Corporate Governance/Corporate Bodies* section.

It should be noted that the Board of Statutory Auditors currently in office was appointed based on the single list submitted by the shareholder De Agostini, which contained the following names: Cesare Andrea Grifoni, Fabio Facchini and Annalisa Raffaella Donesana, as candidates for the office of Statutory Auditor, and Andrea Augusto Bonafè, Michele Maranò and Marco Squazzini Viscontini, as candidates for the office of Alternate Auditor. The minority, which, according to the Articles of Association, would be entitled to appoint one statutory auditor and one alternate auditor, did not submit any list. The candidates on this list were elected with a favourable vote of 69.91% of the voting share capital.

See Table 3a attached to this Report for details of the current Board.

Table 3b attached to this Report shows the administrative and control positions currently held in joint-stock companies by the members of the Board of Statutory Auditors at the date of this Report.

It should be noted that at the date of this Report, no Statutory Auditor in office has communicated that he has exceeded the limits on the accumulation of administrative and control positions provided for in Article 144-terdecies of the Consob Issuers' Regulations.

During the Financial Year, six meetings of the Board of Statutory Auditors were held on 28 January 2020, 26 March 2020, 20 April 2020, two meetings on 15 July 2020, and the last one on 12 October 2020.

All members of the Board of Statutory Auditors were present at all meetings held during the financial year.

The duration of the meetings of the Board of Statutory Auditors averaged 1 hour and 15 minutes.

As of the date of this Report, one meeting of the Board of Statutory Auditors has already been held.

It should be noted that Legislative Decree no. 39/2010 ("Implementation of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, amending Directives 78/660/EEC and 83/349/EEC and repealing Directive 84/253/EEC") assigned to the Board of Statutory Auditors the functions of an internal control and audit committee (the "Internal Control and Audit Committee") and, in particular, the supervisory functions over: (i) the financial reporting process; (ii) the effectiveness of the internal control, internal audit, if applicable, and risk management systems; (iii) the statutory audit of the annual and consolidated accounts; (iv) the independence of the statutory auditor or the statutory audit firm, in particular with regard to the provision of non-audit services to the audited entity.

For the activities carried out during the year by the Board of Statutory Auditors in its capacity as Internal Control and Audit Committee, please refer to the report on the supervisory activities of the Board of Statutory Auditors.

Diversity criteria and policies

In compliance with the provisions of the Code and without prejudice to the provisions of the law and regulations in force at the *time*, the Board of Directors has identified for the composition of the Board of Statutory Auditors the same criteria of diversity, including gender diversity, as provided for the Board of Directors in Section 4.2 above, except as indicated below for the Chairman of the Board of Statutory Auditors.

In particular, the Chairman of the Board of Statutory Auditors must have the authority to ensure the proper functioning of the body, coordinating activities and checks (including individual reviews), encouraging internal discussion and the active participation of all members of the Board of Statutory Auditors, and acting as the

primary contact for the Board of Directors, the Chief Executive Officer, the heads of the corporate control departments, the auditing firm and the Company's supervisory body set up according to Italian Legislative Decree no. 231 of 8 June 2001 and subsequent amendments and additions.

Following the appointment of the Board of Statutory Auditors by the Shareholders' Meeting of 18 April 2019, the Board, on the same date, verified the existence of the independence requirements of its members based on the criteria provided for by the Code concerning the independence of Directors and the results of this assessment were disclosed to the market through a press release dated 18 April 2019. Lastly, the Board of Statutory Auditors verified that the Statutory Auditors continued to meet the independence requirements at the meeting held on 15 July 2020.

Any Auditor who, on his/her behalf or on behalf of third parties, has an interest in a specific transaction of the Issuer, shall promptly and thoroughly inform the other Statutory Auditors and the Chairman of the Board of Directors about the nature, terms, origin and extent of his/her interest.

The Board of Statutory Auditors periodically monitors the independence of the auditing firm, verifying both compliances with the relevant regulatory provisions and the nature and extent of services other than auditing provided to the Issuer and its subsidiaries by the same auditing firm and the entities belonging to its networks, expressing its opinion annually in the report to the shareholders' meeting.

The Board of Statutory Auditors, in carrying out its activities, has regularly coordinated with the internal audit department and with the Control and Risk Committee, in consultation with the Head of the Internal Audit Department. In particular, the Board of Statutory Auditors, the Control and Risk Committee and the Internal Audit Department promptly exchange information relevant to the performance of their respective tasks.

In consideration of the many years of experience acquired by all the Statutory Auditors in the business sector in which the Issuer operates, the Chairman of the Board of Directors did not deem it necessary to promote further *ad hoc* initiatives during the financial year aimed at increasing the knowledge of the Statutory Auditors of the Company's business sector, company dynamics and their evolution, as well as the reference regulatory framework (the so-called "*induction programme*").

Under the Code, the remuneration of Statutory Auditors is commensurate with the commitment required, the importance of the role covered and the size and sector characteristics of the Company.

15. RELATIONS WITH SHAREHOLDERS

The Issuer has deemed it in its own specific interest – as well as a duty to the market – to establish from the time of listing an ongoing dialogue, based on a mutual understanding of roles, with all shareholders, as well as with institutional investors; a relationship destined to take place in compliance with the procedure for handling inside information described in Section 5.1 above.

In this regard, it has been assessed that this relationship with the general public of shareholders and institutional investors can be facilitated by establishing dedicated corporate structures equipped with adequate personnel and organisational means.

Since the company's incorporation, the *Investor Relations* department has been established, the presence of which is mandatory for companies listed on the STAR segment. The role of *investor rapporteur* responds to a need for complete and transparent communication between the company and the outside world. In particular, it aims to ensure the correct positioning and attractiveness of the financial instrument in the market, developing a liquid and stable market for the security itself, ensuring that the Company can easily place subsequent capital increases and promote a solid and diversified shareholder base. In carrying out its function, the investor rapporteur makes use of support tools such as: dissemination and publication of press releases, presentations, financial statements and reports; sending of mailings to stakeholders; periodic contacts with institutional investors and analysts; organisation of Roadshows with domestic and international institutional investors.

Information activities in investor relations are also ensured through the management of the Company's institutional *website*, with a special section dedicated to investors, www.deacapital.com, the "Investor Relations" section, where the most relevant corporate documentation is made available in a timely and continuous manner.

In particular, on this website, investors may freely consult, in Italian and English, all press releases issued to the market, the Issuer's periodic accounting documents approved by the competent corporate bodies (annual and consolidated financial statements, half-yearly report, interim management reports), as well as the documents distributed at meetings with professional investors, analysts and the financial community.

In addition, the Issuer's *website* contains the Articles of Association, the documents prepared for Shareholders' Meetings, Internal Dealing notices, this Report on the corporate governance system, and any other document whose publication on the Issuer's *website* is required by applicable regulations.

The Investor Relations function also carries out specific tasks in the management of price-sensitive information and in relations with Consob and Borsa Italiana S.p.A..

At the date of this Report, the Head of the Investor Relations Department is Manolo Santilli.

The Investor Relations department also participated in the procedure for handling inside information, contributing to the drafting of press releases, and coordinating communications to the financial community to ensure full compliance with both current legislation and confidentiality requirements.

16. SHAREHOLDERS' MEETINGS (AS PER ARTICLE 123-BIS, PARAGRAPH 2, LETTER C), CONSOLIDATED LAW ON FINANCE)

The operation of the Shareholders' Meeting, its main powers, shareholders' rights and the procedures for exercising them are governed by the applicable legislation in force.

Under Article 9 of the Articles of Association, "*Persons entitled to vote who have obtained from the authorised intermediary certification of their entitlement, communicated to the Company in accordance with the applicable legislation, may attend the Shareholders' Meeting*".

Following the amendments introduced by Legislative Decree no. 27/2010, which introduced the so-called "record date" mechanism into Italian law, those persons who, based on a communication from the intermediary to the Company, are entitled to attend the shareholders' meeting and exercise their voting rights at the end of the accounting day of the seventh trading day prior to the date set for the shareholders' meeting in first or only call, shall have the right to participate in the meeting and exercise their voting rights.

Credit and debit entries made to the accounts after this time limit shall not affect the entitlement to exercise voting rights at the shareholders' meeting.

Those entitled to vote may be represented by written proxy or by proxy conferred electronically in accordance with the applicable legislation. The proxy may also be notified to the Company by electronic means using one of the following methods indicated from time to time in the call notice: (a) sending the proxy to the e-mail address – possibly certified if so required by the applicable regulations – indicated in the notice of call; (b) using the specific section of the Company's website indicated in the notice of call. The call notice may also indicate, in compliance with applicable law, additional methods of electronic notification of the proxy that may be used in the specific meeting to which the notice refers. It is up to the Chairman of the Meeting to ascertain the regularity of the proxies and the right of those present to participate in the Meeting.

The Shareholders' Meeting is ordinary and extraordinary and is constituted and resolved in accordance with the law. The Ordinary Shareholders' Meeting is convened at least once a year within one hundred and twenty days of the end of the financial year to discuss the topics provided for by law. When the legal conditions are met, the Ordinary Shareholders' Meeting may be convened within the wider term of one hundred and eighty days from the end of the financial year. The Extraordinary Shareholders' Meeting is convened to deal with the matters laid down for it by law or by the Articles of Association.

The Shareholders' Meeting is convened at the registered office or elsewhere in the national territory through a notice to be published in the manner and within the terms established by the applicable legislation. The call notice may also indicate the dates of any subsequent call notices.

Under Article 10 of the Articles of Association, the Shareholders' Meeting is chaired by the Chairman of the Board of Directors, or in the event of his absence or impediment, by the Deputy Chairman or by the Chief Executive Officer; in the event of the absence or obstruction of the latter, by another person designated by the Shareholders' Meeting. The Chairman is assisted by a Secretary, who is the Secretary of the Board if appointed, in his absence, by a person designated by the Meeting. The Secretary's assistance is not necessary when the minutes are drawn up by a notary.

In particular, the Chairman of the Meeting: (i) ascertains the right to attend, including by proxy; (ii) ascertains whether the Shareholders' Meeting is duly constituted and has the quorum to pass resolutions; (iii) directs and regulates the proceedings of the Shareholders' Meeting; (iv) establishes the procedures, in any case open, for voting and proclaims the results thereof.

It should be noted that pursuant to Article 2365(2) of the Italian Civil Code, Article 12 of the Articles of Association gives the Board the power to: (i) decide on the reduction of the share capital in the event of withdrawal by shareholders; (ii) adapt

the Articles of Association to regulatory provisions; (iii) transfer the registered office within Italy; (iv) decide on the merger by incorporation of a wholly-owned or 90%-owned company, in compliance with the provisions of Articles 2505 and 2505-bis of the Italian Civil Code.

In order to reduce the constraints and formalities that make it burdensome and difficult for Shareholders to attend the Shareholders' Meeting and exercise their voting rights, the Articles of Association provide that the Shareholders' Meeting may be held through telecommunications in the manner indicated in the call notice.

In order to facilitate and facilitate Shareholders' participation in the Shareholders' Meetings, the Issuer's Shareholders' Meeting has adopted specific regulations governing the orderly and functional proceedings of ordinary and extraordinary Shareholders' Meetings, guaranteeing the right of each Shareholder to speak on the matters under discussion.

The Regulation is available on the institutional website of the Issuer in the Governance/Shareholders' Meetings section.

In short, these Regulations, the approval and amendment of which is reserved for the Ordinary Shareholders' Meetings, regulate the proceedings of the Shareholders' Meeting and, in particular:

- attendance at meetings by experts, financial analysts, journalists, representatives of the auditing firm and – where deemed useful – employees of the Issuer or its subsidiaries;
- access to the premises where the Shareholders' Meeting is held;
- the procedures for verifying entitlement to participate in the Shareholders' Meeting, constituting of the same and opening the proceedings;
- cases of suspension of the proceedings;
- the conduct of the debate, with a maximum duration for speeches and replies;
- the voting procedure and the declaration of results.

On 17 April 2015, the Shareholders' Meeting amended Article 9 of the Articles of Association, introducing the mechanism of increased voting, as per Article 127-*quinqües* of the Consolidated Law on Finance. Specifically, pursuant to article 9 of the Articles of Association, two voting rights will be allocated for each ordinary DeA Capital share held by the same shareholder of the Company for a continuous period of at least 24 months, starting from the registration of the shareholder in a special list, established and maintained by the Company at its registered office.

The relevant documentation can be consulted on the Issuer's institutional website (www.deacapital.com), in the Governance/Loyalty Shares section.

With regard to Shareholders' rights, please refer to the applicable *pro tempore* laws and regulations, except as indicated below. The procedures for Shareholders to attend the Shareholders' Meeting are governed by the Shareholders' Meeting Regulations adopted by the Issuer.

The right of withdrawal may be exercised by the shareholder in the cases and according to the procedures provided for by law pursuant to Article 8 of the Articles of Association, and is in any case excluded in the following cases:

- a) extension of the term of the Issuer;
- (b) introduction/removal of restrictions on the floating of shares.

Pursuant to Article 22 of the Articles of Association, dividends are paid in the manner and within the time limits set by the shareholders' meeting resolution ordering the distribution of profits to shareholders. Dividends not collected within five years following the day on which they became payable, are prescribed in favour of the Issuer, with allocation to the extraordinary reserve. In compliance with Article 2433-*bis* of the Italian Civil Code, interim dividends may be distributed in accordance with the procedures set out in the aforementioned provision.

In relation to the epidemiological emergency from COVID-19, the Shareholders' Meeting of 20 April 2020 was held in accordance with the procedures permitted by the exceptional rules contained in Decree Law No. 18 of 17 March 2020. Participation in the meeting took place exclusively through the representative appointed pursuant to Article 135-undecies of the Consolidated Law on Finance (identified as Computershare S.p.A.). [The methods of managing the shareholders' meetings applied in 2020 will be replicated at the Shareholders' Meeting of 20 April 2021, given the continuation of the health emergency and the confirmation of the exceptional regulatory regime mentioned above]

The Chairman of the Board of Directors Lorenzo Pellicoli, the Chief Executive Officer Paolo Ceretti and the Directors Marco Boroli, Donatella Busso, Carlo Enrico Ferrari Ardicini, Dario Frigerio, Francesca Golfetto and Daniela Toscani attended the Shareholders' Meeting held on 20 April 2020. The Board has reported to the Shareholders' Meeting on the activities carried out and planned and has endeavoured to ensure that the Shareholders are provided with adequate information on the necessary elements to make informed decisions on decisions within the Shareholders' competence Meeting.

It should be noted that there have been no significant changes in the Issuer's market capitalisation or the composition of its corporate structure, compared to the previous year, such as to make it necessary to propose amendments to the Articles of Association to the Shareholders' Meeting concerning the percentages established for the exercise of the prerogatives to protect minorities, since - in the application of Article 144-*quater* of the Consob Issuers' Regulations for the submission of lists for the appointment of members of the Board of Directors and the Board of Statutory Auditors - Articles 11 and 18 of the Articles of Association require the percentage threshold of 2.5% of the voting capital or any other percentage established or referred to by mandatory provisions of law or regulations.

17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER A) OF THE CONSOLIDATED LAW ON FINANCE)

The Issuer, in addition to the Organisational Model pursuant to Legislative Decree 231/2001 and the auditing procedures outlined in Section 11 of the Report, it does not adopt any corporate governance practices other than those required by law and regulations.

18. CHANGES SINCE THE END OF THE REPORTING PERIOD

As of the end of the financial year, there have been no other changes in *the corporate governance* structure than those reported in the specific sections.

19. CONSIDERATION OF THE LETTER OF 22 DECEMBER 2020 FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

During the meeting of 12 March 2021, the letter dated 22 December 2020 sent by the Chairman of the *Corporate Governance* Committee to the Chairman of the Board of Directors, the Chief Executive Officer and the Chairman of the Board of Statutory Auditors of the Company was brought to the attention of the Board of Directors.

In particular, also taking into account the results of the self-assessment process, the Board of Directors:

- (i) with reference to sustainability, agrees with the Corporate Governance Committee's call for attention to sustainability and the declination of the concept in terms of sustainable success, according to an overall and synergic vision of the various dimensions of the business phenomenon, in its relations with all stakeholders. With reference to the remuneration policies, it confirmed the adequacy of the remuneration policies in pursuing the objective of sustainability of the Company's activities in the medium-long term, highlighting how, from this point of view, the remuneration policy adopted by the Company provides for individual objectives of the variable component of remuneration consistent with the Company's strategic goals, as well as long-term incentive plans linked exclusively to medium/long-term performance targets;
- (ii) with reference to pre-board disclosures, it considered the quality of such disclosures to be adequate in terms of completeness, usability and timeliness, while also ensuring that confidentiality requirements were met. Under the Board of Directors' regulations, the documentation necessary to provide adequate information concerning the matters subject to Board resolutions is made available to the Directors at least two calendar days before the date of the meeting (or at least 24 hours in advance in case of urgency). This deadline - which is generally considered to be reasonable - has usually been respected;
- (iii) with reference to the independence requirements, it noted that the criteria provided for by the Code to verify the existence of the independence requirements of the members of the Board of Directors have always been complied with by the Company, deeming it appropriate to reserve for the Board itself the task of assessing from time to time the significance of any relationships between the directors and the Company. At the end of the 2020 self-assessment process and in the light of Recommendation no. 7 of the new Code, the Board decided to start reflecting on the advisability of defining ex-

ante the qualitative and quantitative criteria to be used to assess the significance of (a) any commercial, financial or professional relationships with Independent Directors such as to compromise their independence, and (b) the remuneration in addition to the fixed remuneration for the office and that provided for participation in committees;

- (iv) with reference to the self-assessment, as recommended by the Committee, the self-assessment process evaluating the results with the support of the Remuneration and Nomination Committee was supervised;
- (v) with reference to the appointment and succession of directors, confirms that, during the financial year and in accordance with the recommendations in the letter, the Remuneration and Nomination Committee, in the person of their chairman, reported on their activities to the Board, informing them at the first available meeting;
- (vi) with reference to remuneration policies, notes that (a) indications have been provided in the Remuneration Report regarding the identification of the weight of the variable component, distinguishing between components linked to annual and multi-year time horizons (b) the Company ensures that the definition of the variable component of the remuneration of its directors and Executives with Strategic Responsibilities takes place in compliance with the definition of quantitative and qualitative *performance* targets (where appropriate, taking into account criteria inspired by ESG issues), correlated (and contributing, year by year and in the medium to long term) to the achievement of the strategic objectives defined by the Company from time to time, also with a view to the sustainability of the *business*, in light of the risks assumed; (c) the possibility of disbursing amounts not linked to predetermined parameters has been limited to exceptional cases, subject to adequate explanation; expressly, the Company is granted the right to pay any exceptional bonuses in relation to operations and/or projects of strategic importance and/or extraordinary results, of such significance as to have a substantial impact on the Company's business and/or on its profitability, and as such unable to find an adequate response in ordinary variable remuneration systems; the criteria for determining the amount of any exceptional bonus would be, on the one hand, linked to the value of the transaction and/or project and would take into account, on the other hand, the total remuneration already paid to the beneficiary under the ordinary remuneration systems; (d) criteria and procedures have been defined for the assignment of severance indemnities; and (e) it has been verified that the extent of the remuneration paid to non-executive directors and members of the control body is appropriate to the competence, professionalism and commitment required by their office.

TABLES
Table 1: Information on Ownership Structure
Table 1a

Share Capital Structure				
	No. of shares	% of share capital	Listed (indicate markets) / unlisted	Rights and obligations
Ordinary shares*	266,612,100	100	MTA/Star segment	<p>The rights and obligations of shareholders are those provided for by law and the articles of association.</p> <p>Each share gives the right to one vote, except for shares in relation to which the right to an increased vote provided for in Article 9 of the Articles of Association has accrued. The documentation relating to the increased voting mechanism is available on the Issuer's website (www.deacapital.com), in the Corporate Governance/Increased Vote.</p>

* ISIN Code IT0001431805

Table 1b

Significant shareholdings				
Declarant	Direct shareholder		% of ordinary share capital	% of voting share capital
	Name	Title of ownership		
B&D Holding di Marco Drago e C. S.a.p.a.	De Agostini S.p.A.	Properties	66,676	66,676
	Total		66,676	66,676

Note: The data shown in Table 1b derive from the communications made pursuant to Article 120 of the Consolidated Law on Finance by the Shareholders. Therefore, such data may not be in line with data processed and disclosed by other sources, if the change in shareholding had not led to disclosure obligations for the Shareholders.

Table 2a: Structure of the Board of Directors and Committees

Board of Directors													Control and Risk Committee		Remuneration and Nomination Committee	
Office	Members	Year of birth	Date of first appointment*	In office since	In office until	List **	Exec.	Non-exec.	Indep Code	Indep. Consolidated Law on Finance	No. other offices ***	(*)	(*)	(**)	(*)	(**)
Chairman •	Lorenzo Pelliccioli	29/07/1951	30/01/2007	18/04/2019	Financial statements as at 12/31/2021	M	X				11	4/4				
Chief Executive Officer ◇	Paolo Ceretti	21/02/1955	30/01/2007	18/04/2019	Financial statements as at 12/31/2021	M	X				6	4/4				
Director	Dario Frigerio	24/06/1962	18/04/2019	18/04/2019	Financial statements as at 12/31/2021	M		X			5	4/4				
Director	Marco Boroli	25/08/1947	26/04/2010	18/04/2019	Financial statements as at 12/31/2021	M		X			2	4/4				
Independent Director	Donatella Busso	30/06/1973	17/04/2015	18/04/2019	Financial statements as at 12/31/2021	M		X	X	X	4	4/4	5/5			
Director	Marco Drago	11/02/1946	30/01/2007	18/04/2019	12/05/2020	M		X			9	2/4		P		
Director	Nicola Drago	28/12/1978	12/05/2020	12/05/2020	Shareholders' Meeting of 20.04.2021	Co-option		X			3	2/4				
Director	Carlo Enrico Ferrari Ardicini	25/07/1964	21/04/2016	18/04/2019	Financial statements as at 12/31/2021	M		X			7	2/4				
Independent Director	Francesca Golfetto	04/10/1950	19/04/2013	18/04/2019	Financial statements as at 12/31/2021	M		X	X	X	1	3/4			4/4	M
Independent Director ○	Davide Mereghetti	30/04/1966	18/04/2019	18/04/2019	Financial statements as at 12/31/2021	M		X	X	X	2	4/4			4/4	M

Independent Director	Daniela Toscani	12/09/1963	21/04/2016	18/04/2019	Financial statements as at 12/31/2021	M		x	x	x	2	4/4	5/5	M		
Independent Director	Elena Vasco	31/12/1964	21/04/2016	18/04/2019	Financial statements as at 12/31/2021	M		x	x	x	2	3/4	5/5	M	4/4	P

DIRECTORS WHO CEASED TO HOLD OFFICE DURING THE YEAR UNDER REVIEW: 1
Number of meetings held during the reporting year: 4
Control and Risk Committee: 5
Remuneration and Nomination Committee: 4
Quorum required for the submission of lists by minorities for the election of one or more members (pursuant to Article 147-ter Consolidated Law on Finance): 2.5%
NOTES

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

- ◊ This symbol indicates the person primarily responsible for the management of the issuer (Chief Executive Officer or CEO).

- 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 the issuer.

** This column indicates the list from which each director was taken ("M": majority list; "m": minority list; "CdA": the list submitted by the Board of Directors).

*** This column shows the number of offices as director or statutory auditor positions held by the person concerned in other companies listed on regulated markets, including international ones, in financial, banking, insurance or large companies.

Their offices are described in full in the Corporate Governance Report.

(*) This column indicates the participation of the directors in the meetings of the Board of Directors and the Committees respectively (indicate the number of meetings attended out of the total number of meetings that could have been attended; e.g. 6/8; 8/8 etc.).

(**) This column indicates the qualification of the Director within the Committee: "P": chairman; "M": member.

Table 2b - Offices held in other companies

Name and surname	Company	Administrative and control positions held
Lorenzo Pelliccioli	B&D Holding S.p.A.*	Director
	De Agostini S.p.A. *	Chief Executive Officer
	FLAVUS S.r.l.	Sole Director
	Xantos SASU	Chairman
	Assicurazioni Generali S.p.A.	Director, Member of the Investment and Strategic Operations Committee and Member of the Nomination and Remuneration Committee
	International Game Technology plc *	Chairman
	BANIJAY GROUP S.a.s.	Member of the Supervisory Board
	Yellow Properties S.r.l.	Sole Director
	Investendo Due S.r.l.	Sole Director
	LDH S.a.s.	Director
	Palamon Capital Partners	Member of the Board of Advisors

Name and surname	Company	Administrative and control positions held
Paolo Ceretti	De Agostini S.p.A. *	General Manager
	DeA Communications S.A. *	Director
	DeA Capital Holdings S.p.A. *	Chairman and Chief Executive Officer
	Quaestio Capital Management SGR S.p.A. *	Director
	Quaestio Holding S.A. *	Director
	Cerfin S.r.l.	Sole Director

Name and surname	Company	Administrative and control positions held
Dario Frigerio	Leonardo S.p.A.	Director
	Atlantia S.p.A.	Director
	Business Innovation Lab S.p.A.	Director
	Quaestio Holding S.A. *	Director
	Fondazione Fiera Milano	Deputy Chair

Name and surname	Company	Administrative and control positions held
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Marco Boroli	De Agostini Editore S.p.A.*	Director and Executive Committee Member
	Assonime	Member of the Board of Directors and Executive Committee

Name and surname	Company	Administrative and control positions held
Donatella Busso	Prima Industrie S.p.A.	Independent Director
	Banca 5 S.p.A.	Independent Director
	Umbra Group S.p.A.	Independent Director
	Iren S.p.A.	Alternate Auditors

Name and surname	Company	Administrative and control positions held
Marco Drago	B&D Holding S.p.A.*	Chairman of the Board of Directors
	De Agostini S.p.A.*	Chairman
	De Agostini Editore S.p.A. *	Honorary Chairman
	Grupo Planeta - De Agostini S.L.	Deputy Chair
	International Game Technology plc *	Director
	Blu Acquario Prima S.p.A.	Sole Director
	Atresmedia S.A.	Director and Executive Committee Member
	SAN FAUSTIN S.A.	Director
	Crescita Holding S.r.l.	Director

Name and surname	Company	Administrative and control positions held
Nicola Drago	De Agostini Editore S.p.A.*	Chief Executive Officer
	De Agostini Publishing S.p.A.*	Chief Executive Officer
	DeA Planeta Libri S.r.l.	Director

Name and surname	Company	Administrative and control positions held
Carlo Enrico Ferrari Ardicini	DeA Factor S.p.A. *	Director
	B&D Finance S.p.A. *	Director
	Camperio S.p.A. SIM	Director
	Controfidia (Suisse) S.A.	Chairman
	Controfidia Management Ltd	Director
	Dalghren S.r.l.	Sole Director
	MobilityUp S.r.l.	Director

Name and surname	Company	Administrative and control positions held
Francesca Golfetto	Fiera Milano S.p.A.	Director

Name and surname	Company	Administrative and control positions held
Davide Mereghetti	C.M.C. di Ravenna Soc. coop.	Chief Executive Officer
	Logistica Digitale S.p.A.	Director

Name and surname	Company	Administrative and control positions held
Daniela Toscani	Sabaf S.p.A.	Director
	Openjobmetis S.p.A.	Director

Name and surname	Company	Administrative and control positions held
Elena Vasco	Fiera Milano S.p.A.	Director
	Cattolica Assicurazioni	Director

NOTES

*: indicates whether or not the company in which the office is held is part of the Group to which the Issuer belongs or of which the Issuer is a member.

Table 3: Structure of the Board of Statutory Auditors –

Table 3a

Board of Statutory Auditors									
Office	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Indep Code	Participation in Board meetings ***	No. of other offices ****
Chairman	Cesare Andrea Grifoni	03/02/1959	21/04/2016	18/04/2019	Financial statements as at 12/31/2021	M	X	6/6	15
Statutory Auditor	Annalisa Raffaella Donesana	09/06/1966	19/04/2013	18/04/2019	Financial statements as at 12/31/2021	M	X	6/6	8
Statutory Auditor	Fabio Facchini	26/02/1955	21/04/2016	18/04/2019	Financial statements as at 12/31/2021	M	X	6/6	13
Alternate Auditors	Andrea Augusto Bonafè	15/02/1960	21/04/2016	18/04/2019	Financial statements as at 12/31/2021	M	X	-	16
Alternate Auditors	Michele Maranò	08/08/1973	21/04/2016	18/04/2019	Financial statements as at 12/31/2021	M	X	-	3
Alternate Auditors	Marco Sguazzini Viscontini	25/01/1956	21/04/2016	18/04/2019	Financial statements as at 12/31/2021	M	X	-	18
----- AUDITORS LEAVING OFFICE DURING THE YEAR -----									
n/a									

Number of meetings held during the reporting year: 6

Quorum required for the submission of lists by minorities for the election of one or more members (pursuant to Article 148 of the Consolidated Law on Finance): 2.5%

NOTES

* The date of first appointment of each Statutory Auditors means the date on which the Statutory Auditors was appointed for the first time (ever) to the issuer's board of statutory auditors.

** This column indicates the list from which each Statutory Auditors was drawn ("M": majority list; "m": minority list).

*** This column indicates the participation of the Statutory Auditors in the Board of Statutory Auditors' Meetings (indicate the number of meetings attended out of the total number of meetings that could have been attended; e.g. 6/8; 8/8 etc.).

**** This column shows the number of offices as director or statutory auditor positions held by the person concerned pursuant to Article 148-bis of the Consolidated Law on Finance and the relevant implementing provisions contained in the Consob Issuers' Regulations.

The complete list of appointments is published by Consob on its website pursuant to Article 144-quinquiesdecies of the Issuers' Regulations.

Table 3b - Offices held in other companies

Name	Company	Office
Cesare Andrea Grifoni	Antelao S.p.A.	Chairman of the Board of Statutory Auditors
	Bootes S.r.l.	Auditor
	Camperio S.p.A.	Statutory Auditor
	DeA Capital Holdings S.p.A. *	Chairman of the Board of Statutory Auditors
	Dental Franchising S.r.l.	Alternate Auditors
	Denti e Salute S.r.l.	Statutory Auditor
	Es Shared Service Center S.p.A.	Chairman of the Board of Statutory Auditors
	Finarte S.p.A.	Chairman of the Board of Statutory Auditors
	IMC S.r.l.	Chairman of the Board of Statutory Auditors
	Lottomatica Videolot Rete S.p.A. *	Statutory Auditor
	Movibus S.r.l.	Chairman of the Board of Statutory Auditors
	Oranfrizer S.r.l.	Auditor
	Oranfrizer Juice S.r.l.	Auditor
	Poliambulatorio Odontostomatologico S.Apollonia S.p.A.	Chairman of the Board of Statutory Auditors
	Victoria Ceramiche Holco S.r.l.	Sole Director

Name	Company	Office
Annalisa Raffaella Donesana	A2A Security S.C.p.A.	Statutory Auditor
	ACSM-AGAM S.p.A.	Statutory Auditor
	DeA Capital Holdings S.p.A. *	Statutory Auditor
	Humanitas Centro Catanese di Oncologia S.p.A.	Statutory Auditor
	Industriaumbra S.p.A.	Independent Director
	Metemar S.r.l.	Alternate Auditors
	RAI CINEMA S.p.A.	Alternate Auditors
	RAI WAY S.p.A.	Independent Director

Name	Company	Office
Fabio Facchini	Fondazione Silvio Tronchetti Provera	Statutory Auditor
	Ali Holding S.r.l.	Statutory Auditor
	Ali Group S.r.l.	Statutory Auditor
	Aliaslab S.r.l.	Statutory Auditor
	Davide Campari - Milano N.V.	Independent Director
	Lifebrain S.r.l.	Statutory Auditor

Minetti S.p.A.	Statutory Auditor
Mundipharma Pharmaceuticals S.r.l.	Statutory Auditor
Massimo Zanetti Beverage Group S.p.A.	Chairman of the Board of Statutory Auditors
Prysmian Power Link S.r.l.	Statutory Auditor
Rancilio Group S.p.A.	Statutory Auditor
Sigest S.p.A.	Chairman of the Board of Statutory Auditors
SeiMilano JV S.p.A.	Independent Director

Name	Company	Office
Andrea Augusto Bonafè	Accounting Partners S.p.A.	Chairman of the Board of Statutory Auditors
	Autotrade & Logistics S.p.A.	Statutory Auditor
	Antelao S.p.A.	Alternate Auditors
	DAB Italia s.c.p.a.	Chairman of the Board of Statutory Auditors
	Dental Franchising S.r.l.	Alternate Auditors
	Grace Calce S.r.l.	Chairman of the Board of Statutory Auditors
	Koelliker S.p.A.	Statutory Auditor
	M.M. Automobili Italia S.p.A.	Statutory Auditor
	Laterlite S.p.A.	Statutory Auditor
	Leca Sistemi S.p.A.	Statutory Auditor
	Konki S.p.A.	Statutory Auditor
	Poliambulatorio Odontostomatologico S.Apollonia S.p.A.	Alternate Auditors
	Prestipay S.p.A.	Chairman of the Board of Statutory Auditors
	Rodevita S.p.A.	Statutory Auditor
	Ruregold S.r.l.	Statutory Auditor
	Symi S.p.A.	Statutory Auditor

Name	Company	Office
Marco Sguazzini Viscontini	Amaranto Investment SIM S.p.A.	Chairman of the Board of Statutory Auditors
	San Giulio S.c.r.l.	Chairman of the Board of Statutory Auditors
	De Agostini Scuola S.p.A. *	Statutory Auditor
	De Agostini Publishing S.p.A. *	Statutory Auditor
	B&D Holding S.p.A. *	Statutory Auditor
	Comoli Ferrari & C S.p.A.	Chairman of the Board of Statutory Auditors
	Servizi Industriali Novara S.r.l.	Statutory Auditor

REI S.p.A.	Chairman of the Board of Statutory Auditors
Erredi Invest S.p.A.	Statutory Auditor
DeA Capital Alternative Funds SGR S.p.A. *	Statutory Auditor
ELFIN S.p.A.	Sole Auditor
AS S S.r.l.	Sole Auditor
Fondazione De Agostini *	Auditor
DeA Factor S.p.A. *	Alternate Auditors
M-Dis Distribuzione Media S.p.A.	Alternate Auditors
Unione Professionale per il Trust S.p.A.	Alternate Auditors
De Agostini Editore S.p.A. *	Alternate Auditors
Immobiliare Golf Castel Conturbia S.p.A.	Alternate Auditors

Name	Company	Office
Michele Maranò	Antelao S.p.A.	Alternate Auditors
	Es Shared Service Center S.p.A.	Statutory Auditor
	I.M.C. S.r.l.	Statutory Auditor