



**REPORT ON CORPORATE GOVERNANCE AND
OWNERSHIP STRUCTURE
OF EQUITA GROUP S.P.A.
PREPARED IN ACCORDANCE WITH
ART. 123-BIS OF ITALIAN
LEGISLATIVE DECREE
24 FEBRUARY 1998, NO. 58
2020 FINANCIAL YEAR**

Approved by the Company's Board of Directors on 17 March 2021

*Available on the Company's website www.equita.eu (Corporate
Governance section, Corporate Documents area)*

This is a courtesy English translation of the Italian version. In case of any discrepancy between the English translation and the Italian version, the latter shall prevail.

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Introduction

Commencing from 23 October 2018 (the “**Trading Start Date**”), the ordinary shares (the “**Shares**”) of Equita Group S.p.A. (“**Equita Group**” or the “**Company**”) were admitted to trading on the Screen-Based Stock Exchange (Mercato Telematico Azionario or “**MTA**”) organised and managed by Borsa Italiana, STAR segment.

This Report on corporate governance and ownership structure (the “**Report**”) was prepared in conformity with current regulations and the Corporate Governance Code (as defined below), taking into account, in relation to the nature and content of the information, the latest version of the “*Format for the report on corporate governance and ownership structure*” prepared by Borsa Italiana (Edition VIII, January 2019). In preparing this Report, the Company also took account of the entry into force, with effect from 1 January 2021, of the new Updated Corporate Governance Code (as defined below) - to which the Company itself has adhered - and, therefore, where considered useful and/or appropriate, Equita Group has provided information on the application of the provisions of the aforementioned Updated Corporate Governance Code (although, in accordance with the latter, information on the actual and correct application is to be provided in the Report on corporate governance and ownership structure to be published in 2022).

The Report was approved by the Company's Board of Directors on 17 March 2021 and is available on the Company's website www.equita.eu (*Corporate Governance* section, *Corporate Documents* area).

Glossary

“**Shareholders’ Meeting**” means the shareholders’ meeting of Equita Group;

“**Shares**” means the ordinary shares of Equita Group;

“**Shareholders**” means the holders of Shares;

“**Borsa Italiana**” means Borsa Italiana S.p.A.;

“**Corporate Governance Code**” means the Corporate Governance Code of listed companies approved in July 2015 and modified in July 2018 by the Corporate Governance Committee promoted by Borsa Italiana, ABI, ANIOA, Assogestioni, Assonime and Confindustria and available to the public at the following link: <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2018clean.pdf>;

“**Updated Corporate Governance Code**” means the Corporate Governance Code of listed companies approved in January 2020 by the Corporate Governance Committee, applicable to companies that decide to adhere to it with effect from the first financial year commencing after 31 December 2020, and available to the public at the following link: <https://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>;

“**Board of Statutory Auditors**” means Equita Group’s Board of Statutory Auditors;

“**Board of Directors**” means the board of directors of Equita Group;

“**CONSOB**” means the National Commission for Companies and the Stock Exchange;

“**SME**” means a small or medium-sized enterprise in accordance with and for the effects of Article 1, paragraph 1, letter w-quater.1) of the Consolidated Finance Law;

“**Paragraph**” means each paragraph of the Report;

“**Shareholder Agreements**” means the First Shareholder Agreement-*Bis* and the Fourth Shareholder Agreement;

“**Report**” means the report on corporate governance and ownership structure of Equita Group, in accordance with Art. 123-bis of Italian Legislative Decree 24 February 1998, no. 58;

“**Articles of Association**” means the articles of association of Equita Group, as most recently amended on 18 February 2021 following the free share capital increase of the Company resolved, in accordance with Articles 2443 and 2349 of the Italian Civil Code, by the Board of Directors of Equita Group based upon the delegation granted to the Board of Directors itself by the Shareholders’ Meeting of 16 April 2018, available at the website www.equita.eu (*Corporate Governance* section, *Articles of Association* area);

“**Consolidated Finance Law**” means Italian Legislative Decree 24 February 1998, no. 58.

1. Issuer Profile

The Company is the head of a group (the "**Equita Group**") that offers a wide range of products, services and investment activities, characterised by a distinctive business model.

The Equita Group is an independent Italian institution with a consolidated presence on the capital markets through the "*Global Markets*," "*Investment Banking*" and "*Alternative Asset Management*" business lines. The Research Team supports and completes the activities of the other business lines thanks to the broad research coverage on companies with financial instruments listed mainly on Italian markets.

The Company is the parent company of the SIM group – "Equita Group" – listed on the specific register of the Bank of Italy and subject to consolidated supervision pursuant to Art. 12 of the Consolidated Finance Law, constituted, as well as by the Company itself, by Equita SIM

S.p.A. ("**Equita SIM**"), Equita Capital SGR S.p.A. ("**Equita Capital SGR**"), a company wholly owned by the Equita Group itself, and Equita K Finance S.r.l. ("**Equita K Finance**" and "**EKF**"), a company owned for 70% by Equita Group, which performs management and coordination activity.

The company Equita K Finance S.r.l., having over twenty years of experience in *Merger & Acquisition* activities and founding shareholder of *Clairfield International* – consolidated international M&A partnership present in 20 countries with 35 offices - which boasts a solid track-record of M&A and extraordinary finance operations for Italian enterprises and private equity funds, joined the Equita Group in July 2020, following an acquisition operation (indirect, implemented by acquiring the controlling holding company of Equita K Finance)¹ by the Equita Group itself.

As indicated below, the Company is characterised by a significant participation by its management (represented by managers and employees) in the Equita Group's share capital. In particular, at the date of this Report, based upon information available to Company, management - which signed, on 31 July 2019, a voting agreement entitled "First Shareholder Agreement-*Bis*" which was subsequently "partially" joined on 14 July 2020 by another two Shareholders (see Paragraph 2.7) - holds, also taking account of the majority of votes already achieved, 64.52% of the voting rights that can be exercised in the Shareholders' Meeting. The Shares held by management which signed the aforementioned First Shareholder Agreement-*Bis* are subject to lock-up commitments, consequently aligning the interests of Equita Group management with those of the market investors. It is also noted that each of the two Shareholders who partially joined the First Shareholder Agreement-*Bis*, also signed, on 14 July 2020, two separate lock-up agreements with the Company (see Paragraph 2.7).

The corporate governance system of the Equita Group, which adopts the traditional administration and control system, is characterised by the presence of the following corporate bodies:

- (i) the Board of Directors, which manages the social enterprise;
- (ii) the Board of Statutory Auditors, instructed to oversee (i) compliance with the law and the Articles of Association and respect of correct management principles, (ii) the adequacy of the internal control system and the administrative-accounting system, as well as the reliability of the latter to represent correctly the management events, (iii) the practical implementation of the corporate governance rules envisaged by the Corporate Governance Code, (iv) the adequacy of the provisions imparted to subsidiaries in relation to the communication obligations of inside information, and (v) the financial reporting process, the effectiveness of the internal control, internal audit and risk management systems, the independent audit on the annual and consolidated accounts, the independence of the independent

¹ On 14 July 2020, Equita Group acquired 70% of the share capital of K Holding S.r.l., the controlling holding company of K Finance S.r.l., which changed its name to Equita K Finance S.r.l. on 27 July 2020. Following the aforementioned acquisition operation, the inverse merger operation by incorporation of K Holding S.r.l. into Equita K Finance S.r.l. was finalised on 18 December 2020. Today, in view of the aforementioned merger operation, Equita Group directly holds 70% of the share capital of Equita K Finance S.r.l.

auditing company;

- (iii) the Shareholders' Meeting, which resolves on matters reserved to it by law, regulations and the Articles of Association.

In accordance with Articles 155 et seq. of the Consolidated Finance Law, the auditing activity is entrusted to an independent auditing company listed on the register of statutory auditors, appointed by the Shareholders' Meeting at the motivated proposal of the Board of Statutory Auditors.

The Shares of Equita Group are admitted to trading on the MTA - STAR segment.

Finally, it is noted that Equita Group is classifiable as an SME in accordance with Art. 1, paragraph 1, letter w-quater.1) of the Consolidated Finance Law. In particular, at 31 December 2020, the turnover of the Company and the consolidated turnover amounted, respectively, to Euro 9,736,177 and Euro 76,240,396.56, while the capitalisation of the Company was Euro 122 million.

2. Information on ownership structure

At the date of this Report, no shareholder controls the Company in accordance with Art. 93 of the Consolidated Finance Law.

2.1. Share Capital Structure

At the date of 31 December 2020, the subscribed and fully paid-up share capital was Euro 11,376,344.50 split into 50,000,000 ordinary shares without par value. Thereafter, in view of the free share capital increase occurring following the resolution, assumed by the Board of Directors on 18 February 2021, aimed at fully implementing the incentive plan based upon financial instruments known as “2019-2021 Equita Group Plan based upon financial instruments” (as illustrated in more detail in Paragraph 2.9 of this Report), the share capital changed. In particular, as illustrated in more detail in Table 1 (*Information on ownership structure*), at the date of this Report, the fully subscribed and paid-up share capital of Equita Group is Euro 11,427,910.50, split into 50,224,200 ordinary shares without par value. In relation to the share capital increases related to the implementation of incentive plans, see the content of Paragraph 2.9 of this Report.

2.2. Restrictions on the transfer of securities

All shares, which are registered, grant the same capital and administrative rights envisaged by law and by the Company's Articles of Association, subject to what is indicated in Paragraph 2.4 of this Report on the increase of voting rights.

At the date of this Report, there are no restrictions in the Articles of Association on the transfer of Company Shares.

Some shareholders of the Company (managers, employees, former employees and collaborators of the Equita Group) have, however, assumed particular lock-up commitments. For information on those *lock-up* commitments, see Paragraph 2.7 below.

2.3. Major shareholdings

At the date of this Report, taking account of CONSOB resolution no. 21326 of 9 April 2020, subsequently extended, several times, until 13 April 2021, the Shareholders who hold, directly or indirectly, shareholdings exceeding 3% of the share capital with voting right in Equita Group, as recorded by the communications in accordance with Article 120 of the Consolidated Finance Law received by the Company, are reported in Table 1 (*Information on ownership structure, major shareholdings*).

2.4. Securities granting special rights

No securities with special control rights have been issued.

In derogation of the general rule that each Share is entitled to one vote, the Company's Articles of Association

envisage that each Share is entitled to two votes upon the occurrence of certain circumstances, as indicated in Article 6-bis of the Articles of Association.

The assessment of the presuppositions for the purposes of attributing the increased vote is carried out by the Board of Directors - and, for it, by the Chairperson or by the Managing Director, even using specifically instructed assistants - in respect of existing regulatory and legislative rules, according to the methods described in the Articles of Association.

On 20 December 2018, the Equita Group approved the regulation for the increased vote, which governs the procedures for requesting registration in the list for attribution of the increased vote. This documentation is available on the Company's website (www.equita.eu, *Corporate Governance* section, Share Capital and Shareholders area - Increased Vote). It is noted that, in November 2019, several Shareholders of Equita Group invoked the right, envisaged by Art. 6-bis of the Articles of Association, to have the period of 24 (twenty-four) months of possession of the Shares (required to achieve the increase of voting rights) run from the trading start date of the Shares on AIM Italia – Alternative Capital Market and therefore they obtained the increase of voting rights with reference to the Shares held by each of them at that date. Each Share held by the same is therefore attributed 2 voting rights exercisable in all ordinary and extraordinary Shareholders' Meetings of the Company. In view of the aforementioned achievement of increased voting rights for the Equita Group Shareholders, the Company, in November 2019, in conformity with the obligations deriving from existing regulations, communicated to the market the change of share capital in terms of voting rights.

2.5. Employee shareholding: mechanism for exercising voting rights

No employee shareholding system is envisaged at the date of this Report.

For completeness, it is noted that the composition of the Equita Group's share capital includes a significant shareholding by management of the Group (represented by managers, employees, former employees and collaborators). In particular, at the date of this Report, management which signed the First Shareholder Agreement-*Bis* holds 64.52% of the voting rights exercisable in the Shareholders' Meeting (that percentage also takes account of the number of voting rights referring to the Shares held and granted in the First Shareholder Agreement-*Bis* by the two Shareholders who partially joined that agreement on 14 July 2020). The Shares held by management which signed the First Shareholder Agreement-*Bis* are subject to lock-up commitments contained in that agreement, consequently aligning the interests of management with those of the Equita Group. It is also noted that the two Shareholders who partially joined the First Shareholder Agreement-*Bis* also signed, on 14 July 2020, separate lock-up agreements with the Company (see Paragraph 2.7).

It is noted that on 30 April 2019, the Company's Shareholders' Meeting approved, in accordance with and for the effects of Art. 114-bis of the Consolidated Finance Law, a remuneration plan based upon financial instruments entitled "*2019-2021 Equita Group Plan based upon financial instruments*" (the "**First Plan**"), having among its beneficiaries all employees of the Group and, in particular, those who cover strategic roles for the purposes of achieving the Group's objectives, including: (i) the general manager and the heads of the business lines; (ii) the employees who may assume significant risks (so-called risk takers); and (iii) other employees identified as significant by the Company. Only those to whom a variable share is recognised (known as bonus), on an annual basis, at least above Euro 20,000 are in any case recipients of the Plan. That Plan was implemented for the first time with reference to the variable shares of remuneration relating to the 2019 financial year (1 January 2019 – 31 December 2019) and, thereafter, with reference to the variable shares of remuneration relating to the 2020 financial year (1 January 2020 – 31 December 2020). For further information on the essential elements of that Plan, see the Information Document relating to the Plan of financial instruments published in accordance with Article 114-bis of the Consolidated Finance Law on the Company's

internet website www.equita.eu (*Corporate Governance* section, *Corporate Documents* area). For information on the implementation of the Plan relating to the years 2019 and 2020, see the respective Reports on the Policy on Remuneration and on Fees Paid also published on the Company's internet website (*Corporate Governance* section, *Corporate Documents* area).

In addition, it is also noted that on 7 May 2020, the Company's Shareholders' Meeting approved, in accordance with and for the effects of Art. 114-*bis* of the Consolidated Finance Law, a remuneration plan based upon *stock options* known as "2020-2022 Equita Group Plan for senior management based upon Stock Options" (the "**Second Plan**"), having as its beneficiaries (i) the Managing Director of the Company and of the other Group companies (provided that they are Group employees), and (ii) all other Group employees who are heads of division (as well as Managers with Strategic Responsibilities). The Second Plan states that, in line with the provisions of the Remuneration Policies, in 2020 the Company may grant free of charge to each beneficiary of the Second Plan itself a certain number of stock options, which are assigned only upon completing a deferment period which takes effect from the date of attribution (namely the date on which the Board of Directors, or the entity delegated by the same, has communicated to each beneficiary the number of stock options attributed under the Second Plan) and ends in 2023, the date on which the number of stock options may be rectified in the event of failure to achieve one or more three-year company targets (known as *ex post* corrections). The final number of assigned stock options is in fact determined subject:

- (i) to the achievement in 2022 and 2023 of certain three-year company targets, and
- (ii) to the occurrence of the other conditions envisaged by the Second Plan.

Once assigned, each stock option gives the right to the purchase, during the exercise period of 5 (five) years with effect from the assignment date, and subject to payment of the Exercise Price (as defined within the aforementioned information document, to which reference is made), of one (1) Equita Group share.

It is noted that in May 2020 each beneficiary of the Second Plan was informed of the number of stock options that, upon the occurrence of the conditions described above, would be assigned in 2023.

Finally, it is noted that the Board of Directors meeting on 17 March 2021 approved some changes to both the First Plan and the Second Plan, which will be submitted to the Shareholders' Meeting to be held on 29 April 2021.

2.6. Restrictions on voting right

There are no voting rights restrictions in accordance with the Articles of Association. Some shareholders of the Company (managers, employees, former employees and collaborators of the Equita Group) have, however, assumed particular voting commitments, on certain matters, in the Shareholders' Meeting. For information on those voting commitments, see Paragraph 2.7 below.

2.7. Agreements between shareholders

At the date of this Report, two Shareholder Agreements have been signed concerning shareholdings in total equal to or greater than the threshold indicated in Article 120, paragraph 2, of the Consolidated Finance Law ("**Shareholder Agreements**").

First Shareholder Agreement-Bis

On 31 July 2019, 28 shareholders of Equita Group including managers, employees and collaborators (jointly, the "**First Agreement Participants**" and, individually, the "**First Agreement Participant**") signed a shareholder agreement entitled "First Shareholder Agreement-Bis", concerning all Shares held by the same, directly and/or indirectly, until the expiry of the First Shareholder Agreement-Bis itself (with the exception of any financial instruments that were not purchased by the aforementioned shareholders following an offer

and/or assignment and/or contribution and/or loan of any nature by the Equita Group companies).

On 14 July 2020, the First Shareholder Agreement-*Bis* was also joined, in conformity with the provisions of Article 9 of the First Shareholder Agreement-*Bis*, by Giuseppe Renato Grasso and Filippo Guicciardi (the “**New Participants**”) who assumed the qualification of agreement participants (jointly, together with the First Agreement Participants, the “**Agreement Participants**” and, individually, the “**Agreement Participant**”).

In particular, the New Participants adhered to all provisions of the aforementioned First Shareholder Agreement-*Bis*, with the exception of the provisions on lock-up indicated in Article 5) of that First Shareholder Agreement-*Bis*, which were replaced, in relation to the New Participants, by lock-up commitments assumed by each of the New Participants towards Equita Group, through the signature of two separate lock-up agreements.

The New Participants conferred to the aforementioned First Shareholder Agreement-*Bis* (i) the entirety of Equita Group shares respectively held by the same at its date of signature (namely 14 July 2020), (ii) the additional Equita Group shares that may respectively be acquired by the New Participants by exercising the put/call option envisaged as part of the extraordinary purchase operation concerning the purchase, by Equita Group, of 70% of the share capital of the controlling holding company of Equita K Finance, K Holding S.r.l. (on the point, see note 1 on page 6 of the Report) - of which the New Participants were the founders - and (iii) in general, in conformity with the First Shareholder Agreement-*Bis*, all Equita Group shares respectively held by the New Participants, directly and/or indirectly, until the expiry of the First Shareholder Agreement-*Bis* itself (with the exception of any financial instruments that were not purchased by the New Participants following the offer and/or assignment and/or contribution and/or financing of any nature by the Equita Group companies).

At the date of this Report, the First Shareholder Agreement-*Bis* has been contributed 23,919,562 ordinary shares of Equita Group (corresponding to a total of 47,215,001 voting rights exercisable in the Shareholders’ Meeting of the Company), which represent, in total, 47.63% of the share capital of the Equita Group, 61.13% of the total voting rights that make up the share capital (namely including rights relating to treasury shares) and 64.52% of voting rights exercisable in the Company’s Shareholders’ Meeting (namely excluding rights relating to treasury shares).

It is noted that the signature of the First Shareholder Agreement-*Bis* (by the First Agreement Participants) occurred at the same time as the dissolution of the “First Shareholder Agreement” and the “Second Shareholder Agreement” signed, respectively, on 25 October 2017 and 15 November 2017; the First Shareholder Agreement-*Bis* is added to the Fourth Shareholder Agreement, signed on 15 November 2017 and entered into force on 21 November 2019, at the same time as the expiry of the “Third Shareholder Agreement”.

Governance

With the First Shareholder Agreement-*Bis*, each Agreement Participant who indirectly holds the Shares must be the only legitimated entity to participate and vote (i) in the Shareholders’ Meeting of Equita Group, on behalf of the shareholder of Equita Group invested by the same who is the holder of Shares, and (ii) in the Shareholders’ Meeting of the company invested by the same who is the holder of Equita Group shares with reference to resolutions concerning Equita Group itself.

With reference to the Shareholders’ Meeting of Equita Group, each Agreement Participant undertakes to exercise the voting right due to the shares held by the same, also in any special shareholders’ meetings in accordance with Art. 2376 of the Italian Civil Code, in conformity with the intention expressed in writing by the Agreement Participants who represent the majority of the votes subject to the First Shareholder Agreement-*Bis*, on the following matters:

i) approval of the financial statements;

ii) appointment of the company administration and control bodies;
iii) extraordinary operations under the remit of the shareholders' meeting (merely by way of example but without limitation; capital operations, modification of the nature and/or characteristics of the shares, mergers, transformations).

In addition, without prejudice to what is described below, each Agreement Participant undertakes not to purchase financial instruments issued by Equita Group and/or in any case not to complete acts - therein including acts aimed at any attribution of the voting right increase - and/or not to enter into shareholder agreements concerning financial instruments issued by Equita Group, except in the case where: (i) that Agreement Participant communicates in advance in writing to the Agreement President and Agreement Vice-President – as defined in the First Shareholder Agreement-*Bis* and by the methods envisaged therein - its intention to complete one of the cited acts, to allow for the assessment of any existence of presuppositions that may give rise to the obligation, even for other Agreement Participants, to promote a takeover bid on Equita Group; and (ii) completes the acts subject to the communication only at the outcome of the cited assessment.

Lock-up

With the First Shareholder Agreement-*Bis*, each First Agreement Participant undertakes, commencing from the effective date of that First Shareholder Agreement-*Bis* and until the expiry of the same:

- (i) not to complete acts of transfer and/or disposition by deed between living persons concerning the Shares of the First Shareholder Agreement-*Bis*;
- (ii) not to enter into any type of derivative contract, simple or complex, on the Shares subject to the First Shareholder Agreement-*Bis*, with any maturity; and
- (iii) not to carry out securities lending activities concerning the Shares of the First Shareholder Agreement-*Bis*.

The aforementioned lock-up commitments: (i) from the effective date of the First Shareholder Agreement-*Bis* (i.e. from 31 July 2019) until after the next 12 months (i.e. until 31 July 2020) concerned the entirety of the Shares held by each Agreement Participant, while (ii) from the day after the elapse of the aforementioned 12 months (i.e. from 1 August 2020) until the expiry of the First Shareholder Agreement-*Bis* (i.e. until 31 July 2022) they will concern 75% (seventy-five per cent) of the Shares held by each First Agreement Participant on the day after that on which the aforementioned 12 months elapsed (i.e. at 1 August 2020). Each First Agreement Participant may complete one of the acts subject to the aforementioned lock-up prohibition exclusively with the written consent of the Agreement Participants that represent the majority of the votes subject to the First Shareholder Agreements-*Bis*, at their sole discretion, with regard also to the purchaser of the shares to be transferred.

The aforementioned lock-up commitments do not apply to the New Participants, as the same are replaced by the commitments assumed by each of the New Participants in relation to Equita Group through the signature, on 14 July 2020, of two separate lock-up agreements (“**Lock-up Agreements**”).

By virtue of the aforementioned Lock-up Agreements, each of the New Participants assumed the commitment, commencing from the date of signature of the Lock-up Agreements and until the expiry of the same: (i) not to complete acts of transfer and/or disposition by deed between living persons concerning the shares; (ii) not to enter into any type of derivative contract, simple or complex, on the shares, with any maturity; (iii) not to perform securities lending activities concerning the shares.

The lock-up commitments assumed by the New Participants: (i) from the date of signature of the Lock-up Agreements for the next 12 months (namely until 14 July 2021), will concern the entirety of the shares held,

respectively, by the New Participants at the date of signature of the Lock-up Agreements; (ii) from the day after the elapse of the aforementioned 12 months (i.e. from 15 July 2021) until the expiry of the Lock-up Agreements (i.e. until 14 July 2023), they will concern 75% (seventy-five per cent) of the shares held, respectively, by the New Participants, on the day after that on which the aforementioned 12 months elapse (i.e. 15 July 2021).

Each of the New Participants may complete one of the acts subject to the prohibition envisaged by the Lock-up Agreements only with prior written consent of Equita Group, at its sole discretion, with regard also to the purchaser of the shares to be transferred.

Purchase option in the case of an “adverse event”

In the case of permanent invalidity or death of one of the Agreement Participants (“**Adverse Event**”), each Agreement Participant will have, not jointly with the other Agreement Participants and in relation to the Agreement Participant affected by the Adverse Event or, if appropriate, in relation to the heirs of the same, a purchase option, in one or more tranches, for themselves or for a person to be nominated in accordance with Art. 1401 of the Italian Civil Code, to exercise the cited option, concerning an equal number of shares owned by the same Agreement Participant affected by the Adverse Event, under the following terms and conditions: (i) the purchase option may be exercised within 3 (three) months from the written communication of the Adverse Event sent to each Agreement Participant not affected by that event; (ii) upon the act of exercise of the purchase option, the Agreement Participant involved must declare if it intends also to exercise the purchase option due to the other Agreement Participants who do not exercise their purchase option; (iii) the purchase price will be equal to the weighted average market price per Share of the month preceding the date of sending the communication of exercise of the purchase option, having deducted 10% (ten per cent) of that price.

Dissolution of the First Shareholder Agreement-Bis

The First Shareholder Agreement-Bis will cease: (i) in relation to Francesco Perilli or Andrea Vismara in the case of revocation without just cause, in whole or in part, of, or in the case of resignation for just cause from the current assignments and/or corporate roles in Equita SIM and/or Equita Group respectively granted to one or to the other; (ii) in relation to one of the other Agreement Participants (other than Francesco Perilli and Andrea Vismara) in the event of dismissal without just cause or without justification from the subjective profile or without a justified subjective reason, or in the case of resignation for just cause of that Agreement Participant from the employment relationship in place with Equita Group, Equita SIM S.p.A. or Equita Capital SGR S.p.A.; (iii) in relation to any Agreement Participant affected by an Adverse Event or, if appropriate, in relation to the heirs of the same, subject to the purchase option previously mentioned; (iv) in relation to any Agreement Participant that, in full respect of the provisions of the First Shareholder Agreement-Bis, has fully transferred by deed between living persons the shares held by the same.

Bodies of the Agreement

The Agreement Participants have entrusted to Francesco Perilli the role of president of the First Shareholder Agreement-Bis (the “**President**”) and to Andrea Vismara the role of vice president of that agreement (the “**Vice President**”), it being understood that the cited roles are regulated as follows:

- (i) the President and the Vice President exclusively have the functions that are assigned to them by virtue of the First Shareholder Agreement-Bis;
- (ii) the roles of President and Vice President are not remunerated;
- (iii) if the President or Vice President gives up the role, or for any reason terminates the same, the new President or Vice President is designated by the Agreement Participants, who represent the majority of the votes subject to the First Shareholder Agreement-Bis, within 10 (ten) days from the date of leaving office or from the

termination.

The role of President of the Agreement and of Vice President of the Agreement is exclusively that of receiving notices and communications from the Agreement Participants in accordance with that First Shareholder Agreement-*Bis*.

Entity at which the financial instruments are deposited

Each Agreement Participant undertakes to grant, and has granted, an irrevocable assignment as intermediary to Credito Emiliano Banca S.p.A. (CREDEM), or to the different intermediary chosen by the Agreement Participants who represent the majority of votes subject to the First Shareholder Agreement-*Bis*, also in favour of the other Agreement Participants in accordance with Art. 1411 of the Italian Civil Code for the deposit and transfer of shares, also for the case of exercise of the purchase option described above.

Type of agreement and duration

The shareholder covenants contained in the First Shareholder Agreement-*Bis* are attributable to significant shareholder covenants in accordance with Art. 122, paragraph 1 and paragraph 5, letters a) b), c) and d) of the Consolidated Finance Law.

The First Shareholder Agreement-*Bis* was signed on 31 July 2019, became effective on the same date and will have a duration of 3 (three) years, namely until 31 July 2022. The New Agreement Participants partially joined the First Shareholder Agreement-*Bis* on 14 July 2020.

The Lock-up Agreements were signed, respectively, by the New Participants, on 14 July 2020; they became effective on the same date and will have, respectively, a duration of 3 (three) years, namely until 14 July 2023.

Fourth Shareholder Agreement

On 15 November 2017 the Shareholders of Equita Group signed a shareholder agreement entitled "Fourth Shareholder Agreement" (71 Shareholders signed the agreement on 15 November 2017 and two Shareholders joined later, on 2 October 2018), concerning the following financial instruments of Equita Group:

- (i) all ordinary shares and multiple voting shares (all currently converted into ordinary shares) held by the parties directly and/or indirectly at the date of listing on the AIM (namely at 21 November 2017), until the expiry of the Fourth Shareholder Agreement;
- (ii) the other shares deriving from the conversion of the multiple voting shares held by the parties (all currently converted into ordinary shares), in accordance with the provisions of the Articles of Association of Equita Group in force at the time, until the expiry of the Fourth Shareholder Agreement;
- (iii) any other future shares issued by Equita Group and that are assigned or offered to the agreement participants, directly and/or indirectly, as part of incentive plans (such as, for example, stock option plans, stock grant plans, stock purchase plans), until the expiry of the Fourth Shareholder Agreement and; (iv) the shares indicated in letters i), ii) and iii) that may be converted into other categories of shares or benefit from increased voting

At the date of this Report, the Fourth Shareholder Agreement has been contributed 27,031,284 ordinary shares of Equita Group, corresponding to a total of 52,977,183 voting rights, which represent in total 53.82% of the share capital of Equita Group, 68.59% of the total of voting rights that make up the share capital (namely including rights relating to treasury shares) and 72.39% of the voting rights exercisable in the Shareholders' Meeting of Equita Group (namely excluding rights relating to treasury shares).

The Fourth Shareholder Agreement covers:

(i) Transfer of shares

The Fourth Shareholder Agreement requires a shareholder, who is a party to the Fourth Shareholder Agreement and intends to transfer the shares of the Fourth Shareholder Agreement held (the "**Offeror**"),

by deed between living parties, firstly to offer them to all the other parties of the Fourth Shareholder Agreement, in respect of a specific procedure. Moreover, the Fourth Shareholder Agreement expressly envisages the obligations deriving (i) from the regulations on internal dealing incumbent upon each shareholder party to the Fourth Shareholder Agreement considered and from prohibitions on completing operations on the shares of the Fourth Shareholder Agreement during the period of 30 calendar days prior to the publication of the half-yearly financial report and the annual financial report as well as the further periodic financial reports that Equita Group is required to publish, according to the rules of Borsa Italiana or the legislation in force at the time (known as *closed periods*).

In particular, the procedure requires the Offeror to communicate its irrevocable decision to sell (the "**Sale Declaration**") to the President of the agreement - at the date of signature of the Fourth Shareholder Agreement identified as Mr Edoardo Guffanti - (the "**Agreement President**"). The Sale Declarations will be collected exclusively on a monthly basis and may be communicated no later than 6pm on the last working day of the month ("**Declaration Date**").

Having collected the Sale Declarations in accordance with the procedure, the Agreement President: (i) where the quantity of shares of the Fourth Shareholder Agreement in total subject to the Sale Declaration is equal to or more than 300,000 (three hundred thousand) shares ("**Relevant Threshold**"), communicates this, without indicating the number of shares of the Fourth Shareholder Agreement offered for sale but specifying their type, to all the other Fourth Shareholder Agreement shareholders ("**Beneficiaries**") within the maximum period of 2 working days, commencing from the Declaration Date, without disclosing the name of the Offerors; (ii) if the total quantity of shares of the Fourth Shareholder Agreement subject to Sale Declarations is less than the Relevant Threshold, it will activate directly, for the entire quantity of shares of the Fourth Shareholder Agreement, the Market Execution procedure, excluding the pre-emption procedure. Within the forfeiture period of 2 working days from the communication referred to in point (i) above, each Beneficiary may exercise the right of pre-emption for the purchase of the shares of the Fourth Shareholder Agreement subject to the Sale Declaration, communicating to the Agreement President the maximum number of the Shares of the Fourth Shareholder Agreement that it is willing to purchase ("**Purchase Declaration**").

If the shares of the Fourth Shareholder Agreement subject to the Sale Declarations and the Purchase Declarations coincide, the Agreement President notifies the parties to the Fourth Shareholder Agreement and those shares must be transferred to the Beneficiaries, following the procedures and formalities indicated by the Agreement President in the communication referred to above, at the "official price" on the Declaration Date (as shown on the Borsa Italiana website), less 0.50% (zero point fifty per cent) (the "**Price**").

The Fourth Shareholder Agreement shareholders involved undertake to commence the formalities indicated by the Agreement President within 5 working days of receipt of the latter's communication, in order to carry out the transfer of the shares of the Fourth Shareholder Agreement by the next Declaration Date or the different date agreed in writing between the interested parties of the Agreement and communicated to the Agreement President. The price due, following the exercise of the pre-emption right, is paid, without interest, by bank transfer at the same time as the transfer of ownership of the shares of the Fourth Shareholder Agreement; all expenses necessary to complete the transfer will be borne by the Offeror.

If the shares of the Fourth Shareholder Agreement subject to the Purchase Declarations exceed the shares of the Fourth Shareholder Agreement subject to Sale Declarations, the Agreement President will distribute them among the Beneficiaries, proportionally to those requested with the Purchase Declaration using the same methods of determining and paying the price, as well as the transfer.

If the shares of the Fourth Shareholder Agreement subject to the Sale Declarations exceed the shares of the Fourth Shareholder Agreement subject to the Purchase Declarations: (i) the shares of the Fourth Shareholder Agreement requested will be transferred using the methods of determining and paying the price, as well as the transfer, indicated above; (ii) the shares of the Fourth Shareholder Agreement that are not taken up will be sold according to the Market Execution procedure.

In the absence of or invalid exercise of the right of pre-emption by the Beneficiaries, communicated to the shareholders party to the Agreement by the President of the Fourth Shareholder Agreement, and subject in any case to the Penalties (as defined below), the Offeror must in any case proceed with the transfer of the shares of the Fourth Shareholder Agreement by way of the Market Execution procedure.

(ii) *Other obligations*

The Fourth Shareholder Agreement includes the following commitments from shareholders who are Fourth Shareholder Agreement parties and, in particular:

- (i) not to register the shares of the Fourth Shareholder Agreement in trust; (ii) to grant the irrevocable assignment of custodian bank for the administration and custody service of the shares of the Fourth Shareholder Agreement ("**Custodian Bank**") to Credem, or to the different intermediary appointed by agreement of the majority of Senior Shareholders (as defined in the Fourth Shareholder Agreement) and communicated to the shareholders of the Fourth Shareholder Agreement by the Agreement President; (iii) to grant - nunc pro tunc - an irrevocable assignment to the trader intermediary who will be appointed on the agreement of the majority of Senior Shareholders (as defined in the Fourth Shareholder Agreement) and communicated to the shareholders of the Fourth Shareholder Agreement by the Agreement President, for the purposes of carrying out the market execution procedure;
- for as long as it is the holder, even partially, of shares of the Fourth Shareholder Agreement, directly or indirectly: (i) not to enter into any simple or complex derivative contract on the shares of the Fourth Shareholder Agreement, with any maturity; (ii) not to carry out securities lending activities concerning the shares of the Fourth Shareholder Agreement; (iii) not to enter into any transaction implies a bearish position on the shares of the Fourth Shareholder Agreement.

Finally, the Fourth Shareholder Agreement contains an acknowledgement of the fact that, also considering the content of the Fourth Shareholder Agreement itself, the shareholder party to the agreement other than the Senior Shareholders (as defined in the Fourth Shareholder Agreement) cannot validly submit lists. It is understood between the shareholders party to the Agreement that: (i) unless otherwise agreed in writing with Equita Group, the shares of the Fourth Shareholder Agreement that each shareholder party to the aforementioned Fourth Shareholder Agreement comes to hold after the trading start date on the AIM and until the expiry of the Fourth Shareholder Agreement, as a result of (a) assignment or offer by Equita Group as part of employee incentive plans (such as, by way of example and without limitation, stock option plans, stock grants and stock purchase plans), and/or (b) attribution of a vote increase, are contributed to the Fourth Shareholder Agreement, with the effect that the provisions contained therein automatically extend to those shares of the Fourth Shareholder Agreement, in respect of the applicable Bank of Italy regulations on remuneration and incentives; (ii) the shares of the Fourth Shareholder Agreement purchased at the end of the pre-emption procedure are excluded from the Fourth Shareholder Agreement.

(iii) *Penalties*

The Fourth Shareholder Agreement envisages that the shareholder party to the agreement, who is in breach of one of the obligations envisaged by the Fourth Shareholder Agreement, must pay the following sums, by way of conventional penalty and without prejudice to compensation for further damages (the "**Penalties**"): (i) in the case of transfer of the shares of the Fourth Shareholder Agreement

carried out in violation of the procedure described above, the sum amounting to 30% of the market value of the shares of the Fourth Shareholder Agreement subject to the transfer from the highest between (a) the Price, calculated at the end of the last working day of the month on which the transfer occurred, and (b) the total amount agreed in the cited transfer; (ii) in the case of a violation of one of the obligations of the Fourth Shareholder Agreement, the sum amounting to 30% of the Price.

The Fourth Shareholder Agreement entered into force subject to the entry into force of the Third Shareholder Agreement; it has a duration of 3 (three) years, which takes effect from the expiry date - original or anticipated

– of the obligations of non-transfer of the shares assumed by each party towards Equita Group in accordance with the Third Shareholder Agreement and it may be renewed at expiry by express agreement in writing. Unless there is an early expiry of the transfer commitments under the Third Shareholder Agreement, the Fourth Shareholder Agreement will expire on 21 November 2022.

Type of agreement and duration

The shareholder covenants contained in the Fourth Shareholder Agreement are attributable to the relevant shareholder covenants in accordance with Art. 122, paragraph 1 and paragraph 5, letter c) of the Consolidated Finance Law.

The Fourth Shareholder Agreement was signed on 15 November 2017, it became effective at the same time as the expiry of the Third Shareholder Agreement, namely on 21 November 2019, it has a duration of 3 (three years) commencing from the aforementioned date of 21 November 2019 and it can be renewed at the expiry by way of express agreement in writing. The Fourth Shareholder Agreement will therefore expire on 21 November 2022.

For further information on the Shareholder Agreements, see www.consob.it, Public Area - Subjects and Markets - Listed Companies section or, alternatively, www.equita.eu (Corporate Governance section, Shareholder Agreements area).

2.8. Change of control clauses and takeover bid statutory provisions

At today's date there are no significant agreements of which the Company or its subsidiaries are party and that acquire effectiveness, are modified or are extinguished in the case of a change of control of the contracting companies.

For takeover bids ("**Takeover Bids**"), Article 7, paragraph 1 of the Company's Articles of Association envisages the threshold indicated in Article 106, paragraph 1 of the Consolidated Finance Law, relevant for the purposes of promoting mandatory takeover bids on the Company's securities, which is set at 25%, in accordance with and for the purposes of Art. 106, paragraph 1-*ter* of the Consolidated Finance Law, in the presence of the conditions established by the regulatory and legislative provisions in force.

Without authorisation from the shareholders' meeting, the Board of Directors and any delegated bodies may:

- (i) carry out acts or operations that may combat the achievement of the objectives of a takeover bid or exchange offer, from the communication referred to in Article 102, paragraph 1 of the Consolidated Finance Law until the closing of the bid or until the bid expires; and
- (ii) implement decisions taken before the beginning of the period referred to in point (a) above, which have not yet been fully or partly implemented, which do not fall within the normal course of the company's activities and whose implementation may combat the achievement of the objectives of the bid,

in derogation of the provisions of Article 104 of the Consolidated Finance Law (known as the *passivity rule*). The Articles of Association do not contain provisions envisaging the application of the passivity rules provided

by Article 104-bis of the Consolidated Finance Law.

2.9. Delegations to increase the share capital and authorisations to purchase treasury shares

Delegations to increase the share capital

On 16 April 2018, the Shareholders Meeting granted to the Board of Directors, in accordance with Article 2443 of the Italian Civil Code, the right to increase free of charge the share capital in accordance with Art. 2349 of the Italian Civil Code, one or more times, by 16 April 2023 up to the maximum number of 2,500,000 Shares, in any case not exceeding 5% of the total number of outstanding shares at the date of that shareholders' meeting, by allocating a corresponding amount of the "*Reserve for issuance of shares in accordance with Art. 2349 of the Italian Civil Code*" specifically constituted, with issuance of shares to be assigned to employees of the Company and/or its subsidiaries in accordance with Art. 2359 of the Italian Civil Code.

On 18 February 2021, the Board of Directors of the Company partially exercised the aforementioned delegation, resolving on the free share capital increase pursuant to Articles 2443 and 2349 of the Italian Civil Code, to be able to implement completely the incentive plan based upon financial instruments known as "*2019-2021 Equita Group Plan based upon financial instruments*" by the assignment of shares originating from the performance shares attributed by the Company last year to the beneficiaries of that plan. The aforementioned capital increase concerned the issuance of 224,200 ordinary shares² (equal to approximately 0.4% of the total outstanding shares), for a nominal Euro 51,566 allocated to share capital.

On 16 April 2018, the Shareholders' Meeting resolved to attribute to the Board of Directors, in accordance with Art. 2443 of the Italian Civil Code, the right to increase the share capital, one or more times, by 16 April 2023 by issuing a number of Shares not exceeding 10% of the total number of outstanding Shares at the date of that meeting and in any case for a nominal amount not exceeding a total of Euro 10,000,000.00, excluding the right of option in accordance with Article 2441, paragraph 4, second sentence of the Italian Civil Code, all subject to the start of trading of the Company's Shares on the MTA.

Authorisations to purchase treasury shares

At the date of this Report, there are no authorisations granted by the Shareholders' Meeting for the purchase of treasury shares of the Company.

On 31 October 2017, the Company's ordinary shareholders' meeting resolved, on the other hand, to authorise the Board of Directors to sell or dispose of all treasury shares in the portfolio, one or more times, therein including in the context of any incentive operations involving the assignment or disposal of treasury shares, such as the use of any financial instruments that can be exchanged or converted into shares, stock option or stock grant plans and incentives for company representatives, employees or collaborators of Equita Group.

At the end of the year closing at 31 December 2020, Equita Group held 4,059,802 treasury shares in the portfolio.

2.10. Management and coordination activities

As the parent company of the SIM group, Equita Group carries out management and coordination activity and issues directives to the Equita Group's individual members, namely to Equita SIM, to Equita Capital SGR and to Equita K Finance.

* * *

² Ordinary shares all without indication of par value, with regular enjoyment and having the same characteristics as the outstanding shares. The capital increase occurred through the partial use of the available reserve for the purposes of share issuances.

The information required by Article 123-bis, first paragraph, letter i) of the Consolidated Finance Law is contained in the Report on the Policy on Remuneration and on Fees Paid published in accordance with Article 123-ter of the Consolidated Finance Law, on the internet website of the Company www.equita.eu (*Corporate Governance* section, *Corporate Documents* area) as well as on the internet website of the Company www.equita.eu (*Corporate Governance* section, *Shareholders' Meetings* area).

The information required under Article 123-bis, paragraph 1, letter l) is illustrated in Paragraph 4.1 of this Report.

3. Compliance

This Report has been prepared considering the indications set out in the "Format for the report on corporate governance and ownership structure" prepared by Borsa Italiana (VIII Edition, January 2019).

The Company joined, from the trading start date of the shares on the MTA/STAR, the Corporate Governance Code, accessible to the public on the internet website of the *Corporate Governance* Committee (<https://www.borsaitaliana.it/comitato-corporate-governance/codice/2018clean.pdf>).

That Corporate Governance Code was subsequently updated and amended. In particular, the Corporate Governance Committee approved in January 2020 a new version of the code entitled "Updated Corporate Governance Code", applicable to companies that decide to join it commencing from the first financial year beginning after 31 December 2020. It is noted that the Company has joined the aforementioned Code and gave information thereof at the meeting of the Board of Directors on 18 February 2021.

That Corporate Governance Code is available to the public at the following link: <https://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

The Company is not subject to laws that affect its corporate governance structure other than those of Italy and the European Union.

4. Board of Directors

4.1. Appointment and replacement

In accordance with Art. 11 of the Articles of Association, the Company is managed by a Board of Directors which is composed of 7 (seven) to 11 (eleven) members. All directors must be in possession of the requirements of eligibility, professionalism and integrity envisaged by the applicable laws and regulations. At least 2 (two) directors in the case of a board consisting of 7 (seven) or 8 (eight) members, or 3 (three) directors in the case of a board consisting of 9 (nine) to 11 (eleven) members, must also possess the independence requirements outlined in Art. 148, paragraph 3 of the Consolidated Finance Law, as cited by Art. 147-ter, paragraph 4 of the Consolidated Finance Law. It is also noted that, in addition to the requirements of professionalism, integrity and independence envisaged by law, by the articles of association and by the Code, the Directors are also subject to the so-called *interlocking* prohibition, in accordance with the provisions of Art. 36 of Italian Decree Law no. 201/2011, converted into law, with amendments, by Italian Law no. 214 dated 22/12/2011, containing provisions on the protection of competition and personal cross holdings in the credit, insurance and financial markets.

The Directors are appointed for a period of 3 (three) financial years, or for the period, of not more than 3 (three) financial years, established at the time of appointment, and they may be re-elected. The Directors' term of office expires on the date of the Shareholders' Meeting called to approve the financial statements of the last

year of their office, subject to causes of termination and forfeitures provided by the law and by the Articles of Association.

The Board of Directors is appointed based on lists submitted by the shareholders in which the candidates are to be listed by means of a sequential number.

The lists signed by those who submit them must have a number of candidates not exceeding the maximum number of members to be elected. These lists must be filed at the company's registered office, under the terms and procedures provided for by applicable laws and regulations.

Depending on the number of directors under Article 11.2 of the Articles of Association, the lists must contain, at least 2 (two) or 3 (three) candidates who meet the independence requirements mentioned in applicable laws and regulations and any Corporate Governance Codes for listed companies in force at the time. The lists must include a number of candidates of different gender so as to ensure that the composition of the Board of Directors respects legal provisions and applicable regulations on gender balance (male and female). It is understood that if the gender distribution criterion does not result in a whole number of directors of the less represented gender, this must be rounded up to the higher unit. The curriculum vitae containing the personal and professional characteristics of the individual candidates with any indication of their suitability to be classified as independent must be filed with the lists, together with the declaration of the individual candidates that they accept their candidacy and certify, under their own liability, that there are no grounds for incompatibility or ineligibility, along with the existence of the requirements prescribed by the Articles of Association and by the applicable laws and regulations. A shareholder may not present or exercise the voting right for more than one list, even though a third party or trust company.

The lists may be presented by the outgoing Board of Directors or by those shareholders who, alone or together with other shareholders, own at least 2.5% (two point five per cent) of the share capital with voting rights. This must be proven by filing suitable certification, or representing any different percentage established by mandatory legal or regulatory provisions. On this point, it is noted that Consob, in conformity with the provisions of Art. 144-*septies* of the Issuers' Regulation, in March 2020 (namely before the Shareholders' Meeting of Equita Group called to vote on the appointment of the new corporate bodies) made public the shares of investment required for the submission of lists of candidates for election to the administration and control bodies. In particular, CONSOB, subject to any lower share envisaged by the Articles of Association, determined the minimum share of investment required for submitting lists of candidates for election to the administration and control bodies of Equita Group - occurring in May 2020 - in the amount of 2.5% of the Company's share capital.

The certification issued by the intermediary proving the ownership of that investment necessary to submit the list must be produced when filing the list itself.

Submitted lists which do not comply with the above procedures shall be treated as not having been submitted.

The Board of Directors is elected as follows:

- (a) all members, except one, of which 2 (two) are independent if the Board is composed of 7 (seven) or 8 (eight) members, or 3 (three) are independent if the Board is composed of 9 (nine) to 11 (eleven) members, are taken from the list that obtained the highest number of votes, based on the sequential order in which they were listed;

(b) the other member is taken from the list that received the second highest number of votes and is not connected in any way, even indirectly, with the shareholders who submitted or voted for the list that came first by number of votes, based on the sequential order in which they were listed.

A ballot vote will be held if there is a tie between several lists. If only one list is submitted, the Board of Directors is taken entirely from that list, if it obtains the majority required by law for the ordinary shareholders' meeting. For the appointment of those directors who, for any reason, could not be elected by the above procedure or if no lists are submitted, the shareholders' meeting resolves with the majorities required by law, without prejudice to compliance with the requirements established by the applicable legal and regulatory provisions and the Articles of Association related to the composition of the Board of Directors and, in particular, the balance between genders.

If, after the votes, the Board of Directors is not composed of the minimum number of directors of the less represented gender established by the applicable laws and regulations, the candidate of the more represented gender elected last in sequential order from the list that obtained the highest number of votes shall be replaced by the first candidate in sequential order from the same list belonging to the less represented gender not elected in accordance with the above. If the minimum number of directors of the less represented gender is not thereby reached, the aforementioned replacement applies also for the candidates of the list that came second by number of votes.

Finally, if the above procedures do not ensure the appointment of a number of directors in possession of the independence requirements or of the less represented gender equal to the minimum number established by the applicable laws and regulations, the replacement will take place by resolution passed by the shareholders' meeting by relative majority, subject to the submission of candidates who meet the necessary requirements.

If one or more directors leave office during the year, the others shall replace them by a resolution approved by the Board of Statutory Auditors. These shall co-opt, if possible, the first person on the same list to which the director leaving office belonged, provided that they meet the legal and regulatory requirements for taking office and the majority is always made up of directors appointed by the shareholders' meeting. The directors thus appointed remain in office until the next Shareholders' Meeting, which appoints the director with the majorities required by law.

If most of the directors appointed by the shareholders' meeting cease to be in office, those still in office must call the shareholders' meeting to replace the missing directors. If all the directors cease to hold office, the shareholders' meeting for the appointment of the Board of Directors must be convened urgently by the Board of Statutory Auditors, which may in the meantime carry out acts of ordinary management. The loss of the existence of the legal requirements is a cause for the director's forfeiture. The termination of the directors due to expiry of the term takes effect from when the new management body has been reconstituted.

The list voting procedure applies only if there is a renewal of the entire Board of Directors.

If the shareholders' meeting does not do so, the Board elects, from its members, for the same duration as the Board of Directors, the Chairperson and possibly one or more Vice-Chairpersons who remain in office for the whole duration of the Board's mandate (in that regard, see Paragraph 4.4. of this Report).

The Chairperson of the Board of Directors, the Vice-Chairpersons and the Managing Directors are responsible

separately for representing the Company in dealings with third parties and during legal proceedings (with the right to appoint attorneys and lawyers). The representation is also the responsibility of the general manager, agents and representatives within the limits of the powers granted to them.

* * *

Succession Plans

Taking into account the Company structure and size, the Board of Directors, most recently at the meeting on 20 May 2020, also in view of its ownership structure as well as the experience and expertise of the current executive directors and the system of delegation of powers implemented within the Board of Directors, has decided, at the date of this Report, not to adopt a plan for the succession of the executive directors.

It is also noted that, based upon the new Updated Corporate Governance Code, it is only in “large companies” that the Board of Directors asked to define, with the support of the appointments committee, a succession plan of the *chief executive officer* and the executive directors which identifies at least the procedures to be followed in the event of early termination from the role. That provision does not apply to Equita Group as it is not classifiable as a large company in accordance with the aforementioned Updated Corporate Governance Code.

4.2. Composition

During the 2020 financial year, the Board of Directors of the Company, until the date of 7 May 2020 (date of the Shareholders’ Meeting that appointed the new corporate bodies, whose mandate expired with the approval of the financial statements at 31 December 2019) was made up of the following Directors: Francesco Perilli (Chairperson), Thierry Portè (independent Vice Chairperson), Andrea Vismara (Managing Director), Stefano Lustig (Executive Director), Sara Biglieri (Non-Executive Director), Michela Zeme (Non-Executive and Independent Director) and Massimo Ferrari (Non-Executive and Independent Director).

Subsequently, on 7 May 2020, the ordinary Shareholders’ Meeting appointed the Company’s new Board of Directors - currently in office - for a period of three financial years until approval of the financial statements at 31 December 2022.

The members of the Board of Directors who were appointed by the aforementioned Shareholders’ Meeting by the list vote procedure are: Francesco Perilli, Andrea Vismara, Michela Zeme, Sara Biglieri, Massimo Ferrari, Paolo Colonna and Silvia Demartini. After the aforementioned appointment, the Board of Directors of the Company of 7 May 2020 appointed Francesco Perilli as Chairperson and Andrea Vismara as Managing Director.

It is noted that at the date of the Shareholders’ Meeting 3 lists were submitted: one majority list submitted by the shareholders Francesco Perilli, Andrea Vismara, Matteo Ghilotti, Fabio Deotto and Stefano Lustig, jointly holders of 24.5% of the share capital having voting right (list no. 1), one minority list submitted by the shareholders Fenera Holding S.p.A., PKP Investments 1939 S.p.A. and Justus s.s., jointly holders of 5.66% of the share capital having voting right (list no. 2) and a second minority list submitted by the shareholders Anima SGR S.p.A., manager of the funds Anima Crescita Italia, Anima Iniziativa Italia, Mediolanum International Gestione Fondi SGR S.p.A., manager of the fund Mediolanum Flessibile Futuro Italia and Amber Capital Italia SGR S.p.A., manager of the Alpha Ucits Sicav-Amber Equity Fund, jointly holders of 2.80% (list no. 3).

The Directors Francesco Perilli, Andrea Vismara, Michela Zeme, Sara Biglieri, Massimo Ferrari and Paolo Colonna were taken from list no. 1, being the list that received the most votes by the Shareholders’ Meeting (77.05% of the voting capital), while the Director Silvia Demartini was taken from list no. 2, being the list that received the second most votes (17.84% of the voting capital).

For further information on the submission of lists, see the documents published on the Company website www.equita.eu (*Shareholders’ Meetings Area/ Shareholders’ Meeting 7 May 2020*).

The Director Massimo Ferrari resigned, with effect from 15 November 2020, in view of the intensification of

his work and professional commitments. On 17 December 2020, the Company's Board of Directors co-opted, in replacement of the Director Ferrari, the Director Marzio Perrelli, Independent Director taken from the list of candidates that received the third most votes (list no. 3), thereby confirming, once again, the market-friendly approach that has always distinguished the Company. Mr Perrelli will remain in office until the date of the Shareholders' Meeting of 29 April 2021 which will appoint the director with the legal majorities.

At the date of this Report, the Board is therefore made up of the following members: Francesco Perilli (Chairperson), Andrea Vismara (Managing Director), Michela Zeme (Non-Executive and Independent Director), Sara Biglieri (Non-Executive Director), Paolo Colonna (Non-Executive and Independent Director), Silvia Demartini (Non-Executive and Independent Director) and Marzio Perrelli (Non-Executive and Independent Director).

The Board of Directors of 7 May 2020 (meeting after the Shareholders' Meeting held on the same date) appointed Francesco Perilli as Chairperson of the Board of Directors, and Andrea Vismara as Managing Director.

The Board of Directors is made up by majority of non-executive and independent members. In particular, out of a total of seven members, six members are non-executive (the Directors Francesco Perilli, Sara Biglieri, Michela Zeme, Paolo Colonna, Silvia Demartini and Marzio Perrelli) and four of the six non-executive members are also in possession of the requirements of independence envisaged by the Consolidated Finance Law as well as the requirements of independence required by the Corporate Governance Code and by the Updated Corporate Governance Code (the Directors Michela Zeme, Paolo Colonna, Silvia Demartini and Marzio Perrelli). For further details on the Independent Directors, see Paragraph 4.6..

The Company's Board of Directors also consists of three members of the less represented gender (the Directors Michela Zeme, Sara Biglieri and Silvia Demartini), in conformity with the allocation criteria between genders established by the legislation applicable to the Company ⁽³⁾.

The following is a summary of the professional profile of the members of the new Board of Directors.

Francesco Perilli - Born in Milan on 14 December 1960, he served two years as a Navy Officer in Costa Armatori, graduated in Economics with honours at the Luigi Bocconi University in Milan. He completed his academic training at New York University. He joined Euromobiliare S.p.A. (later to become Equita SIM) in February 1985 and personally oversaw the transformation of the company into a securities brokerage firm. Since 1989, he has covered the role of Chief Equity Investments Adviser. Since 1992, following the expansion of Equita SIM's activities, he has also dealt with the Equity Capital Market (ECM) and advisory activities. Member of the ASSOSIM steering committee from 1994 to 2007. He was also a member, from April 1996 to December 1997, of the steering committee and, from April 2017, of the Board of Directors of Borsa Italiana. From 1992 to 2017 he covered the role of General Manager (and from 1994 also Managing Director) of Equita SIM.

List of assignments as director or auditor covered by Mr Perilli in other companies listed on regulated markets, even foreign, in financial, banking and insurance companies or those of significant dimensions.

1) Equita SIM S.p.A. (Director)

(3) It is noted that, in relation to gender diversity, various regulatory changes have taken place. In particular:

- Italian Law no. 167 of 2020 (known as 2020 Budget Law), entering into force on 1 January 2020, establishes that, with effect from renewals of the corporate bodies of listed companies that take place in the next shareholders' meeting season of 2020, the allocation criterion between genders is at least equal to two-fifths, subject to the allocation criterion of one-fifth envisaged by Article 2 of Law 12 July 2011, no. 120, for the first renewal after the trading start date;

- before the entry into force of the 2020 Budget Law, Art. 147-ter, paragraph 1-ter of the Consolidated Finance Law established that the share of the less represented gender must be at least one-third of the elected directors. However, that criterion was applied with

effect from the first year of renewal of the administration and control bodies of companies listed on regulated markets after one year from the date of entry into force of Italian Law no. 120 of 2011 (known as Golfo-Mosca Law), reserving to the less represented gender, for the first mandate in application of the law, a share equal to at least one-fifth of the directors and auditors elected.

The current Board of Directors of the Company, appointed by the Shareholders' Meeting of 7 May 2020, is the first Board of Directors appointed after the start of training and, therefore, as this is the first renewal, in conformity with that latter criterion, the share of the less represented gender that should be respected is equal to at least one-fifth. The current composition of the Board of Directors respects that criterion and also, having three directors of the less represented gender, respects the criterion of two-fifths (required commencing from the next renewal of the Board of Directors).

Andrea Vismara - Born in Milan on 29 June 1965, he graduated *magna cum laude* in business administration from the Bocconi University of Milan and attends specialisation courses at New York University. He began his career at Goldman Sachs International in London where, between July 1990 and May 1995, he built up his expertise within the Corporate Finance team. He then moved to the debt capital markets department with responsibility for the issuance of bonds on behalf of Italian clients.

Between July 1995 and January 2006 he divided his time between the Milan and London offices of Barclays, de Zoete Wedd (later acquired by Credit Suisse) and Credit Suisse, first as a member of the M&A team, then as head of Equity Capital Markets activities for the Italian and Southern European markets. Thereafter, he held the role of Chief Operating Officer in 2002-2003 and the role of legal representative of CSFB Italian Branch in 2004. He was responsible for the management of customer relations for all investment banking products and for executing the assignments received.

Between April 2006 and December 2007, he worked as a freelance consultant for several large industrial groups. In 2008 he joined Equita as head of the business Investment Banking line and currently holds the role of Managing Director of Equita Group and of Equita SIM. He has also been a member of the Board of Directors of Equita SIM since 2009 and of the advisory board of Borsa Italiana.

He currently covers the role of Managing Director of Equita Group and of Equita SIM, where he was responsible for investment banking from 2008 as well as Chairperson of Equita K Finance, a company with over twenty years of experience in Merger & Acquisition activities and founding shareholder of *Clairfield International*, which joined the Equita Group in July 2020. At the date of this Report, he also covers the role of director in the companies Blue Earth Diagnostics (based in Oxford, United Kingdom) and Bracco Horizons Limited (based in Buckinghamshire, United Kingdom), companies operating, respectively, in the sector of molecular imaging diagnostics and in the sector of experimental research and development in the field of biotechnologies.

List of assignments as director or auditor covered by Mr Vismara in other companies listed on regulated markets, even foreign, in financial, banking and insurance companies or those of significant dimensions.

- 1) Equita SIM S.p.A. (Managing Director)
- 2) Equita K Finance S.r.l. (Chairperson of the Board of Directors)

Sara Biglieri - Born in Pavia on 11 September 1967, she graduated in Law with honours from the University of Pavia. She worked with Italian and foreign law firms, developing a consolidated experience in commercial and corporate law. She currently works as a partner at Dentons law firm. During her career, Sara Biglieri has covered the role of chairperson or member of the Supervisory Bodies in the company Johnson & Johnson S.p.A., in the Johnson & Johnson Foundation and in the company Falck S.p.A. where she now has the role of director. She has published several articles in Italian and international trade magazines.

List of assignments as director or auditor covered by Ms Biglieri in other companies listed on regulated markets, even foreign, in financial, banking and insurance companies or those of significant dimensions.

None

Michela Zeme - Born in Mede (PV) on 2 January 1969, after graduating in Business Administration from the Bocconi University of Milan during the academic year 1993/1994, she qualified as a chartered accountant and statutory auditor in 1999. Michela Zeme gained significant professional experience in the tax and corporate field, working with leading firms and providing advice to many companies (including listed companies) and Italian groups operating in real estate, telecommunications, industrial, financial, insurance and banking. She has held many institutional positions in leading Italian companies and financial institutions.

List of assignments as director or auditor covered by Ms Zeme in other companies listed on regulated markets, even foreign, in financial, banking and insurance companies or those of significant dimensions.

- 1) Inwit S.p.A. (Standing Auditor)
- 2) Equita Capital SGR S.p.A. (Independent Director)
- 3) Avio S.p.A. (Standing Auditor)
- 4) Aeffe S.p.A. (Director)

Paolo Colonna – Born in Turin on 23 May 1948, he has worked for over 30 years in Private Equity. Initially investing and managing in person, since 1988 as co-founder of the Permira funds in Italy, of which he was Chairperson and Managing Director. He oversaw over 60 operations including Marazzi, Ferretti, Valentino, Grandi Navi Veloci, Azelis, TFL. He is particularly active in the creation of industrial and synergic groups. In January 2015 he founded and has since managed Creazione di Valore S.r.l., a private equity investment company. Before his investor activity, he worked at McKinsey & Co in Milan and in Chicago in the capacity of strategic advisor. Co-founder of three non-profit initiatives, he is a member of the Central Charitable Commission of the Cariplo Foundation. He is a chemical engineer at Politecnico di Torino and gained a Master's in Business Administration from Harvard Business School.

List of assignments as director or auditor covered by Mr Colonna in other companies listed on regulated markets, even foreign, in financial, banking and insurance companies or those of significant dimensions.

None

Silvia Demartini - Born in Turin on 7 June 1964, she gained a Master's in International Trade from the Foreign Centre of the Piedmont Chamber of Commerce (now Foreign Centre for Internationalisation).

After some professional experiences in the administrative area, in 1990 her career began at Fenera Holding, a newly-incorporated Turin investment company with diversified activities in Italy and abroad, in which, since 2001, she covered the role of CFO and head of the finance and investments areas (with responsibilities for corporate, legal, tax and budget affairs, and analysis and control of shareholdings and investments), and of which she was appointed General Manager in 2020.

She has been a board director of Fenera Holding since 2009 and covers roles in numerous group companies and subsidiaries.

During her career, she has accrued experience and skills in the financial sector, with reference to both public and private markets.

List of assignments as director or auditor covered by Ms Demartini in other companies listed on regulated markets, even foreign, in financial, banking and insurance companies or those of significant dimensions.

- 1) Fenera & Partners SGR S.p.A. (Director)

Marzio Perrelli - Born in Rome, on 16 September 1968, he achieved his French baccalauréat from the Grenoble Academy and graduated in Economics and Business from Luiss in Rome in 1992.

A banker and now Executive Vice President at Sky Italia, from 2008 to 2018 he was Managing Director for HSBC Italia. In addition to that role, from 2004, he was also head of the Global Banking and Markets area which included a series of activities, such as Fixed Income, Derivatives, Equity and Equity Capital Markets, M&A and

Advisory.

Previously, from 1993 to 2004, Mr Marzio Perrelli covered at Goldman Sachs major roles in the United Kingdom and from 2001 in Italy, as Managing Director of the branch.

List of assignments as director or auditor covered by Mr Perrelli in other companies listed on regulated markets, even foreign, in financial, banking and insurance companies or those of significant dimensions.

None

Diversity criteria and policies

On 13 February 2020, the Company's Board of Directors adopted a *Policy on diversity of the administration and control bodies* (the "**Policy**") aimed mainly at developing diversities within the Board of Directors and Board of Statutory Auditors of the Company, recognising diversity to be a company asset capable of guaranteeing the adoption of informed decisions and encouraging the expression of multiple perspectives and professional experiences, in line with the expectations of the stakeholders.

Gender equality

In order to guarantee adequate complementary skills, the Policy recommends that the composition of the Board of Directors and the Board of Statutory Auditors guarantees adequate representation of both genders, and this is irrespective of the requirements of composition of the corporate bodies envisaged from time to time by existing regulations.

In any case, the Company's Articles of Association expressly provide that the appointment of the Directors and Auditors must be made on the basis of lists, which must include a number of candidates of different gender so as to ensure that the composition of the Board of Directors and the Board of Statutory Auditors respects the applicable provisions of law and regulations on gender balance.

In view of the continuous evolution of the regulations on allocation criteria between genders, the Company's Board of Directors has not seen fit, at this stage, to suggest changes to the Articles of Association with a view to determining a specific quota able to guarantee gender balance.

The introduction *ex ante* of an allocation criterion between genders into the Articles of Association would involve the need to make a statutory amendment every time there is a change of those criteria in the regulations/legislation.

In light of the foregoing, the Equita Group Board of Directors has decided that it is more appropriate and more suitable to adopt the aforementioned Policy on diversity which is a more flexible tool, able to identify general principles that are applied not only with reference to the concept of gender diversity but also with reference to a broader concept of diversity that includes age, skills, experiences, etc.

Finally, through the aforementioned Policy, the Company undertook to guarantee, irrespective of the requirements of composition of the corporate bodies envisaged at the time by existing regulations, adequate representation of the male and female genders.

Dimension of the Board of Directors

In order to guarantee a fair balance of the skills required, the Policy recommends, in determining the number of members of the Board of Directors and the Board of Statutory Auditors, taking account of the characteristics of the Company and, in particular, the dimensions, complexity and specific aspects of its business.

On the point, it is noted that the Company's Articles of Association state that the Board of Directors may consist of 7 (seven) to 11 (eleven) members, in the number determined each time by the Shareholders' Meeting.

As regards, on the other hand, the control body, the Articles of Association of Equita envisage that the company management is entrusted to a Board of Statutory Auditors consisting of 3 (three) standing auditors and 2 (two)

alternate auditors.

Age and seniority in office

In order to guarantee adequate integration of experiences, the Policy recommends that the Board of Directors and the Board of Statutory Auditors of the Company include profiles with different professionalism by age and seniority in office, so as to guarantee a balance between innovation and continuity, between prudence and risk appetite.

Diversity of professional and managerial skills and origins

In order to guarantee the necessary expertise for managing the issues submitted from time to time for analysis by the Board of Directors and the Board of Statutory Auditors, the Policy recommends appointing directors and auditors with different training and professional experiences, accrued in different national and international contexts, relating to the specific aspects of the Company's business.

In this perspective, Equita's Articles of Association state that, when electing the members of the Board of Directors and Board of Statutory Auditors, the curriculum vitae of the candidates is sent, amongst other things, highlighting their personal and professional characteristics.

It is also noted that at the meeting on 18 March 2020, the outgoing Board of Directors, in conformity with the provision of application criterion 1.C.1 letter h) of the Corporate Governance Code, developed guidelines on the managerial and professional figures whose presence in the Board is deemed opportune, for the purposes of the appointments of the corporate bodies occurring in the Shareholders' Meeting of 7 May 2020. In relation to the content of those guidelines, see the document published on the Company's website, in the section *Corporate Governance – Shareholders' Meetings – Shareholders' Meeting of 7 May 2020*.

The majority list that was proposed by some Shareholders (including the members of the Board of Directors) of the Company for the purposes of appointing the members of the administration and control bodies in the Shareholders' Meeting on 7 May 2020, took account of the principles indicated in the Policy on diversity, as well as the guidelines on the managerial and professional figures and in fact that majority list contained, out of seven candidates, three of female gender (Michela Zeme, Sara Biglieri and Stefania Milanese) and three independents (Michela Zeme, Massimo Ferrari and Paolo Colonna) as well as diversification in terms of seniority of office and managerial and professional experiences.

The current Board of Directors, also considering the outcomes of the self-assessment conducted most recently in February 2021 (see Paragraph 4.3 below), adequately reflects diversity in terms of gender, age and seniority of office, consisting, out of a total of seven members, of three directors of female gender (Michela Zeme, Silvia Demartini and Sara Biglieri), of four independent directors (Michela Zeme, Silvia Demartini, Paolo Colonna and Marzio Perrelli) and of directors with seniority of age, office and professional and managerial experiences that differ between them.

Accumulation of assignments held in other companies

The Board of Directors, most recently at the meeting on 20 May 2020, in continuity with the decisions made in the past, as no circumstances had arisen which made a different decision appropriate or necessary, and also considering the efficient functioning of the Board and the Committees in the previous mandate, decided not to define general criteria regarding the maximum number of assignments of management and control in other companies that may be considered compatible with the effective conduct of the role as director in the Company, subject to the duty of each director to assess the compatibility of the roles of director and auditor, covered in other companies listed on regulated markets (including foreign), in financial, banking and insurance companies or those of significant dimensions, with the diligent conduct of the duties assumed as director of the Company, also taking account of the participation on committees established within the board, as indicated in application

criterion 1.C.3 of the Corporate Governance Code.

In view of the positions held by its members in other companies, the Company's Board of Directors, most recently at the meeting on 17 March 2021, also considering the recent audits carried out annually on interlocking, has decided that the number and quality of the positions held does not interfere and is compatible with the effective performance of the role as director of the Company.

It is noted that, based upon the new Updated Corporate Governance Code, in large companies, the administrative body must express its guidance on the maximum number of assignments in the administration or control bodies of other listed companies or those of significant dimensions that can be considered compatible with the effective conduct of the role of director in the company, taking account of the commitment deriving from the position covered. As Equita Group is not classified as a large company in accordance with that Code, that provision (entering into force from 1 January 2021) does not apply to the Company.

Induction programme

The Chairperson of the Board of Directors and the Managing Director have ensured that after their appointment and during their term in office the directors may participate, in the most appropriate forms, in initiatives to provide them with adequate knowledge of the sector of activity in which the Company operates, the company dynamics and their evolution, correct risk management principles, and the relevant regulatory and corporate governance framework (application criterion 2.C.2).

In particular:

- During the transition process from AIM Italia to MTA (STAR Segment), all members of the Board of Directors and the Board of Statutory Auditors were informed of the obligations arising from the listing on a regulated market during the board meeting on 18 September 2018.
- thereafter, during 2019, the members of the Board and the Board of Statutory Auditors of the Company took part in an induction meeting, also involving the Managing Director of Equita Group, the Group CFO & COO, the Chairperson and Vice-Chairperson of Equita SIM and the heads of the Group's business areas. That meeting concerned, in particular, the presentation of the strategic lines of the Group's Business Plan. In relation to the aforementioned meeting, the independent members of the Board of Directors (Massimo Ferrari and Michela Zeme) also expressed their views, emphasising the importance that, during meetings of the Board of Directors, specific sessions are planned, on a half-yearly basis, dedicated to the evolution of the business;
- in July 2020 a meeting also took place between all Directors and Auditors of the Equita Group, along with all members of the Advisory Board of Equita Group, in which Company Management presented the strategic plan, the peculiarities of the individual Business lines and the new projects. That meeting also represented an opportunity to present the Management of Equita K Finance, whose control was acquired by the Company with effect from 14 July 2020.
- In general, the members of the Board of Directors and the Board of Statutory Auditors are invited to participate in meetings with the Company's management, during which they are provided with information on specific transactions or issues.

4.3. Board of Directors' role

Conduct of meetings and functions

During the financial year ended 31 December 2020, the Board of Directors met 12 times with the regular participation of the members of the Board of Directors and the Board of Statutory Auditors, for an average duration of about 1 hour. The number of attendances at the meetings is shown in Table 2 attached to this Report.

In addition, in view of the specific nature of some matters addressed in those board meetings, the Board of

Directors saw fit to involve persons external to the Board, such as the Group CFO & COO, who also assumed the role of Secretary in all Board meetings, as well as the Company control functions.

In 2021, the Board of Directors has met, at the date of this Report, 2 times and at least 8 meetings are planned, in total, during this financial year.

In compliance with the obligations provided, for listed issuers, by Art. 2.6.2 of the Consob Markets Regulation, the Company's Board of Directors approved at the meeting on 17 December 2020 the calendar of corporate events relating to 2021, currently published on the Company's website www.equita.eu (*Investor Relations* section, *Financial Calendar* area).

The Board of Directors is convened by the Chairperson, or, in his absence or impediment, by the Vice-Chairperson or, in his absence or impediment, by the Managing Director. The Board of Directors meets whenever the Chairperson deems it necessary or when a request is made by any director in office or by the Board of Statutory Auditors.

The meeting is convened by email at least three days before the date of the meeting. In urgent cases, the meeting may be convened at least 24 hours before the date fixed for the meeting. Meetings may be held via audio or video conference.

The Board of Directors' resolutions are passed with the presence of the majority of directors in office and with the favourable vote of the majority of the directors present. The person chairing the Board has the casting vote if there is a tie vote. Directors who abstain or are declared to be in conflict of interest shall not be included in the calculation of the majority of votes.

The Board of Directors plays a central role in the Company's guidance and management, subject to the functions attributed to the Board of Directors by applicable law, in accordance with Art. 15 of the Articles of Association, the company management is the exclusive responsibility of the Board of Directors, which has the broadest powers to carry out all necessary actions to achieve the company purpose, with the sole exception of those reserved by law or the Articles of Association for the Shareholders' Meeting.

Under the Articles of Association, the Board of Directors, in accordance with Article 2365, paragraph 2 of the Italian Civil Code, can pass the following resolutions, without prejudice to the shareholders' meeting's authority:

(i) merger and transfer in the cases provided for law; (ii) establishment or closure of branch offices, in Italy or abroad; (iii) reduction of capital if there is a withdrawal by one or more shareholders; (iv) adaptation of the Articles of Association to regulatory provisions; (v) transfer of the registered office within the national boundaries.

The Board of Directors, and its delegated bodies, without the need for authorisation from the Shareholders' Meeting, may also: (a) carry out acts or operations that may counteract the achievement of the objectives of a public takeover bid or exchange offer, starting from the notification envisaged by Art. 102, point 1 of the Consolidated Finance Law and until the closing of the offer, or until the offer's expiration; (b) implement decisions taken before the beginning of the period indicated in letter (a) above, which have not yet been partly or completely implemented, which do not fall within the normal course of the company's business and the implementation of which may combat the achievement of the bid objectives.

Finally, it is noted that, in conformity with the provisions of application criterion 1.C.1 of the Corporate Governance Code, the Board of Directors approves the strategic plans, performing their periodic monitoring, defines the corporate governance system and the group structure, assesses the adequacy of the administrative and accounting procedures, particularly with reference to the formation of the financial statements, assesses the management performance, taking account of the information provided by the delegated bodies and

comparing the results achieved with those planned, and resolves on strategic operations, even by subsidiaries, taking account of their significance, even economic, within the Group. The Board of Directors will assess the adoption of general criteria to identify the operations that have a significant strategic, economic, capital or financial effect.

Self-assessment

The Board of Directors is required to make an annual assessment of the Board functioning and its internal committees, including its size and composition, taking into account elements such as the professional characteristics, experience, including managerial, and gender of its members and their seniority in office.

In that regard, the Chairperson notes that the self-assessment process in relation to the 2020 financial year was conducted with the support of the Legal and Corporate Affairs Office which prepared a questionnaire and sent it, with instructions, to each Director who completed and returned it to the Company. The questionnaire used for the self-assessment process conducted in February 2021 was the same one used in the self-assessment process relating to the 2019 financial year - which was shared with a representation of the independent directors of the Company - to which some modifications of lesser significance were made. The results of that questionnaire were analysed, also in light of the letter from the Chairperson of the Corporate Governance Committee dated 22 December 2020, during the Company's Board of Directors' meeting on 18 February 2021⁽³⁾.

At that time, it emerged that:

- (i) the current dimension and composition of the Board are adequate, also taking account of the professional characteristics, experience, even managerial, and gender of its members as well as their seniority in office;
- (ii) with regard to the qualitative composition of the Board, executive, non-executive and independent members are adequately represented;
- (iii) taking account of the Group's business, the Board has the main professional and managerial expertise (such as, by way of example, skills in relation to finance and control, foreign operations, legal and corporate affairs) necessary for the strategic supervision of the Company, and there are no other areas of expertise, compared to those indicated, that it would be appropriate to introduce into the Board. Two Directors noted that, in their opinion, the professional and managerial skills in the "human resources and organisation" area were not adequately represented among the Board members, and gave a score of 2 (where the score "1" expresses an unsatisfactory judgment and the score "4" expresses a completely satisfactory judgment). On the point, during the board meeting on 18 February 2021, it was noted that Ms Stefania Milanese, who always takes part in Board meetings as Secretary, covers the role of CFO & COO of the Equita Group and is also Head of the area relating to the management of human resources and organisation. Therefore, although recognising that the skills in the "human resources and organisation" area are not directly represented among the Board members, the same may in any case be considered to be indirectly represented within the board dialectics thanks to the contribution provided by Ms Milanese;
- (iv) the diversity of gender, age and seniority in office is adequately represented;
- (v) considering the planning, frequency and average duration of the board meetings, the number of the same should remain unchanged and the average duration of the board meetings is adequate in relation to the matters

³ It is noted that, in view of the recent appointment of the Director Marzio Perrelli, occurring by way of co-opting in December 2020, the Company decided not to involve Mr Perrelli in the aforementioned self-assessment process. Therefore, the outcomes of that self-assessment take account of the opinions expressed by six (6) out of seven (7) members of the Company's Board of Directors.

addressed;

- (vi) the definition and transmission of the agenda are prompt and the documentation relating to the items on the agenda is adequate and sent with appropriate prior notice for the purpose of a comprehensive and clear illustration of the matters discussed as well as adequate involvement of the Board in the board dialectics;
- (vii) the management of the board debates, the analysis of the issues submitted to the Board and the process of adopting the decisions are adequate;
- (viii) during the board meetings, sufficient time is paid to strategic issues, to those relating to risk and respective controls, as well as to the main governance issues;
- (ix) the quarterly information provided by the Managing Director to the Board and the management of information flows are adequate.

Furthermore, during the self-assessment the Directors decided (i) they were sufficiently involved in the board debate, (ii) they were sufficiently aware of their role within the Board and (iii) they had sufficient availability of time adequate to the conduct of the assignment.

For further information on the considerations related to the letter of the Chairperson of the Corporate Governance Committee dated 22 December 2020, see the following Paragraph 19.

4.4. Delegated Bodies

Based upon the provisions of the Articles of Association, on 7 May 2020, the Board of Directors appointed among its members the Managing Director, in the person of Mr Andrea Vismara, attributing to the same powers of representation and management of the Company.

The powers attributed by the Board of Directors to the Managing Director by resolution dated 7 May 2020, the description of which is indicated below, may be exercised severally, and include powers to appoint attorneys for certain acts or categories of acts, with the exception of matters reserved to the remit of the Board of Directors as a collegial body by law or by the articles of association by virtue of specific company policies.

Legal representation and related powers

- a) represent the Company in any relationship with Public Authorities, Public Bodies and Public or Private Administrations (e.g. Revenue Agency, Ministry of Treasury, Guardia di Finanza, etc.), Supervisory Authorities (e.g. Consob, Bank of Italy, Anti-Trust Authority, etc.), centralised financial instruments management companies (e.g. Monte Titoli), companies that manage regulated markets, multilateral trading systems and systematic internalisers (e.g. Borsa Italiana), for all operations and procedures related to the conduct of corporate affairs, with the power to draw up and submit statements, communications, briefs, complaints, reports, applications, appeals, claims and counterclaims, reach agreements and settlements, issue receipts, exonerating those Offices and their officials from any obligation or responsibility in relation to those operations;
- b) represent the Company with the tax authorities by drawing up, signing and submitting any declarations, reports, applications, appeals, complaints of any nature and type before the aforementioned offices, including the Company's tax return, VAT returns, both periodical and in summary form, and for the reporting and documentation related to the income of third parties subject to withholding tax; to challenge tax assessments before the tax commissions and administrative offices of all levels, propose, accept and sign settlements;
- c) represent the Company before all social security, insurance and labour institutions, completing what is required by labour laws, including insurance, indemnities, taxes, and representing the Company in relation to trade union organisations, both of employers and of workers;

- d) represent the Company in relations with third parties, drafting and signing correspondence, communications and documents intended for them;
- e) represent the Company in relations with Group companies, drafting and signing correspondence, communications and documents intended for them;
- f) represent the Company in ordinary, extraordinary and general Shareholders' Meetings of any company, association, body and/or organisation not constituting a company, in which the Company has the right to participate, and designate a person who may attend and represent the Company in the Shareholders' Meetings, issuing the necessary proxies and giving them the necessary instructions;
- g) represent the Company in legal proceedings, as plaintiff or defendant, whatever the nature of the case (including civil, criminal, administrative or tax) in any state, level and degree before any judicial or administrative authority, national or foreign; accept compromises and arbitration clauses, appoint and revoke arbitrators; settle, reconcile or otherwise define disputes or proceedings (including civil, criminal, administrative or tax) and abandon and accept abandonments of the proceedings; seek injunction orders; intervene or summons third parties to the case; promote enforcement, preventive or precautionary acts, give consent to their revocation or renunciation; appoint and revoke lawyers and attorneys; issue a garnishee's statement; allow, through special agents, registrations, subrogation, reduction, postponement and cancellation of mortgages and liens, give consent to the execution and cancellation of transcriptions, notes and endorsements; represent the Company in bankruptcies, arrangements with creditors, debt restructuring procedures and bankruptcy proceedings until the settlement of the procedures; make applications for bankruptcy and ascertainment of insolvency, proposing any appeal, petition, action or opposition useful or necessary in any bankruptcy or insolvency proceedings, lodging claims and certifying the Company's receivables, demand distribution, issue receipts and carry out any action relating to the procedures; file, and waive, complaints and lawsuits; act as damages claimant in lawsuits and revoke claims; delegate powers to experts and third parties, granting to the parties all legal powers, including the power to reconcile, settle and abandon and accept abandonments; file appeals for the cancellation of protests; activate procedures for the amortisation of financial instruments, securities and passbooks;

Company management powers

Ordinary management powers

- a) supervise the management of the Company's ordinary activities and business;
- b) prepare and submit the Company and Group business plan to the Board of Directors for approval;
- c) supervise and verify the development and implementation of the Company and Group business plan, as approved by the Board of Directors;
- d) prepare and submit the Company and Group budget for approval to the Board of Directors;
- e) propose to the Board of Directors all initiatives deemed useful and/or opportune in the Company and the Group's interest and formulate proposals on matters reserved for the Board of Directors;
- f) implement the Board of Directors and Shareholders' Meeting resolutions, adopting all necessary and opportune measures;
- g) without prejudice to anything envisaged by internal policies or procedures, report on a periodic basis, at least quarterly, to the Company's Board of Directors on the activities carried out in the exercise of his powers, on the most significant operations carried out by the Company and the Group, and on the general management performance and its outlook;
- h) coordinate all operational functions in the company's organisation structure, in full compliance with internal organisational regulations and procedures;
- i) supervise the management of the Company's financial debts, assets, and liquidity;

- j) carry out any transaction involving securities, valuables, financial instruments, and currencies but not for speculative purposes;
- k) supervise personnel management, ensuring the planning and development of resources, making decisions on recruitments, terminations and adopting measures (including economic and/or disciplinary) regarding employment relationships, therein including managers;
- l) supervise the management and execution of the legal and regulatory obligations to which the Company is subject (such as, financial, tax, accounting, health and safety, work and social security, personal data processing regulations, etc.), appointing any persons responsible and granting them tasks, powers and instructions;
- m) as "original employer" responsible for the protection of the occupational health and safety of workers pursuant to Italian Legislative Decree no. 81/08, as subsequently amended, carry out, in full autonomy, all activities and fulfilments required and/or appropriate and adopt prevention and protection measures to protect occupational health and safety, also establishing the interventions that are necessary or appropriate to achieve, maintain and/or restore safe conditions in the workplace and, more generally, comply with the legislation on the protection of the occupational health and safety of workers in accordance with Italian Legislative Decree no. 81/08;
- n) carry out any activity necessary and/or opportune for the Company to comply with the European Union and Italian regulations on privacy and data security (including the measures and interpretative guidelines of the competent authorities) and fulfil any obligation envisaged by the same, including, for example, the powers to:
 - decide on personal data processing purposes and methods and the organisational profiles, procedures and tools used, and the adequacy of security measures;
 - appoint a Data Protection Officer (DPO) and appoint data "processors" and/or "officers";
 - verify the application of the regulations through controls on the data "officers" and "processors";
- o) supervise and coordinate internal and intergroup information flows;
- p) promote and offer to customers the services offered by the Company and the Group;
- q) draw up and publish press releases;
- r) file licences, trademarks or product marks, internet domains, names, and intellectual property rights, and issue mandates for that purpose, and do whatever is necessary to protect and renew them.

Contracts, deeds and related operations

- a) in general, enter into, sign, modify, execute, withdraw from or terminate contracts of any nature instrumental to the direct or indirect achievement of the corporate purpose (such as contracts with personnel, contracts with customers related to products and services offered or provided by the Company, contracts for professional services and supply of goods and services, contracts for consultancy, storage contracts, shipping contracts, contracts for the purchase and sale of movable and immovable property, contracts of transfer, even of credits, lease contracts, if appropriate even for more than nine years, finance lease contracts - of moveable, immoveable and registered property, contracts of insurance, bank contracts, contracts with intermediaries, contracts with companies that operate regulated markets, multilateral trading systems and systematic internalisers, contracts with companies for the centralised management of financial instruments, loans, mortgages, intergroup contracts, etc.), establishing their terms and conditions;
- b) with reference to contracts with banks, financial companies, post offices, insurance companies and entities in general, enter into, sign, modify, execute, withdraw and terminate contracts, by way of example but without limitation, relating to:
 - mortgages, transfers of credit, sureties, endorsements, credit operations;

- deposit of sums, securities, notes, financial instruments, and currencies, including dematerialised financial instruments;
 - credit lines and loans, of any type and/or duration, granting the necessary guarantees, and performing any other transaction or act necessary in relation to the same;
 - current accounts to be opened or already opened in the Company name;
 - lease contracts of safety deposit boxes and safes;
 - risk hedging transactions for fluctuations of the interest rate due in relation to credit lines and loans of any form;
 - regulation of relationships between credits of the Company (and/or its subsidiaries and/or associates) for the satisfaction of reciprocal credit claims;
 - insurance policies;
- c) transact on current accounts and/or securities accounts opened in the Company name and carry out any type of credit and debit banking transaction (such as requesting, drawing, issuing, endorsing banker's cheques, cashier's cheques, bank, postal or telegraphic orders, bills of exchange and credit instruments, issue payment instructions, make withdrawals, issue transfers and transfer instructions to bank and postal current accounts, carry out any operation concerning securities, assets, financial instruments and currencies, such as purchase, sale, exchange, pledging and any operation);
- d) negotiate, stipulate, sign, issue and cancel any acts which are instrumental to the direct or indirect achievement of the corporate purpose (such as certificates, statements, declarations, deeds of receipt and/or exemption from liability, deeds of release, receipts, petitions, complaints, statement of quantities, securities, acknowledgements, commitments, indemnities, liquidations, guarantees, requests, applications, claims, registrations, debt notes of the Company, invoices, deferrals, debit and credit notes, drafts, receipts, etc.), setting out their terms and conditions.

Correspondence and delegation to employees and third parties

- a) receive, send, draft and/or sign the correspondence sent by, and/or intended for, the Company;
- b) grant, within the scope of the received powers, proxies for individual acts or categories of acts to employees of the Company or Group companies and to third parties, with the right to sub-delegate.

Expenditure limits

All powers indicated above that involve expenses and/or costs of any nature and type on behalf of the Company may be exercised up to a maximum amount of EUR 500,000 (five hundred thousand) per individual operation - with sole signature - and up to a maximum amount of EUR 5,000,000 (five million) per individual operation - with joint signature with the CFO & COO or with one of the following executive directors of the Company or of the Group companies: Stefano Lustig and Matteo Ghilotti.

A "single transaction" is any transaction carried out even at different times which has a unitary characteristic and, for an open-ended transaction, it must refer to a consideration envisaged for the timeframe of one year.

The contracts for granting to the Company credit lines and loans may be signed with sole signature by the Managing Director where the amount of the credit line or loan does not exceed Euro 30 million, per individual operation.

It is understood that for the signature of some categories of contracts, indicated in the Policy on the Granting of Powers of Ordinary Administration and Representation and Respective Powers of Signature, the criteria for the signature and expenditure limits envisaged by that Policy will apply.

The Company's Managing Director is now the main person responsible for the company management under

the Corporate Governance Code. In that regard, it is noted that the Managing Director has not taken up the position of director of another issuer not belonging to the same group of which a director of the Company is the Managing Director.

Chairperson of the Board of Directors

The Board of Directors of 7 May 2020 (meeting after the Shareholders' Meeting on the same date) appointed Francesco Perilli as Chairperson of the Board of Directors and Andrea Vismara as Managing Director. The Chairperson is classified as a non-executive director as he does not have managerial delegations. The Chairperson does not exercise control of the Company alone, but is the signatory of the First Shareholders Agreement-*Bis* and the Fourth Shareholder Agreement.

Reporting to the Board of Directors

As part of the self-assessment process of the Board of Directors and the internal committees, the Board, at the meeting on 18 February 2021, considering the assessments of its members, considered adequate the pre-board information provided to the same. In particular, as already highlighted as part of the self-assessment, the Board of Directors considered that the definition and transmission of the agenda are prompt and the documentation relating to the items on the agenda is adequate and sent appropriately in advance for the purpose of a comprehensive and clear illustration of the matters addressed as well as the adequate involvement of the Board members in the board dialectics.

It is also noted that the Managing Director, in conformity with the regulations applicable to the Company and in line with the delegations attributed to him, provided to the Board members, at least quarterly, information mainly in relation (i) to the exercise of the delegations attributed to him, (ii) to the significant strategic operations of the Equita Group and (iii) to the impacts deriving from the introduction of new provisions of law and regulations relevant for the Company and the Group.

4.5. Other executive directors

The Board of Directors is made up of executive and non-executive directors. In respect of the provisions of the Corporate Governance Code, "executive directors" are:

- the managing directors of the Company (or Group companies having strategic importance) as well as the chairperson of the same, if the latter is granted individual management powers or given a role in formulating company strategies;
- the directors who hold management roles in the Company (or Group companies having strategic importance) or in the parent company, when the position also concerns the Company.

Directors who do not fall into any of the above categories may be qualified as non-executive directors.

4.6. Independent Directors

On 7 May 2020, the Board of Directors appointed from its members the Managing Director, identifying him in the person of Mr Andrea Vismara and granted to him the powers of representation and management of the Company, exercisable severally, including the powers to appoint attorneys for certain acts or categories of acts, with the exception of matters reserved to the remit of the Board of Directors as a collegial body in accordance with the law or the Articles of Association, and by virtue of specific company policies: In addition to the Managing Director, there are no other executive directors within the Company.

As already highlighted in Paragraph 4.2 of this Report, during the 2020 financial year, the Company's Board of Directors, until the date of 7 May 2020, was made up of the following Directors: Francesco Perilli (Chairperson), Thierry Portè (independent Vice Chairperson), Andrea Vismara (Managing Director), Stefano Lustig (Executive Director), Sara Biglieri (Non-Executive Director), Michela Zeme (Non-Executive and

Independent Director) and Massimo Ferrari (Non-Executive and Independent Director). In particular, the Directors Thierry Portè, Michela Zeme and Massimo Ferrari were classified as Independent Directors as they are in possession of the independence requirements envisaged by Article 147-ter, paragraph 4 of the Consolidated Finance Law (which cites Article 148, paragraph 3 of the Consolidated Finance Law). In addition, the requirements of independence indicated in Article 3 of the Corporate Governance Code were recognised for the Directors Michela Zeme and Massimo Ferrari. It is noted that the existence of the independence requirement was excluded for the Vice-Chairperson of the Board of Directors, Thierry Portè, in accordance with Art. 3 of the Corporate Governance Code, as the same was director of Equita SIM for more than nine years in the last twelve years.

Subsequently, on 7 May 2020, the Shareholders' Meeting appointed the new administrative body which will remain in office for three financial years, namely until the approval of the financial statements at 31 December 2022. The members of the new Board of Directors currently in office are the following: Francesco Perilli (Chairperson), Andrea Vismara (Managing Director), Michela Zeme (Non-Executive and Independent Director), Silvia Demartini (Non-Executive and Independent Director), Paolo Colonna (Non-Executive and Independent Director), Marzio Perrelli (Non-Executive and Independent Director) and Sara Biglieri (Non-Executive Director).

Four Directors are classified as independent (Michela Zeme, Silvia Demartini, Paolo Colonna and Marzio Perrelli). In particular, the aforementioned members are independent in accordance with Art. 148, paragraph 3 of the Consolidated Finance Law - as cited by Art. 147-ter, paragraph 4 of the Consolidated Finance Law - as well as in accordance with Art. 3 of the Corporate Governance Code and Art. 2, Recommendation 7 of the Updated Corporate Governance Code.

In particular, it is noted that in relation to the Directors Michela Zeme, Silvia Demartini and Paolo Colonna the requirements of integrity, professionalism and independence were ascertained (in accordance with Art. 148, third paragraph of the Consolidated Finance Law and Art. 3 of the Corporate Governance Code) on 20 May 2020 and, on the same date, information thereof was given to the market by way of a press release. On 17 December 2020, in relation to the new co-opted Director, Mr Marzio Perrelli, the requirements of professionalism, integrity and independence were also ascertained (in accordance with Art. 148, third paragraph of the Consolidated Finance Law and Art. 3 of the Corporate Governance Code) and, on the same date, information thereof was given to the market by way of a press release. Subsequently, on 18 February 2021, the requirements of independence were again ascertained in relation to the Directors Michela Zeme, Silvia Demartini and Paolo Colonna (in accordance with Art. 148, third paragraph of the Consolidated Finance Law and Art. 2, Recommendation 7 of the Updated Corporate Governance Code)⁴. Information was given to the market, by press release, also in relation to this latter check.

The Board of Statutory Auditors verified, at the meetings indicated above, the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members.

In relation to the meeting of the independent Directors, it is noted that the Updated Corporate Governance Code, at Art. 2, Recommendation 5, establishes that "*In large companies, the independent directors meet in*

⁴ It is noted that in relation to Mr Perrelli, the check regarding the requirements of independence was carried out recently as part of the co-opting of Mr Perrelli himself - occurring in the Board of Directors of 17 December 2020 - with reference both to the requirements indicated in Art. 148, third paragraph of the Consolidated Finance Law and with reference to the criteria indicated in the Corporate Governance Code. As there were, however, no significant changes between the requirements envisaged by the Corporate Governance Code and those envisaged by the new Code, it was deemed unnecessary to carry out, at the meeting on 18 February 2021, a new check of independence in relation to Mr Perrelli.

the absence of the other directors on a periodic basis and in any case at least once a year to assess the issues considered of interest with respect to the functioning of the administrative body and the corporate management". Although the Company is not classifiable, in accordance with the Updated Corporate Governance Code, as a large company, the independent Directors have considered it useful, also in conformity with what was done in the past and in the perspective of good corporate governance, to meet in the absence of the other Directors, to discuss matters of interest for the Company.

The independent Directors met on 11 February 2021. The Directors Silvia Demartini, Paolo Colonna and Michela Zeme were present at that meeting, while apologies were sent by Mr Marzio Perrelli.

The Independent Directors, overall, appreciated the activities of the Board of Directors, both as regards the preparation of the meetings and the board debate, also considering the limitation caused by remote links. They also hoped for the year 2021 that the Company would offer induction activities, in relation to both corporate governance, in view of the entry into force of the new Updated Corporate Governance Code of Borsa Italiana and Regulations no. 21623 and 21624 of Consob incorporating Directive (EU) 2017/828 of the European Parliament and of the Council, of 17 May 2017, as regards the encouragement of long-term shareholder engagement ("SHRD II"), and in relation to business.

Finally, the opportunity was highlighted of focusing on IT controls in relation to cybersecurity, given the general resurgence of cyber attacks, also by virtue of smart-working.

4.7. Lead Independent Director

At the date of this Report, no Lead Independent Director has been appointed, since the conditions set out in application criterion 2.C.4 of the Corporate Governance Code were not met.

It is specified that, in accordance with the new Updated Corporate Governance Code, the Board of Directors appoints a Lead Independent Director:

- a) if the chairperson of the administrative body is the chief executive officer or the holder of significant managerial delegations;
- b) if the role of chairperson is covered by the individual who controls, even jointly, the company;
- c) in large companies, even in the absence of the conditions indicated in letters a) and b), if the majority of the independent directors so request.

In particular, the aforementioned provision of the Code would apply to the Company as Mr Perilli, Chairperson of the Board of Directors of the Company, being signatory to the First Shareholder Agreement-*Bis*, controls, jointly with the other shareholders of the Company, the Company itself.

Equita Group is therefore assessing the appointment, during 2021, of the Lead Independent Director.

5. Corporate information processing

At its 26 July 2018 meeting, the Company's Board of Directors approved, with effect from the date of submission at Borsa Italia of the application for admission of the Shares to trading on the MTA:

- a code (the "**Code of Conduct on *Internal Dealing***") for the management of reporting fulfilments deriving from the internal dealing rules referred to in Art. 19 of Regulation (EU) no. 596/2014 ("**MAR**") and 114, paragraph 7 of the Consolidated Finance Law and 152-*quinquies.1* et seq. of CONSOB Regulation adopted by resolution no. 11971 of 14 May 1999 (the "**Issuers' Regulation**") in order to define (i) the roles for fulfilling the reporting obligations to the Company, to CONSOB and to the market on significant operations involving financial instruments issued by the Company or other financial instruments related to them, carried out, even by interposing person, by the members of the administration or control bodies of the Company and by senior managers with regular access to inside information, by key persons for the purposes of the Issuers' Regulation and by persons closely related

to them as well as (ii) the respective restrictions;

- some amendments to the procedure for the management of inside information and the keeping of the register of those who, because of their work or professional activity or their functions, have access to such information on a regular or occasional basis, approved by the Board of Directors on 10 November 2017 and amended on 17 May 2018 (the "**Procedure for the Processing of Inside Information and the establishment and keeping of the Insider List**"), to regulate (i) the internal management and external communication of information on events occurring in the Company's sphere of activity in application of the regulations in force on processing of inside information; and (ii) the operating procedures to be observed for keeping the Insider List.

6. Board Committees

Until the date of 7 May 2020, the date on which the Shareholders' Meeting appointed the new administrative body, the Board Committees, namely the Control and Risks Committee, the Remuneration Committee and the Related Parties Committee - established by resolution of the Board of Directors of 26 July 2018, with effect from the Trading Start Date - were made up as follows:

Control and Risk Committee: Michela Zeme, Chairperson of the Committee (Non-Executive and Independent Director), Massimo Ferrari, member of the Committee (Non-Executive and Independent Director) and Sara Biglieri, member of the Committee (Non-Executive Director).

Remuneration Committee: Massimo Ferrari, Chairperson of the Committee (Non-Executive and Independent Director), Michela Zeme, member of the Committee (Non-Executive and Independent Director) and Francesco Perilli, member of the Committee (Non-Executive Director).

Related Parties Committee: Michela Zeme, Chairperson of the Committee (Non-Executive and Independent Director), Massimo Ferrari, member of the Committee (Non-Executive and Independent Director) and Sara Biglieri, member of the Committee (Non-Executive Director).

Subsequently, following the appointment, by the Shareholders' Meeting of 7 May 2020 of the new administrative body occurring by way of list vote, the Board of Directors of the Company, meeting on that date, established the Control and Risks Committee, Remuneration Committee and Related Parties Committee in the following compositions:

Control and Risks Committee: Michela Zeme, Chairperson of the Committee (Non-Executive and Independent Director), Massimo Ferrari, member of the Committee (Non-Executive and Independent Director) and Silvia Demartini, member of the Committee (Non-Executive and Independent Director).

Remuneration Committee: Paolo Colonna, Chairperson of the Committee (Non-Executive and Independent Director), Michela Zeme, member of the Committee (Non-Executive and Independent Director) and Francesco Perilli, member of the Committee (Non-Executive Director).

Related Parties Committee: Silvia Demartini, Chairperson of the Committee (Non-Executive and Independent Director), Paolo Colonna, member of the Committee (Non-Executive and Independent Director) and Sara Biglieri, member of the Committee (Non-Executive Director).

The Remuneration Committee was attributed the functions indicated in Art. 6 of the Corporate Governance Code (as well as those indicated in the Circular of the Bank of Italy 285/2013, as amended and supplemented and cited by the Bank of Italy Regulation) and, in particular, advisory and investigation functions for determining the fees of the directors invested with particular roles as well as the remuneration and loyalty policies for personnel as described in more detail in Paragraph 8 below; the Control and Risks Committee was attributed the functions indicated in Art. 7 of the Corporate Governance Code (as well as those indicated in the Circular of the Bank of Italy 285/2013, as amended and supplemented and cited by the Bank of Italy Regulation) and, in particular, support functions to the administrative body in the assessments and decisions

on the risks and the internal controls system, expressing assessments and formulating opinions on respect of the principles to be met by the internal controls system, the company organisation and the requirements of the company control functions, and the Related Parties Committee was attributed the functions indicated in Art. 4, paragraph 3 of CONSOB Regulation on Related Parties and, in particular, an advisory role, to the benefit and in support of the body responsible each time for approving and/or executing transactions with related parties, in conformity with Art. 5 of the “related parties procedure” adopted by the Company.

Thereafter, in view of the voluntary resignation of the Director Massimo Ferrari, the Control and Risks Committee and the Related Parties Committee, following the resolution of the Board of Directors of 17 December 2020, modified their composition.

In particular, those Committees are composed, at the date of this Report, as follows:

Control and Risks Committee: Michela Zeme, Chairperson of the Committee (Non-Executive and Independent Director), Silvia Demartini, member of the Committee (Non-Executive and Independent Director) and Sara Biglieri (Non-Executive Director).

Related Parties Committee: Silvia Demartini, Presidente del Comitato (Non-Executive and Independent Director), Paolo Colonna, member of the Committee (Non-Executive and Independent Director) and Marzio Perrelli, member of the Committee (Non-Executive and Independent Director).

On the other hand, the composition of the Remuneration Committee has not changed with respect to that established by resolution of the Board of Directors of 7 May 2020, indicated above.

Committee Functioning

The Committees remain in office for the entire mandate of the Board of Directors and meet upon request of their Chairperson or their deputy, at a place set by means of a notice which includes the agenda, sent to all committee members.

The Control and Risks Committee must be convened when requested by either the Chairperson, the Compliance Manager, the Head of the Internal Audit Function, or the Head of the Risk Management Function. The documentation and information available for discussion is sent to all members of the relevant Committee in time for them to be sufficiently informed to express their views at the meeting.

The Committee is validly constituted once the majority of the members are present.

The resolutions shall be taken by an absolute majority of votes. If there is a tie, the meeting Chairperson shall have the casting vote. Proxy voting is not allowed.

Meetings may be held by tele or video conference, if all participants can be identified by each of them and they can follow the discussion and intervene in real time on the matters addressed. If these conditions are met, the meeting is considered to have been held in the place where the Chairperson and the Secretary are located.

Most recently, on 18 February 2021, the Board of Directors approved the adequacy of the Board Committees, based on their current structure, composition (also in terms of diversification) and functioning and decided that, therefore, no corrective action was required at this stage.

7. Appointments Committee

At the meeting on 7 May 2020, the Board of Directors, considering the fact that the outgoing Board had not considered it necessary to establish an Appointments Committee in view of the structure and dimension of the Company, the respective ownership structure, as well as the list vote mechanism envisaged in the Articles of Association, which guarantees a transparent appointment procedure and a balanced composition of the Board of Directors, also with reference to the presence of an adequate number of independent directors, resolved not to establish an Appointments Committee and to attribute the respective functions, as indicated in the Corporate Governance Code, to the Board of Directors in compliance with what is ratified in application criterion 4.C.2 of the Corporate Governance Code. That resolution was assumed in respect of the conditions indicated in

aforementioned application criterion 4.C.2.

8. Remuneration Committee

With reference to the Remuneration Committee, after the appointment by the Shareholders' Meeting on 7 May 2020 of the new administrative body, it is noted that on 7 May 2020, the Board of Directors appointed as members of the Remuneration Committee the directors Paolo Colonna, in the capacity of Chairperson, Francesco Perilli and Michela Zeme. At the date of this Report, the Remuneration Committee is made up, in conformity with the provisions of principle 6.P.3 of the Corporate Governance Code (in force at the time of establishment of the Committee) and of Recommendation 26 of the Updated Corporate Governance Code (code currently in force) by non-executive directors, the majority of whom are independent with the Chairperson (Paolo Colonna) chosen from among the independents.

On the same date, the Board of Directors verified that all members have knowledge and experience in financial matters or remuneration policies.

The Remuneration Committee, also in conformity with the provisions of application criterion 6.C.5 of the Corporate Governance Code and the Supervisory Provisions for Banks, carries out advisory and propositional functions for the Board of Directors in relation to the remuneration of the directors and managers with strategic responsibilities. It has the necessary ability and independence of judgment to formulate assessments of the adequacy of policies, remuneration and incentive plans and their implications on the assumption and management of risks.

In particular, the Remuneration Committee;

- submits proposals to the Company's Board of Directors on the remuneration policy, flexible benefits and incentive plans based on financial instruments;
- submits proposals on the remuneration of personnel (including executive directors and other directors holding special offices) whose remuneration and incentive systems are decided by the Board of Directors of the Company and/or the Group companies, expressing an opinion on the setting of performance targets correlated to the variable component of remuneration;
- has an advisory role when defining the Group's remuneration policy, with particular reference to the determination of criteria for the remuneration of the Group's most significant personnel (this concept includes managers with strategic responsibilities) (the "**Group's Key Personnel**");
- expresses, also using information received from the competent company functions, an opinion on the outcomes of the identification process of key personnel, therein including any exclusions of Section II, par. 6.1 of the Bank of Italy Provisions;
- periodically assesses the adequacy, overall consistency and practical application of the policy adopted for the remuneration of directors, managers with strategic responsibilities and heads of company control functions (in the latter case, in close collaboration with the Board of Statutory Auditors of the Company and of the Group companies), using the information provided by the Managing Director of the Company and of the Group companies;
- prepares the documentation for the Board of Directors of the Company and/or of all Group companies for the relevant decisions;
- collaborates with the Control and Risk Committee in assessing whether the incentives provided by the remuneration system take account of the risks, capital and liquidity;
- ensures the involvement of the competent functions of the Company and/or the Group companies in the preparation and control of remuneration and incentive policies and practices;
- expresses opinions, also using information received from the competent functions of the Company and of the Group companies, on the fixing and achievement of performance targets to which the incentive plans

are linked and the assessment of the other conditions applied for the payment of remuneration, supporting the Board of Directors in monitoring the application of the adopted decisions;

- expresses opinions and supports the Board of Directors of the Company and of the Group companies in all cases provided by the remuneration policy, including for the purposes of determinations relating to the so-called "*bonus pool*" and the suspension or reduction of the variable share or the recall of the incentive component already paid;
- prepares a report containing the variable remuneration proposals for the Key Personnel and the remaining personnel. These are submitted for approval to the Board of Directors of the Group companies and of the Company; and
- provides to the Board of Directors and to the Shareholders' Meeting of the Company adequate feedback on the activities that it carries out.

In particular, during the financial year closing at 31 December 2020, the Remuneration Committee determined the 2019 *bonus pool*, analysing the Report on Remuneration and on Fees Paid relating to 2019 as well as the new 2020-2022 incentive plan based upon stock options and the regulation of the aforementioned plan, examined the determination of the number of stock options to be attributed to the beneficiaries of the plan and made proposals on the fees for the roles of Chairperson of the Board of Directors and Managing Director as well as for the roles of member of the Committees.

The Chairperson of the Board of Statutory Auditors or another auditor designated by him may take part in the work of the Remuneration Committee along with the other Auditors. The Head of the Risk Management Function may be invited to attend Remuneration Committee meetings, without voting rights, to express an opinion on matters that may have an impact on the Company's overall risk profile. In addition, other people, including non-executive members of the Board of Directors and employees of the Company or Group companies, may be invited to attend Committee meetings, without voting rights, through the Chairperson and in relation to the matters to be discussed. No directors may take part in Committee meetings which discuss their remuneration. The Managing Director is invited to attend Remuneration Committee meetings, without voting rights, for support or information on the matters examined each time. This is without prejudice to the fact that the Managing Director will not witness the discussions and decisions of the Remuneration Committee in which proposals are made relating to his remuneration or in relation to which he has, in any case, a conflicting interest.

The Committee, during the 2020 financial year, held 4 meetings, lasting an average of one hour, with a percentage of attendance of each member of 100%⁵. The Chairperson of the Board of Statutory Auditors attended at meetings of the Committee. During the financial year in progress, the Remuneration Committee has met, at the date of this Report, twice. During 2021, the Committee will meet if, based upon the functions and duties attributed to it, its involvement is necessary.

The Remuneration Committee has access to the information and functions necessary to carry out its duties and it has available for its activities a budget approved annually by the Board.

9. Directors' remuneration

For information on the remuneration policy, see the Report on the Policy on Remuneration and on Fees Paid relating to the financial year closing at 31 December 2020, drafted in accordance with Art. 123-ter of the

⁵ It is noted that the composition of the Remuneration Committee changed during 2020 in view of the new appointments of the members of the Board of Directors occurring on 7 May 2020. In particular, the Directors Perilli and Zeme, in office throughout the whole of 2020, participated at all four meetings of the Committee; the Director Ferrari, in office until 7 May 2020, participated at three meetings out of three of the Committee; and Mr Colonna, in office from 7 May 2020, participated at one meeting out of one of the Committee.

Consolidated Finance Law and approved by the Board of Directors on 17 March 2021, subject to examination and approval of the Remuneration Committee available at the Company's website www.equita.eu (*Corporate Governance* section, *Corporate Documents* area).

For information (i) on the general remuneration policy, (ii) on the incentive plans based upon financial instruments, (iii) on the remuneration of executive directors, (iv) on the remuneration of managers with strategic responsibilities, (v) on the remuneration of non-executive directors, see the Report on the Policy on Remuneration and on Fees Paid.

It is noted that the incentive mechanisms of the Head of the Internal Audit Function and of the Appointed Manager, as indicated in the Report on the Policy on Remuneration and on Fees Paid, are coherent with the duties assigned to them.

Finally, it is noted that the adequacy of the remuneration of the Head of the Internal Audit Function is assessed annually by the Control and Risk Committee of the Company.

10. Control and Risks Committee

With reference to the Control and Risks Committee established after the appointment by the Shareholders' Meeting of 7 May 2020 of the new administrative body, it is noted that on 7 May 2020, the Board of Directors appointed as members of the Control and Risks Committee the directors Michela Zeme, in the capacity of Chairperson, Massimo Ferrari and Silvia Demartini. Subsequently, following the resignation of the Director Massimo Ferrari and the co-opting of the Director Marzio Perrelli, the composition of the aforementioned Committee was modified, including as Chairperson Ms Michela Zeme and as members the directors Silvia Demartini and Sara Biglieri.

Therefore, the Control and Risks Committee is currently made up, in conformity with the provisions of Recommendation 35 of the Updated Corporate Governance Code, of non-executive directors, the majority of whom are independent, with the Chairperson (Michela Zeme) chosen from the independents.

On 7 May 2020 and subsequently on 17 December 2020, the Board of Directors verified that all members had adequate experience in accounting and financial matters or risk management. The Control and Risks Committee supports the Board of Directors in evaluations and decisions on the internal control and risk management system, and the approval of periodic financial reports.

In particular, the Control and Risks Committee performs, inter alia, the following functions:

- identifies and proposes the Heads of the company control functions to be appointed. With specific reference to the Internal Audit function, expresses its opinion on:
 - ❖ the appointment and revocation of the Head of the Internal Audit Function;
 - ❖ whether the same has sufficient resources to fulfil his responsibilities;
 - ❖ whether the remuneration of the cited Head is consistent with company policies.
- examines the activity programmes and annual reports of the company control functions addressed to the Board of Directors and, in particular, before the Board meets to approve the audit plan, examines the same along with the periodic reports, concerning the assessment of the internal control and risk management system, as well as those of particular significance prepared by the Internal Audit Function;
- expresses, using the information received from the Risk Management and Compliance functions, assessments and formulates opinions for the Board of Directors on specific aspects relating to the identification of the main company risks, the design, implementation and management of the Company's overall internal control and risk management system, as well as on respect of the principles with which the internal control system and the company organisation must comply and the requirements of the company

control functions, bringing to the attention of the Board of Directors any weak points and the consequent corrective actions to be promoted; to that end, it assess the proposals of the Managing Director;

- contributes, through assessments and opinion, to defining the company policy on outsourcing of company control functions;
- verifies that the company control functions comply correctly with the indications contained in the governance regulation, as amended and supplemented;
- assesses, together with the manager in charge of preparing the corporate accounting documents, and having heard from the independent auditor and the Board of Statutory Auditors, the correct use of the accounting standards used to prepare the financial statements as well as their homogeneity for the purposes of preparing the consolidated financial statements;
- supports the Board of Directors in defining and approving strategic guidelines and risk management policies, so that the main risks relating to the issuer are correctly identified, adequately measured, managed and monitored, determining the compatibility criteria between the risks identified and the sound and correct management of the Company coherent with the identified strategic objectives;
- supports the Board of Directors in periodically checking, at least once a year, the correct implementation of strategies, risk management policies and the adequacy and effectiveness of the internal control and risk management system in relation to the characteristics of the Company and the risk profile adopted;
- without prejudice to the responsibilities of the Remuneration Committee, ascertains that the incentives underlying the Company's remuneration and incentive system are consistent with the Group's risk profile;
- assists the Board of Directors in approving the audit plan, within the terms set forth by the law and the Corporate Governance Code and, in any case, at least on an annual basis;
- supports the Board of Directors in assessing the findings illustrated by the independent auditor in any management letter to company management.

In addition, the Control and Risk Committee, in accordance with the specific regulation and always in compliance with the provisions of Art. 7 of the Corporate Governance Code, *inter alia*:

- provides preliminary opinions for the description, in the corporate governance report, of the main features of the internal control and risk management system and the methods of coordination between the parties involved therein, in order to support the Board of Directors' adequacy assessment;
- monitors the Internal Audit function's autonomy, adequacy, effectiveness, and efficiency;
- may ask the Internal Audit to carry out checks on specific operating areas, simultaneously informing the chairperson of the board of statutory auditors of the same; reports: (i) at least half-yearly, upon the approval of the annual and half-yearly financial report, on the activities carried out as well as on the adequacy of the internal control and risk management system; and (ii) immediately upon the occurrence of extraordinary situations, in the event of reports received or other circumstances of urgent nature;
- supports, with adequate preliminary activities, the assessments and decisions of the Board of Directors on risk management deriving from prejudicial events of which the Board of Directors has become aware; and
- carries out the additional duties that are attributed to it by the Board of Directors itself.

The Control and Risks Committee has the right of access to the necessary information and company functions for the performance of its duties as well as to use external consultants, within the terms and limits of the Board-approved budget.

The Chairperson of the Board of Statutory Auditors or another auditor designated by him may participate in the works of the Control and Risks Committee (the other Auditors may also participate); the Internal Audit Function participates in the Committee as Secretary. The Committee may use external experts and - where necessary - liaise directly with the Internal Audit, Risk Management and Compliance functions.

The Control Functions of the Group companies are periodically invited to take part at meetings of the

Committee in order to receive a constant update on the control and risk management system of the latter. The Committee, during the 2020 financial year, held 7 meetings, lasting on average one hour and twenty minutes, with a percentage of attendance of the Chairperson of 100%, of the Director Massimo Ferrari (in office until 15 November 2020) of approximately 85%, of the Director Sara Biglieri (in office until 7 May 2020 and then from 17 December 2020) of 100%, of the Director Silvia Demartini (in office from 7 May 2020) of 100% and, therefore, with an average percentage of attendance of the members of 95%⁶.

The Control and Risks Committee carried out its activities through frequent meetings with the Heads of the Control Functions, the CFO & COO and the Independent Auditing Company, as well as through information exchanges with the Board of Statutory Auditors on matters of mutual interest, involving the latter in every meeting of the Committee.

The Committee acknowledged the activities performed by the Supervisory Body pursuant to Italian Legislative Decree no. 231.

The Committee, during 2020, constantly monitored the adequacy of the controls adopted by the Group for managing the emergency cited above.

Minutes are taken of meetings of the Committee and information is provided to the Board of Directors in relation to the activities performed by the Committee itself.

In the financial year in progress, the Control and Risk Committee has met, at the date of this Report, twice. The Control and Risks Committee generally meets, depending on the matters to be discussed, before each Board of Directors' meeting of the Company.

11. Internal control and risk management system

11.1. Director placed in charge of the Internal control and risk management system

In support of the Company's internal control and risk management system, in addition to the Control and Risks Committee, the Company's Board of Directors, most recently on 7 May 2020, appointed Andrea Vismara as director in charge of the internal control and risk management system, attributing to the latter the functions listed by application criterion 7.C.4 of the Corporate Governance Code (the "**Appointed Director**"). In that regard, Equita Group believed that the appointment of a Managing Director, such as Andrea Vismara, to that role, was in line with the provisions of the Corporate Governance Code, where positive aspects associated with a choice of this nature are emphasised also based upon the specific knowledge possessed by the appointed person.

The Appointed Director has the duty to supervise the functionality of the internal control and risk management system and to implement the guidelines relating to it defined by the Board of Directors, supported by the Control, Risk and Sustainability Committee, ensuring that all necessary actions are taken to implement the system.

In particular, in accordance with application criterion 7.C.4 of the Corporate Governance Code, the Appointed Director of the internal control and risk management system:

- a) identifies the main business risks, considering the characteristics of the activities performed by the Company and its subsidiaries, and submits them periodically for examination by the Board of Directors;
- b) implements the Board of Directors' strategic guidelines, dealing with the design, creation and management of the internal control and risk management system and constantly verifying its adequacy

⁶ It is noted that the composition of the Control and Risks Committee changed during 2020 in view of the new appointments of the members of the Board of Directors occurring on 7 May 2020. In particular, the Director Zeme, in office throughout the whole of 2020, participated at all seven meetings of the Board; the Director Ferrari, in office until 15 November 2020, participated at six out of seven meetings of the Committee; the Director Sara Biglieri, in office until 7 May 2020 and then from 17 December 2020 participated at three out of three meetings; and finally the Director Demartini, in office from 7 May 2020, participated at 4 out of four meetings of the Committee.

- and effectiveness;
- c) deals with adapting that system to the dynamics of the operating conditions and the legislative and regulatory framework;
 - d) may ask the Internal Audit Function to performs checks on specific operating areas and on respect of the internal rules and procedures when carrying out business operations, simultaneously informing the Chairperson of the Board of Directors, the Chairperson of the Control and Risks Committee and the Chairperson of the Board of Statutory Auditors;
 - e) promptly reports to the Control and Risk Committee (or to the Board of Directors) on issues and criticalities emerging in the conduct of its activity or of which it has in any case been informed, so that the Committee (or the Board of Directors) may take the appropriate actions.

11.2. Head of the Internal Audit Function

At the meeting on 20 May 2020, the Board of Directors, in view (i) of the new appointments of the Board of Directors and of the Board of Statutory Auditors by the Shareholders' Meeting of 7 May 2020, (ii) of the appointment - by the Board of Directors on 7 May last - of Mr Vismara as Appointed Director in charge of the internal control and risk management system and (iii) of the establishment of the new Board Committees resolved by the Board of Directors at the previous meeting on 7 May, saw fit to proceed, in continuity with the decisions made by the outgoing Board and in compliance with the provisions of the Corporate Governance Code, at the proposal of the Appointed Director in charge of the internal control and risk management system, subject to the favourable opinion of the Control and Risks Committee and having heard from the Board of Statutory Auditors, to appoint Ms D'Ardes as Head of the Internal Audit Function. On the point, it is noted that as part of the listing project of the Company's shares on MTA/STAR, the Board of Directors of the Company had already appointed Ms Elisabetta D'Ardes as Head of the Internal Audit Function.

The Head of the Internal Audit Function is not responsible for any operational area and reports hierarchically to the Board of Directors.

In addition, in conformity with the provisions of application criterion 7.C.5 of the Corporate Governance Code, the Head of the Internal Audit Function has continuously verified the operation, suitability and adequacy of the internal control and risk management system, through the Audit Plan approved by the Company's Board of Directors on 18 March 2020.

The Head of the Internal Audit Function also has access to all information required to carry out her duties and has prepared periodic reports detailing her activity, the methods used to manage risks, and compliance with the plans defined for their containment. Her reports assessed the suitability and adequacy of the internal control and risk management system and were forwarded to the Chairpersons of the Board of Statutory Auditors, the Control and Risks Committee, the Board of Directors and the Appointed Director in charge of the internal control and risk management system.

During 2020, the Internal Audit Function also carried out a follow-up in relation to information systems with respect to the audit conducted the previous year.

During 2020, the Board of Directors made available to the Internal Audit Function a budget to be used to remunerate any activity of external consultants asked to provide support in the conduct of internal auditing activity.

11.3. Organisation model under Italian Legislative Decree 231/2001

On 16 April 2018, the Board of Directors of Equita Group adopted the organisation and management model provided by Italian Legislative Decree no. 231/2001 (the "**231 Model**") in order to establish a set of rules to prevent the adoption of unlawful conduct considered potentially relevant to the application of that legislation,

and, consequently, proceeded to establish the supervisory body in accordance with Article 6, paragraph 1, letter b) of Italian Legislative Decree 231/2001 (the "**Supervisory Body**").

The 231 Model is composed of (i) a general part, which regulates the overall functioning of the adopted organisation, management and control system; and (ii) several special parts, containing general principles of conduct and control protocols for each predicate offence considered relevant.

At the date of this Report, the Supervisory Body is composed of Paolo Domenico Sfameni (external member), Patrizia Pedrazzini (Head of the Group's Compliance, Risk Management and Anti-Money Laundering Function at the Company) and Elisabetta D'Ardes (Head of Internal Audit at Equita Group).

The Supervisory Body thus composed possesses the applicable requisites of autonomy, independence, professionalism and continuity of action. The Supervisory Body is entrusted, in general, the power/duty to supervise:

- compliance with the provisions of the 231 Model by the recipients expressly identified in the special section in relation to the different types of crimes covered by Italian Legislative Decree 231/2001;
- the real effectiveness and actual capacity of the 231 Model, in relation to the company structure, to prevent the crimes indicated in Italian Legislative Decree 231/2001; and
- the appropriateness of updating the 231 Model, where requirements of adjustment of the same in relation to altered company and regulatory conditions are identified. The internal control system outlined by the 231 Model is completed by the Group's code of conduct, which identifies the values, general principles and rules of conduct that must inspire the conduct of those who directly or indirectly, permanently or temporarily, work for the company.

The model is available for consultation on the website www.equita.eu (*Corporate Governance* section, *Corporate Documents* area).

11.4. Independent auditing company

The Equita Group's Shareholders' Meeting held on 26 September 2018, at second convocation, resolved to grant the independent auditing assignment for the 2018-2026 financial years to the independent auditing company KPMG S.p.A., with effect from the Trading Start Date.

11.5. Manager in charge of preparing the corporate accounting documents and other company roles and functions

The Board of Directors appointed by the Shareholders' Meeting on 7 May 2020, at the meeting on 20 May 2020, also in compliance with the provisions of Art. 154-*bis* of the Consolidated Finance Law, decided to confirm the appointment of Ms Stefania Milanese, CFO & COO of the Equita Group, as appointed manager in charge of preparing the corporate accounting documents (the "**Appointed Manager**") having the functions envisaged by Art. 154-*bis* of the Consolidated Finance Law.

The Board of Directors decided to confirm the appointment of Ms Milanese, CFO & COO of the Equita Group, as Appointed Manager (role attributed to Ms Milanese already at the board meeting on 26 July 2018, with effect from the Trading Start Date), recognising that she was suitable to cover that role, also in view of the requirements of professionalism and integrity laid down by Art. 20 of the Articles of Association, in accordance with which the appointed manager must have gained experience in accounting or administrative matters for at least three years in a company with listed shares or in a company with share capital of no less than one million Euros or in a company that provides financial services.

The Appointed Manager, in accordance with Art. 154-*bis* of the Consolidated Finance Law

- draws up written declarations accompanying the Company's deeds and communications that are disclosed

to the market and related to accounting information, including interim information;

- prepares administrative and accounting procedures for the preparation of the financial statements and, where appropriate, the consolidated financial statements and any other financial communication;
- certifies, with a specific report, in relation to the financial statements, the abbreviated half-yearly financial statements and, if prepared, the consolidated financial statements (i) the adequacy and effective application of the administrative and accounting procedures for forming the financial statements; (ii) that the documents are prepared in conformity with the applicable international accounting standards recognised in the European Community in accordance with regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of 19 July 2002;
 - (ii) the correspondence of the documents with the accounting records and books; (iv) the suitability of the documents to provide a true and correct representation of the capital, economic and financial situation of the Company and the set of companies included in the consolidation; (v) for the financial statements and consolidated financial statements, that the management report includes a reliable analysis of the management performance and result, as well as the situation of the issuer and of the set of companies included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed; and (vi) for the abbreviated half-yearly financial statements, that the interim management report contains a reliable analysis of the information indicated in Art. 154-ter, paragraph 4 of the Consolidated Finance Law.

It is also noted that the Board of Directors, at the meeting on 13 March 2019, also approved the Manual of the Appointed Manager, a document that describes in greater detail the role and functions of the Appointed Manager in preparing the corporate accounting documents, illustrated above.

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

The Equita Group's Control and Risk Committee supports the management body in assessments and decisions on risks and the internal control system as provided by the Corporate Governance Code.

The entire Board of Statutory Auditors or at least one auditor attended at meetings of the Committee.

The Control and Risk Committee carried out its activities through frequent meetings with the Heads of the Control Functions, the CFO-COO and the Independent Auditing Company, as well as through information exchanges with the Board of Statutory Auditors on matters of mutual interest, involving the latter in every meeting of the Committee.

12. Directors' interests and transactions with related parties

On 26 July 2018, the Board of Directors resolved to adopt, with effect from the Trading Start Date, a procedure for managing transactions with related parties (the "**RPT Procedure**") in accordance with the regulation adopted by CONSOB with resolution no. 17221 of 12 March 2010 (the "**Related Parties Regulation**") (in replacement of the procedure for Related Parties transactions adopted by resolution of the Board of Directors on 10 November 2017 and subsequently amended on 14 December 2017 in conformity with the regulations applicable to companies having financial instruments admitted to trading on the multilateral trading system AIM Italia / Alternative Capitale Market, organised and managed by Borsa Italiana) aimed at defining the rules on the identification, investigation, approval and execution of transactions with related parties concluded by the Company or by way of subsidiary companies.

Subsequently, with resolution dated 17 July 2019, the Company's Board of Directors made some changes to the RPT Procedure in order to simplify the procedural process to be applied to transactions with related parties and to bring some contents of the Procedure more in line with market practice. That new procedure (the "New RPT Procedure") thus replaced, commencing from 17 July 2019, the RPT Procedure previously adopted and it is still

in force. The New RPT Procedure is published on the website www.equita.eu (Corporate Governance section, Corporate Documents area).

13. Appointment of the auditors

The Board of Statutory Auditors consists of three standing auditors and two alternate auditors who remain in office for three financial years; they may be re-elected and their term of office expires on the date of the Shareholders' Meeting called to approve the financial statements for the third financial year of their office.

The members of the Board of Statutory Auditors must meet the requirements of integrity, professionalism, independence and on the limit to the number of assignments held, as envisaged by the law and regulations in force at the time.

The Statutory Auditors are appointed by the Shareholders' Meeting based on lists submitted by the shareholders. Upon filing appropriate certification, shareholders who hold at least 2.5% (two point five per cent) of the share capital with voting rights, alone or together with others, or represent a lower percentage established by mandatory provisions of law or regulations, may submit a list for the appointment of the Statutory Auditors. On this point, it is noted that Consob, in conformity with the provisions of Art. 144-*septies* of the Issuers' Regulation, has made public the shares of investment required for submitting lists of candidates for the election of the management and control bodies. In particular, Consob, subject to any lower share envisaged by the Articles of Association, has determined the minimum share of investment required for submitting lists of candidates for election to the administration and control bodies of Equita Group in the amount of 2.5% of the Company's share capital.

The lists are filed at the company's registered office, following the regulatory procedures, at least 25 days before the date set for the shareholders' meeting asked to resolve on the appointment of the directors. The lists must be made available to the public by the Company at least 21 days before the date scheduled for the Shareholders' Meeting following the regulatory procedures.

Each list:

- must have the names of one or more candidates for the office of standing auditor and one or more candidates for the office of alternate auditor, marked in each section ("standing auditors" section, "alternate auditors" section) by a sequential number, not exceeding the number of members of the body to be elected;
- must include a number of candidates of different gender to ensure that the composition of the Board of Statutory Auditors complies with the legal and regulatory provisions on gender balance (male and female), it being understood that if the application of the gender distribution criterion does not result in a whole number of auditors of the less represented gender, this must be rounded up to the higher unit;
- must contain the documentation required by the Articles of Association and any other additional or different declaration, information and/or document required by legal and regulatory provisions.

Each shareholder, and shareholders belonging to the same group of companies and shareholders who have signed a shareholder agreement relevant under Article 122 of the Consolidated Finance Law, may not submit or participate in submitting, even through a third party or trust company, more than one list and may not vote for different lists.

Each candidate may only be present on one list under penalty of ineligibility.

(A) If two or more lists have been submitted, the lists submitted are voted upon and the Board of Statutory Auditors is formed based on the following provisions:

- the first 2 (two) candidates on the list that obtained the highest number of votes (the "**Majority List for the Board**") and the first candidate on the list that obtained the second highest number of votes and that was submitted by shareholders who are not even indirectly connected with the shareholders who submitted or voted for the list that obtained the highest number of votes, are elected as standing

auditors; the candidate on the latter list becomes chairperson of the Board of Statutory Auditors (the "**Minority Auditor**"). The first alternate candidate on the list that obtains the highest number of votes and the first alternate candidate on the list that obtains the second highest number of votes and that was submitted by shareholders who are not even indirectly connected with the shareholders who submitted or voted for the list that obtained the highest number of votes, are elected as alternate auditors;

- a ballot shall be held if there is a tie between several lists;
- after the vote, if the Board of Statutory Auditors is not composed of the minimum number of legally established auditors of the less represented gender, the candidate of the more represented gender, elected last in sequential order from the list that obtained the highest number of votes, will be replaced by the first candidate in sequential order from the same list belonging to the less represented gender not elected under the preceding paragraphs; if the minimum number of auditors of the less represented gender established by law is not reached, the replacement shall also apply for the candidates of the list that obtained the second highest number of votes.

(B) If only one list is submitted, the entire Board of Statutory Auditors is taken from that list, if it obtains the legal majority for the ordinary Shareholders' Meeting;

(C) If auditors cannot be elected by the procedure provided for in the preceding paragraphs or if no lists are presented, the shareholders' meeting resolves according to the legal majorities.

If there is an early termination of a standing auditor's appointment, the first alternate auditor belonging to the same list as the outgoing auditor shall take over until the next shareholders' meeting. If there is a replacement of the Chairperson, the position shall be taken, until the next Shareholders' Meeting, by the alternate member taken from the list that received the second highest number of votes or, in the absence of such list or in the event of a tie between two or more lists, by the first standing auditor on the list of the outgoing Chairperson. If the Board of Statutory Auditors is not filled by alternate Statutory Auditors, the shareholders' meeting must be called to proceed with the legal majorities.

14. Composition and functioning of the Board of Statutory Auditors

During the 2020 financial year, the Board of Statutory Auditors of the Company, until the date of 7 May 2020 (date of the Shareholders' Meeting that appointed the new corporate bodies whose mandate expired with the approval of the financial statements at 31 December 2019), was made up of the following members: Franco Guido Roberto Fondi (Chairperson), Paolo Redaelli (Standing Auditor), Laura Acquadro (Standing Auditor), Filippo Annunziata (Alternate Auditor) and Andrea Polizzi (Alternate Auditor).

Subsequently, on 7 May 2020, the ordinary Shareholders' Meeting appointed the new Board of Statutory Auditors of the Company - currently in office - for a period of three financial years until approval of the financial statements at 31 December 2022.

It is noted that at the date of the Shareholders' Meeting 3 lists were submitted: one majority list submitted by the shareholders Francesco Perilli, Andrea Vismara, Matteo Ghilotti, Fabio Deotto and Stefano Lustig, jointly holders of 24.5% of the share capital having voting right (list no. 1), one minority list submitted by the shareholders Fenera Holding S.p.A., PKP Investments 1939 S.p.A. and Justus s.s., jointly holders of 5.66% of the share capital having voting right (list no. 2) and a second minority list submitted by the shareholders Anima SGR S.p.A. manager of the funds. Anima Crescita Italia, Anima Iniziativa Italia, Mediolanum International Gestione Fondi SGR S.p.A. manager of the fund Mediolanum Flessibile Futuro Italia, Amber Capital Italia SGR S.p.A., manager of the fund Alpha Ucits Sicav-Amber Equity Fund, jointly holders of 2.80% (list no. 3). The Standing Auditors Laura Acquadro and Paolo Redaelli and the Alternate Auditors Andrea Conso and Dora Laura Federica Salvetti were taken from list no. 1, being the list that received the most votes by the

Shareholders' Meeting (77.05% of the voting capital), while the Chairperson of the Board of Statutory Auditors was taken from list no. 2, being the list that received the second most votes (17.84% of the voting capital).

For further information on the submission of the lists, see the documents published on the Company website www.equita.eu (*Shareholders' Meetings Area/Shareholders' Meeting 7 May 2020*).

The Board of Statutory Auditors of the Company, appointed by the aforementioned Shareholders' Meeting and currently in office, is made up as follows: Franco Guido Roberto Fondi (Chairperson), Paolo Redaelli (Standing Auditor), Laura Acquadro (Standing Auditor), Andrea Conso (Alternate Auditor) and Dora Laura Federica Salvetti (Alternate Auditor).

The Board of Statutory Auditors of the Company is made up of one standing member of the less represented gender (the Auditor Laura Acquadro), in conformity with the criteria of gender balance established by the regulations applicable to the Company⁷, as well as one alternate member of the Board of Statutory Auditors of the less represented gender. In relation to the diversity policies, see what has already been illustrated in Paragraph 4.2 of this Report.

See also Table 3 (*Structure of the Board of Statutory Auditors*) for information on the structure of the Company's Board of Statutory Auditors.

The following is a summary of the professional profiles of the members of the new Board of Statutory Auditors.

Franco Guido Roberto Fondi - Born in Milan on 15 May 1952, graduated in Business Administration at Bocconi University in Milan and is a chartered accountant. He is the founding shareholder and partner of a professional firm that operates in the sector of tax and corporate consultancy with particular specialisation in the field of financial intermediation and he works with some trade associations (Assosim and AIPB) on issues of interest to industry operators. He has covered and continues to cover the role of chairman of the board of statutory auditors and standing auditor in various companies both in the financial sector (including Kairos SGR S.p.A., Banca Albertini S.p.A., Diners Club Italia S.p.A.) and industrial and commercial sector (including Philips S.p.A., Canon Italia S.p.A., Gaggia S.p.A.) and is a member of the Supervisory Body of Banca

⁷ It is noted that, in relation to gender diversity, various regulatory changes have taken place. In particular:

- Italian Law no. 167 of 2020 (known as 2020 Budget Law), entering into force on 1 January 2020, establishes that, with effect from renewals of the corporate bodies of listed companies that take place in the next shareholders' meeting season of 2020, the allocation criterion between genders is at least equal to two-fifths, subject to the allocation criterion of one-fifth envisaged by Article 2 of Law 12 July 2011, no. 120, for the first renewal after the trading start date. It is also noted that, with Communication no. 1/20 of 20 January 2020, Consob clarified that, with reference to Boards of Statutory Auditors consisting of three standing auditors, uncertainties of interpretation may be created in applying the new criterion of attribution of at least two-fifths to the less represented gender, as, from the arithmetic perspective, it is impossible to guarantee for both genders the presence of at least two-fifths in bodies made up as such. Therefore, pending an adjustment intervention on the regulatory rules and taking account of the urgency connected to the application of the new provisions from the coming renewals of the corporate bodies - as part of the supervisory activity on the rules, Consob will consider the criterion of rounding upwards to the upper unit envisaged by paragraph 3 of Art. 144-undecies.1 ("Gender Balance"), of the Issuers' Regulation inapplicable due to arithmetic impossibility for corporate bodies formed by three members. Therefore, with reference to the latter, Consob will consider that the rounding down to the lower unit is in line with the new rules. Without prejudice to the criterion of rounding upwards to the upper unit envisaged by paragraph 3 of the cited 144-undecies.1 of the Issuers' Regulation for corporate bodies formed by more than three members;

- before the entry into force of the 2020 Budget Law, Art. 148, paragraph 1-bis of the Consolidated Finance Law established that the share of less represented gender should be at least equal to one-third of the standing members of the board of statutory auditors. However, that criterion was applied with effect from the first year of renewal of the administration and control bodies of companies listed on regulated markets after one year from the date of entry into force of Italian Law no. 120 of 2011 (known as Golfo-Mosca Law), reserving to the less represented gender, for the first mandate in application of the law, a share equal to at least one-fifth of the directors and auditors elected. The current Board of Statutory Auditors of the Company, appointed by the Shareholders' Meeting on 7 May 2020, is the first Board of Statutory Auditors appointed after the trading start date and, therefore, as it is a first renewal, in conformity with the criteria indicated in Law no. 167 of 2020, the share of the less represented gender that should be respected is equal to at least one-fifth. The current composition of the Board of Statutory Auditors respects that criterion and also respects the criterion of two-fifths (required from the next renewal of the Board of Statutory Auditors), applied according to the interpretation of rounding downwards provided by Consob..

Farmafactoring S.p.A. and GAM SGR S.p.A. as well as having covered a similar role at Unicredit S.p.A. until the transfer of the function of Supervisory Body to the Board of Statutory Auditors.

Paolo Redaelli - Born in Carate Brianza on 11 August 1975, graduated in Business Administration at Bocconi University in Milan completed his academic training by obtaining a master's degree in tax law from the same university and is qualified as a chartered accountant and auditor. In 2000, he began working with the Studio Spiniello Commercialisti e Associati and became a partner of the firm in 2014. In his professional activity he deals with tax consultancy for medium to large-sized groups operating in the industrial, real estate, financial and services sector. He is also responsible for drawing up financial statements and consolidated financial statements, sworn appraisals, company and asset valuations and providing consultancy in extraordinary operations, company reorganisations and tax clearance applications. During his career he has served as statutory auditor, sole director, and liquidator for numerous companies, and written a number of specialised publications.

Laura Acquadro - Born in Milan on 1 December 1967, graduated with honours in Economics at Bocconi University in Milan and graduated with top marks in law at the State University of Milan. She is also enrolled on the Order of Chartered Accountants and Accounting Experts of Milan at no. 3757. She is also registered on the Register of Statutory Auditors with measure O.J. no. 87 of 2 November 1990, as well as on the Register of Technical Experts at the Court of Milan at no. 9680. She is a partner in Studio Acquadro e Associati in Milan, where she performs advises on corporate and tax matters, dealing in particular with corporate and tax problems of national and international scope, as well as providing support and consultancy with regard to extraordinary business operations and company assessments. Laura Acquadro also holds the office of auditor, inter alia, in the following companies: Siram Veolia S.p.A, Ambienta SGR S.p.A., Ambienta Holding S.p.A., Cerved Master Services S.p.A., Metro Italia Cash and Carry S.p.A., Metro Dolomiti S.p.A., Jcoplastico S.p.A., Dom 2000 S.p.A., Equita SIM S.p.A., Fondazione VIDAS, Fondazione di Comunità di Milano e Associazione Teatri di Milano. She is also a member of some boards of directors: Immobiliare Tibaldi S.r.l, Edilnovanta S.p.A, Residenza Galeno S.r.l.

Andrea Conso - Born in Turin on 22 June 1971, he graduated in law in 1995 at the University of Turin. In 2005 he began performing the legal profession, after working as an in-house lawyer in major banking groups for over ten years. In 2014 he was one of the founding partners of Annunziata&Conso. His main areas of specialisation concern corporate, commercial, banking, financial and insurance law, as well as the sectors of e-money, fintech and blockchain; all matters dealt with in the perspective of the regulation of the financial markets and with attention also to profiles of legal comparison and application of models inherent to cross-border operations. He is also director and auditor of regulated companies mainly in the banking and financial sector. He regularly speaks at conventions and on Master's courses and post-university training courses and has written numerous publications.

Dora Salvetti – Born in Milan on 18 March 1976, she gained a degree in Economics and Business Legislation from the Luigi Bocconi Commercial University of Milan and has been qualified to perform the profession of accountant and auditor since 2004. She has worked with major Milanese professional firms and in 2003 she began to work with Studio Spiniello Commercialisti e Associati and Studio di Consulenza Tributaria Societaria. In carrying out her professional activity, she deals mainly with tax consultancy for large-sized groups operating in the financial, industrial sector and for medium-sized groups in the services and real estate

sector. During her career, she has covered the role of standing auditor, director and liquidator in Italian companies.

During the financial year 31 December 2020, the Board of Statutory Auditors met 15 times, with an average duration of approximately 1 hour.

During the financial year in progress, the Board of Statutory Auditors met, at the date of this Report 4 times and at least another 4 meetings are planned, in total, during this financial year.

The Chairperson and/or the standing auditors also participated at meetings of the various board committees (Control and Risk Committee, Remuneration Committee, Related Parties Committee).

During 2020, the Board of Statutory Auditors (in office before the date of the Shareholders' Meeting of 7 May 2020), on 6 February 2020, in conformity with application criterion 8.C.1 of the Corporate Governance Code, carried out the annual check in relation to the continuance of the independence requirements for its members. At the outcome of the aforementioned checks, all members of the Board were found to be independent both in accordance with the Consolidated Finance Law, and in accordance with the Corporate Governance Code.

Subsequently, the Board of Statutory Auditors appointed by the Shareholders' Meeting by list vote on 7 May 2020, on 13 May 2020 ascertained the continuance of the independence requirements for its members as indicated in Art. 148, third paragraph of the Consolidated Finance Law and of those envisaged by the Corporate Governance Code.

Finally, on 4 February 2021, the Board met and verified, for each member, the existence of the independence requirements both in accordance with Art. 148, third paragraph of the Consolidated Finance Law, and in accordance with the combined provision of Recommendation 7 and 9 of the Corporate Governance Code (which, in relation to independence, cites the same criteria applicable for the Directors). At the outcome of the aforementioned checks, all members of the Board were found to be independent both in accordance with the Consolidated Finance Law, and in accordance with the Updated Corporate Governance Code.

During the aforementioned meeting, the Board also carried out its self-assessment with reference to its composition, dimension and functioning, in conformity with the Rules of conduct of the board of statutory auditors of listed companies issued by the National Board of Chartered Accountants and Accounting Experts in April 2018.

In particular, at the end of the self-assessment, the following was ascertained:

- as regards its composition and dimension, and also based upon the curricula vitae and roles covered by its members, the existence of different and complementary experiences within its members;
- as regards the availability of time and resources adequate to the complexity of the assignment, based upon the number of roles covered by its members and the actions performed in the past financial year, all members have sufficient time to carry out the mandate;
- with regard to its composition, the requirements of gender laid down by the regulations in force were respected;
- with regard to its functioning, the existence of effective coordination action with the company structures and bodies as well as satisfactory information flows between its members and the Company's operating structures.

The Board of Statutory Auditors has always informed the Board of Directors of the checks of the requirements carried out on its members.

The Board of Statutory Auditors meets on the initiative of any one of the auditors. The Board is validly constituted with the presence of the majority of the auditors and resolves by an absolute majority of participants.

In relation to the remuneration of the Auditors, it is noted that the Shareholders' Meeting on 7 May 2020 established the gross annual fee of the Board of Statutory Auditors, appointed on the same date, as Euro 42,000 gross per annum for the Chairperson and Euro 30,000 gross per annum for each Standing Auditor. That remuneration is higher than that attributed in the previous three-years of the mandate 2017-2019, during which the Chairperson of the Board of Statutory Auditors had been granted an annual gross fee of Euro 37,000 and each of the remaining Standing Auditors an annual gross fee of Euro 25,000 in view of the significance of the role covered and the dimensional and sector-based characteristics of the Company.

The members of the Board of Statutory Auditors do not receive any form of variable remuneration or non-monetary benefit.

15. Relationships with shareholders

In adhesion to the recommendations indicated in application criterion 9.C.1 of the Corporate Governance Code, on 26 July 2018, the Board of Directors confirmed, subject to the start of trading, Mr Andrea Graziotto, as Investor Relator, as the person in charge of managing relationships with the shareholders. At the Trading Start Date, the appointment therefore became effective of Mr Andrea Graziotto as Investor Relator. At the date of this Report, Mr Mr Graziotto continues to hold the role of Investor Relator.

For further information, refer to the “*Investor relations*” section of the website www.equita.eu.

16. Shareholders' meetings

The Shareholders' Meeting, both in ordinary and extraordinary session, is held at single convocation, in accordance with Article 2369, paragraph 1 of the Italian Civil Code, but the Board of Directors may, if it identifies the opportunity and giving express indication thereof in the notice of convocation, require the shareholders' meeting (ordinary and/or extraordinary) to be held in several convocations, applying the majorities required by law for Shareholders' Meetings held in several convocations of companies with shares traded on regulated markets.

The responsibility for convening the shareholders' meeting lies with the Board of Directors, without prejudice to the power of the Board of Statutory Auditors or of at least of its two members to convene the meeting, in accordance with Article 151 of the Consolidated Finance Law and other applicable laws and regulations.

In accordance with Art. 10 of the Articles of Association, the entitlement to attend the Shareholders' Meeting and exercise the right to vote is certified by a communication to the Company made by the intermediary authorised to keep the accounts in accordance with the law., based on its accounting records relating to the end of the accounting day of the seventh open trading day before the date set for the Shareholders' Meeting at a single convocation (or at first convocation, if any subsequent convocations are indicated in the notice of convocation), and received by the Company within the legal terms.

Those who have the right to vote may be legally represented at the shareholders' meeting by means of a written proxy issued following the procedures provided for by the applicable laws and regulations.

The Company may designate in the notice of convocation, for each shareholders' meeting, a person to whom shareholders may grant a proxy with voting instructions on all or some of the items on the agenda, in the legal terms and methods.

The shareholders' meeting may be convened outside the municipality where the registered office is located, provided that it is in Italy.

The shareholders' meeting resolves, in ordinary and extraordinary session, on the matters reserved for them by law, regulations and Articles of Association with the majorities established by law and Articles of Association. In particular, in relation to remuneration policies, Art. 8.2 of the Articles of Association states that the ordinary shareholders' meeting, at the time of approval of the remuneration and incentive policies, also resolves on any proposal to fix a limit to the ratio between the variable and fixed individual remuneration of

personnel higher than 100% (ratio of 1:1), but in any case not exceeding the maximum limit of 200% (ratio of 2:1). The cited shareholders' meeting resolution is assumed at the proposal of the Board of Directors, which indicates at least: **(i)** the functions to which the persons involved in the decision belong, specifying, for each function, their number and how many of them are identified as "key personnel"; **(ii)** the reasons underlying the proposal of increase; **(iii)** the implications, even prospective, on the capacity of the Company to continue to respect all prudential rules. The cited proposal is approved when: **(a)** the shareholders' meeting is constituted with at least half of the share capital and the resolution is made with the favourable vote of at least 2/3 of the share capital represented in the shareholders' meeting; or **(b)** the resolution is assumed with the favourable vote of at least 3/4 of the share capital represented in the shareholders' meeting, whatever the share capital with which the shareholders' meeting is constituted.

The Chairperson of the Board of Directors shall chair the Shareholders' Meeting. In the case of his absence or impediment, the Shareholders' Meeting is chaired by the Vice Chairperson, if appointed, and, in the case of several Vice Chairpersons, by the eldest of the attendees. In the absence or impediment of the Vice-Chairperson also, the Shareholders' Meeting is chaired by the Managing Director. If all persons indicated above are absent or unable to attend, the Shareholders' Meeting is chaired by the person appointed by the attendees, by a majority of the votes represented at the Shareholders' Meeting.

In accordance with Art. 10.7 of the Articles of Association, the person who chairs the shareholders' meeting designates the minute taker. The minutes of the extraordinary shareholders' meeting must be drawn up by a Notary.

The minutes of the meeting must be drawn up in accordance with Article 2375 of the Italian Civil Code and other applicable laws and regulations.

The Shareholders' Meeting on 16 April 2018 adopted a Shareholders' Meeting Regulation which regulates the following aspects:

- intervention in the Shareholders' Meeting;
- verification of legitimacy to attend the Shareholders' Meeting;
- access to premises in which the Shareholders' Meeting takes place;
- constitution of the Shareholders' Meeting and conduct of works;
- suspension and adjournment of Shareholders' Meeting;
- management of agenda, discussion and voting;
- drafting of shareholders' meeting minutes.

For further detailed information on the content of the Shareholders' Meeting Regulation, see the Regulation itself published on the website www.equita.eu (Corporate Governance section, Shareholders' Meetings area)

Finally, it is noted that the Shareholders' Meeting on 7 May 2020 was attended by four members out of seven of the Board of Directors (the Chairperson Francesco Perilli, the Managing Director Andrea Vismara and the Directors Sara Biglieri and Stefano Lustig) and three members of the Board of Statutory Auditors (the Chairperson of the Board of Statutory Auditors Franco Fondi and the Auditors Paolo Redaelli).

17. Other corporate governance practices

The Company has not adopted any additional corporate governance practices other than those provided for by the laws and regulations.

18. Changes since relevant year-end

Since the end of the financial year at 31 December 2020 until the date of this Report, there have been no changes in the corporate governance structure other than those indicated in the Paragraphs of this Report.

19. Considerations on the letter dated 22 December 2020 of the Chairperson of the Corporate Governance Committee

The letter of the Chairperson of the Corporate Governance Committee dated 22 December 2020 was distributed to the members of the Board of Directors and Board of Statutory Auditors and was discussed at the meeting on 18 February 2021, as part of the self-assessment process of the Board of Directors and its internal Committees.

In particular, in light of the findings of the Report on the application of the Corporate Governance Code for 2020 and the analysis of the conduct of issuers on the matters highlighted in the respective accompanying letter and given that 2021 will represent the first year of application of the new edition of the Code, the Corporate Governance Committee has decided it is useful this year to reconsider the set of recommendations provided in the last four years, producing some specific indications in the areas characterised by the continuance of significant elements of weakness, the overcoming of which seems functional also for the purpose of the best application of the most innovative aspects of the new edition of the Code.

The letter is available at the following website: <https://www.borsaitaliana.it/comitato-corporate-governance/documenti/comitato/letterapresidente2020.pdf>.

With particular reference to the areas in which issuers were urged to adhere more closely to the recommendations of Borsa's *Corporate Governance* Committee, the following is noted:

On the **issue of sustainability**, the Committee invites the boards of directors to “*integrate sustainability of the business activity into the definition of the strategies, the internal control and risk management system and the remuneration policy, also on the basis of an analysis of significance of factors that may affect the long-term generation of value.*”

On the point, it is noted that, as early as during 2019, the Company and the Group companies undertook to integrate sustainability into the definition of the business strategies as well as into the internal control system and the remuneration policy. In fact, it is noted that:

- a) the Board of Directors of the Company approved in November 2019 a 2020-2022 Strategic Plan, also including a 2020-2022 CSR (*Corporate Social Responsibility*) Plan (the “**Plan**”) - whose implementation was presented to the Board of Directors in December 2020 - based upon 5 macro-commitments (namely: 1. Increase the satisfaction of customers and the financial community; 2. Promote the well-being of employees; 3. Promote the social and economic development of the community; 4. Improve health and safety; 5. Reduce environmental impacts) each of which is attributable to some of the eight *Sustainable Development Goals* (SDGs) involved in the Group's CSR Strategy. The macro-commitments defined in the Plan are aimed at satisfying the requirements of all of the Group's stakeholders, such as customers, employees, financial community (investors and shareholders) and local community.
- b) the Group Remuneration Policy contains, among the qualitative indicators to be included in the individual performance assessment for attribution of the variable share, also sustainability indicators (namely: *Customer satisfaction; People engagement; Talent management; Human Capital; Tone from the top on compliance culture; Sustainability strategy*);
- c) the Company has appointed a CSR Manager (“*Corporate Social Responsibility*”), identified as the Managing Director, and established a CSR Committee whose main functions include that of making proposals on the Group's environment, social and governance strategy, and identifying the objectives to be achieved, monitoring their implementation over time;
- d) Equita Capital SGR S.p.A., the Group's asset management company, on 22 November 2019 signed the “*Principles for Responsible Investments*” promoted by the United Nations and adopted in September 2020 a Policy on sustainable investments entitled “*Responsible Investment Policy*” which describes the integration

of ESG aspects into the investment process.

With reference to the issue of **pre-board information**, the Committee invites the boards of directors to “*explicitly determine the terms considered appropriate for sending the documentation; provide in the corporate governance report a clear indication of the terms identified and their actual respect; do not allow those terms to be derogated for mere requirements of confidentiality*”.

Currently, the Company has not predetermined a term by which the board documentation must be made available before the respective meeting; however, taking account of the above recommendation, the Board of Directors is assessing indicating that term within the regulation of the Board of Directors, a document that the Board of Directors must adopt in conformity with the new provisions of the Updated Corporate Governance Code. It is noted, however, that (i) in some cases, in view of the consolidating role of the parent company and the need for the companies controlled by the same to approve some data in advance, it is actually difficult to be able to send information and data to the Board and to the Board of Statutory Auditors far in advance of the board meeting, and (ii) as part of the self-assessment, the Directors in any case expressed a positive opinion on the pre-board information which, moreover, is managed guaranteeing the security and confidentiality of the same by using an electronic portal to which the Directors and Auditors have access by personal codes and passwords.

With regard to the **issue of the application of independence criteria**, the Committee invites the boards of directors to “*justify always on an individual basis any non-application of one or more criteria of independence; define in advance the quantitative and/or qualitative criteria to be used to assess the significance of the relationships examined.*” In relation to that aspect, it is noted that the Company has never not applied the criteria envisaged by the existing Code and that, conversely, in the past, it has interpreted the aforementioned criteria more restrictively, from a prudential perspective. Furthermore, the Company is assessing the opportunity of defining in advance the quantitative and/or qualitative criteria to be used for assessing the significance of the relationships being examined.

In relation to the **issue of the self-assessment of the administrative body**, the Committee invites the boards of directors to “*assess the contribution of the board to the definition of strategic plans; supervise the board review process*”. On the point, it is noted that the Board of Directors is always involved in defining the strategic plans, and it supervises annually the self-assessment of the Board of Directors and its internal committees.

On the **issue of the appointment and succession of the directors**, the Committee invites the boards of directors to “*acknowledge precisely the activities performed by the appointments committee if it is unified with the remuneration committee or its functions are attributed to the board plenum; guarantee the completeness and promptness of resolution proposals functional to the appointment process of the corporate bodies and express, at least in companies not with concentrated ownership, guidelines on the optimal composition; envisage, at least in large companies, a succession plan for the executive directors that at least identifies the procedures to be followed in the case of early termination of the assignment.*” On the point, it is noted that at the meeting of 7 May 2020, the Board - in view of the structure and dimension of the Company, the respective ownership structure, as well as the list vote mechanism envisaged by the Articles of Association, which guarantees a transparent appointment procedure and a balanced composition of the Board of Directors, also with reference to the presence of an adequate number of independent directors - resolved not to establish the Appointments Committee and to attribute to the Board of Directors the functions of the aforementioned committee. Therefore, the Board of Directors, in conformity with the aforementioned resolution, provides in board meetings broad and articulated information on the activities, analyses and processes performed in relation to the self-assessment of the Board

itself, in the event of co-opting, etc. With reference, on the other hand, to the other requirements formulated in the above recommendation, it is noted that the same are applicable to large companies and therefore not to the Company.

Finally, on the issue of remuneration policies, the Committee invites the boards of directors to “*provide clear indications on the identification of the weight of the variable component, distinguishing between components linked to annual and multiyear timescales; strengthen the connection of the variable remuneration with long-term performance targets, also including, where relevant, non-financial parameters; limit to exceptional cases, adequately explained, the possibility of paying sums not linked to predetermined parameters (i.e. ad hoc bonuses); define criteria and procedures for the assignment of the severance indemnity; check that the amount of fees paid to the non-executive directors and to the members of the control body is adequate to the expertise, professionalism and commitment required as part of their role.*”

On the point, it is noted that the Company has adopted controls substantially compliant with the aforementioned recommendation, as the Remuneration Policy contains indications in relation:

- 1) to the weight of the variable component compared to the fixed component;
- 2) to the criteria for determining the variable component and those for its payment distributed over time (deferment);
- 3) to the distinction of the variable component linked to annual and multiyear timescales. On the point, it is also noted that in the last two years, the Company has adopted two incentive plans based upon financial instruments, with the aim of aligning the interest of the shareholders and employees in creating value for the Company;
- 4) to the identification of, among the performance targets, as well as those linked to economic results, also those linked to ESG issues (e.g. *customer satisfaction, people engagement, talent management, human capital, tone from the top on compliance culture, sustainability strategy*);
- 5) to the identification of any limited exceptions for the payment of sums not linked to predetermined parameters;
- 6) to the criteria for determining and assessing the adequacy of the remuneration of the non-executive directors.

With regard, on the other hand, to the definition of the criteria and procedures for assigning the severance indemnity, the articles of association state that “*The ordinary shareholders’ meeting may also pay to the directors a fee and a severance indemnity, even in the form of an insurance policy, within the limits of the applicable legal and regulatory rules*”. Moreover, the Group Remuneration Policy, in coherence with what is established by the Articles of Association, states that in the absence of criteria and limits (in terms of fixed annual sum) of the severance indemnity - approved by the Shareholders’ Meeting - *golden parachutes* may not be paid. Currently, the Shareholders’ Meeting has not resolved on any severance indemnity; therefore, the Board has not adopted any procedure in relation to the severance indemnity.

TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE

SHARE CAPITAL STRUCTURE				
	No. of shares	% of SC.	Listed (indicate markets)/unlisted	Rights and obligations.
Ordinary shares	50,224,200	100%	Q/MTA -STAR	Each ordinary share gives the right to one vote. There are, however, shares with increased vote which attribute 2 votes per share.
Multiple voting shares	-	-	-	-
Shares with limited voting rights	-	-	-	-
Shares without voting rights	-	-	-	-
Other	-	-	-	-

OTHER FINANCIAL INSTRUMENTS (giving the right to subscribe to newly issued shares)				
	Listed (indicate markets)/unlisted	No. of outstanding instruments	Category of shares for conversion/exercise	Number of shares for conversion/exercise
Convertible bonds	-	-	-	-
Warrants	-	-	-	-

MAJOR SHAREHOLDINGS			
Registrant	Direct shareholder	% share of share capital	% share of voting capital
Andrea Attilio Mario Vismara	AV S.r.l.	6.34%	8.22%
	Andrea Attilio Mario Vismara		
Francesco Michele Marco Perilli	NetiNeti S.r.l.	11.35%	14.66%
	Francesco Michele Marco Perilli		
Matteo Ghilotti	Matteo Ghilotti	4.09%	5.30%
Fabio Deotto	Fabio Deotto	3.27%	4.25%
Stefano Lustig	Stefano Lustig	3.08%	4.00%
Fenera Holding S.p.A.	Fenera Holding S.p.A.	4.98%	4.53%

TABLE 2: STRUCTURE OF BOARD OF DIRECTORS AND COMMITTEES

Role	Board of Directors													Committee Control and Risks		Remun. Committee		Appointments Committee ⁵⁾		Possible Executive Committee ⁴⁾		Related Parties Committee	
	Members	Year of birth	Date of first appointment in Equita Group*	Date of first appointment in Equita SIM*	In office since	In office until	List* *	Exec.	Non-exec.	Indep. Code	Indep. Consolidated Finance Law	No. other appointments ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman	Francesco	1960	18/09/2015	31/07/1991	1/07/17 ⁽¹⁾	2022 Fin. Stat.	M	-	X	-	-	1 ⁽²⁾	12/12 ^(*)	-	-	4/4 ^(*)	M	-	-	-	-	-	-
❖ Managing Director *	Andrea Vismara	1965	18/09/2015	30/07/2009	1/07/17 ⁽¹⁾	2022 Fin. Stat.	M	x	-	-	-	2 ⁽³⁾	12/12 ^(*)	-	-	-	-	-	-	-	-	-	-
Director	Paolo Colonna	1948	07/05/2020	-	07/05/20	Fin. Stat. 2022	M	-	X	x	x	0	6/8 ^(*)	-	-	1/1 ^(*)	C	-	-	-	-	2/2 ^(*)	M
Director	Sara Biglieri	1967	01/07/2017	30/04/2013	1/07/17 ⁽¹⁾	2022 Fin. Stat.	M	-	X	-	-	0	11/12 ^(*)	3/3 ^(*)	M	-	-	-	-	-	-	2/2 ^(*)	M
Director	Michela Zeme	1969	01/07/2017	25/01/2016	1/07/17 ⁽¹⁾	2022 Fin. Stat.	M	-	X	x	x	4	11/12 ^(*)	7/7 ^(*)	C	4/4 ^(*)	M	-	-	-	-	-	-
Director	Silvia Demartini	1964	07/05/2020	-	07/05/20	Fin. Stat. 2022	m	-	X	x	x	1	8/8 ^(*)	4/4 ^(*)	M	-	-	-	-	-	-	2/2 ^(*)	C
Director	Marzio Perrelli	1968	17/12/2020	-	17/12/20	2020 Fin. Stat.	-	-	X	x	x	0	1/1 ^(*)	-	-	-	-	-	-	-	-	0/0 ^(*)	M
DIRECTORS LEAVING OFFICE DURING RELEVANT FINANCIAL YEAR																							
Role	Board of Directors													Committee Control and Risks		Remun. Committee		Appointments Committee ⁵⁾		Possible Executive Committee ⁴⁾		Related Parties Committee	

Role	Members	Year of birth	Date of first appointment in Equita Group*	Date of first appointment in Equita SIM*	In office since	In office until	List* *	Exec.	Non-exec.	Indep. Code	Indep. Consolida ted Finance Law	No. other appointments ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	
Vice Chairperson of the Board of Directors	Thierry Portè	1957	01/07/2017	30/07/2009	1/07/2017	Fin. Stat. 2019	-	-	x	-	x	6	3/4	-	-	-	-	-	-	-	-	-	-	-
Director	Stefano Lustig	1965	18/09/2015	25/01/2016	1/07/2017	2019 Fin. Stat.	-	x	-	-	-	2	4/4	-	-	-	-	-	-	-	-	-	-	-
Director	Massimo Ferrari	1961	23/10/2017	-	23/10/2017	Fin. Stat. 2019	M	-	x	x	x	3	9/11	6/7	M	3/3	C	-	-	-	-	-	-	-

It is noted that the Directors Francesco Perilli, Andrea Vismara, Michela Zeme and Massimo Ferrari ceased office on 7 May 2020. On the same date, the aforementioned Directors were appointed again by the Shareholders' Meeting, by list vote procedure, until the date of the Shareholders' Meeting called to approve the 2022 financial statements.

The Director Massimo Ferrari resigned with effect from 15 November 2020 and, on 17 December 2020, the Director Marzio Perrelli was co-opted, who will remain in office until the date of the Shareholders' Meeting of 29 April 2021 called to appoint a Director in accordance with Art. 2386, paragraph 1 of the Italian Civil Code and Art. 12.11 of the Articles of Association.

In relation to the Directors Stefano Lustig, Thierry Portè and Massimo Ferrari it is noted that the latter ceased office on 7 May 2020. For each of them, the number of meetings of the Board of Directors and/or the Committees in which they were actually able to participate is indicated (taking account of the fact that their role ended on 7 May 2020).

Number of meetings held during relevant financial year: 12	Control and Risk Committee: 7	Remun. Committee: 4	Appointments Committee: -	Executive Committee: -	
Indicate the quorum required for the submission of lists by minorities for the election of one or more members (pursuant to Art. 147-ter of the Consolidated Finance Law)⁽⁵⁾: 2.5%					

NOTES

The symbols indicated below must be inserted in the column "Role":

- This symbol indicates the director in charge of the internal control and risk management system.
- ❖ This symbol indicates the main person responsible for managing the issuer (Managing Director).
- This symbol indicates the Lead Independent Director (LID).

* * First appointment date of each director means the date on which the director was appointed for the first time (in absolute terms) in the Issuer's BoD.

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

*** This column indicates the number of assignments of director or auditor covered by the interested party in other companies listed on regulated markets, in financial, banking or insurance companies or those of significant size, even in other countries.

(*). This column indicates the attendance of the directors at meetings of the BoD and the committees (indicate the number of meetings they attended compared to the total of meetings they could have attended; e.g. 6/8, 8/8, etc.).

In particular, it is noted that, for each director, in view of the fact that the corporate bodies were renewed during 2020, along with the respective board committees, the number of meetings at which each member could actually attend is indicated, taking account of the date from which each Director assumed the role of Director and/or Committee member.

(**). This column indicates assignments as director within the Committee: "C": Chairperson; "M": member.

(1) Appointed by the Shareholders' Meeting held on 15 June 2017 with effect from 1 July 2017.

(2) Includes the position held in Equita SIM S.p.A., a wholly-owned subsidiary of Equita Group S.p.A..

(3) Includes the position held in Equita SIM S.p.A., wholly-owned by Equita Group S.p.A. as well as the position held in Equita K Finance S.r.l., owned for 70% by Equita Group S.p.A.

(4) It is noted that the Company has not established an Appointments Committee or an Executive Committee.

(5) It is noted that the Directors in office were appointed by way of the list vote procedure.

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Role	Members	Year of birth	Date of first appointment in Equita Group *	In office since	In office until	List**	Indep. Code	Attendance at Board meetings***	No. other appointments****
Chairperson	Franco Guido Roberto Fondi	1952	25/01/2018 ⁽¹⁾ as Chairperson of the Board of Statutory Auditors	25/01/2018 ⁽¹⁾	A. Fin. Stat. 2022	m	X	15/15	18
Standing auditor	Paolo Redaelli	1975	21/09/2015 as Standing Auditor	15/06/2017	A. Fin. Stat. 2022	M	X	15/15	20
Standing auditor	Laura Acquadro	1967	1/07/2017 ⁽²⁾	15/06/2017	A. Fin. Stat. 2022	M	X	15/15	30
Alternate auditor	Andrea Conso	1971	7/05/2020	7/05/2020	A. 2022 Fin. Stat.	M	-	-	7
Alternate auditor	Dora Salvetti	1976	7/05/2020	7/05/2020	A. 2022 Fin. Stat.	M	-	-	6
AUDITORS LEAVING BOARD DURING RELEVANT FINANCIAL YEAR									
Alternate Auditor	Filippo Annunziata	1963	25/01/2018	16/04/2018	A. Fin. Stat. 2019	-	-	-	9
Alternate Auditor	Andrea Polizzi	1970	1/07/2017 ⁽²⁾	15/06/2017	A. Fin. Stat. 2019	-	-	-	6
It is noted that the Chairperson of the Board of Statutory Auditors Franco Fondi and the Standing Auditors Laura Acquadro and Paolo Redaelli ceased office on 7 May 2020. On the same date, the aforementioned Auditors were newly appointed by the Shareholders' Meeting, by list vote procedure, until the date of the Shareholders' Meeting called to approve the 2022 financial statements.									
In relation to the Alternate Auditors Filippo Annunziata and Andrea Polizzi, it is noted that the latter ceased office on 7 May 2020. On the same date, the Shareholders' Meeting appointed as Alternate Auditors, by list vote procedure, Andrea Conso and Dora Salvetti, who will remain in office until the date of the Shareholders' Meeting called to approve the 2022 financial statements.									
Number of meetings held during relevant financial year: 15									
Indicate the quorum required for the submission of lists by minorities for the election of one or more members (pursuant to Art. 148 of the Consolidated Finance Law)(3): 2,5%									

NOTES

** Date of first appointment of each auditor means the date on which the auditor was appointed for the first time (in absolute terms) in the issuer's Board of Statutory Auditors.

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

*** This column indicates the attendance of the auditors at meetings of the Board of Statutory Auditors (indicates the number of meetings they attended compared to the total number of meetings they could have attended; e.g. 6/8, 8/8, etc.).

***This column indicates the number of roles as director or auditor covered by the interested party in accordance with Art. 148-bis of the Consolidated Finance Law and the respective implementing provisions contained in the Issuers' Regulation. The complete list of assignments is published by CONSOB on its website in accordance with Art. 144-quinquiesdecies of the Issuers' Regulation.

(1) Following the resignation on 18 December 2017, with effect from 25 January 2018, by the Chairperson of the Board of Statutory Auditors Francesco di Carlo, Mr Franco Guido Roberto Fondi, was appointed by the Shareholders' Meeting on 16 April 2018 as standing auditor and Chairperson of the Board of Statutory Auditors.

(2) Appointed by the Shareholders at the Meeting held on 15 June 2017 with effect from 1 July 2017.

(3) It is noted that the Auditors in office were appointed by way of the list vote procedure.