



**GIGLIO GROUP S.p.A.**

**REPORT**  
**ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE**  
pursuant to Art. 123-*bis* of Consolidated Act  
(traditional model of administration and control)

Issuer: Giglio Group S.p.A.

Website: <http://www.giglio.org>

Fiscal year to which the Report refers: Fiscal year closed at 31 December 2021

Date of approval of the Report: 31 March 2022

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## GLOSSARY

**Borsa Italiana:** Borsa Italiana S.p.A.

**Corporate Governance Code:** the self-regulatory code for listed companies approved on July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana, Abi, Ania, Assogestioni, Assonime and Confindustria, available to the public on the Website of the Corporate Governance Committee at a <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

**Corporate Governance Code:** The Corporate Governance Code for listed companies approved on July 2021 by the Corporate Governance Committee and promoted by Borsa Italiana, Abi, Ania, Assogestioni, Assonime and Confindustria, available to the public on the Website of the Corporate Governance Committee at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

**Civil Code:** the Italian Civil Code.

**Board of Statutory Auditors:** the Issuer's Board of Statutory Auditors.

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

**Issuer or Giglio Group or Company:** Giglio Group S.p.A.

**Fiscal Year:** the fiscal year to which the Report refers: Fiscal year closed at 31 December 2021.

**Borsa Instructions:** instructions for the regulation of the markets organised and managed by Borsa Italiana S.p.A.

**Borsa Regulation:** the regulation of the markets organised and managed by Borsa Italiana S.p.A.

**Issuers Regulation:** the regulation issued by Consob with resolution no. 11971 of 1999 (as amended) regarding the regulation of issuers.

**Markets Regulation:** the regulation issued by Consob with resolution no. 20249 of 2017 regarding the regulation of markets.

**Related-Parties Regulation:** the regulation issued by Consob with resolution no. 17221 of 12 March 2010 (as amended) regarding the regulation of transactions with related parties.

**Report:** this corporate governance and ownership structure report that companies must draft pursuant to Art. 123-*bis* of the Consolidated Act, referred to the Fiscal Year.

**Consolidated Financial Act:** the Legislative Decree no. 58 of 24 February 1998 (Consolidated Financial Act), as amended.

## 1. ISSUER PROFILE

The Issuer has adopted the traditional model of administration based on the presence of three bodies, such as the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors. Pursuant to the applicable laws and regulations, the financial statements of the Company are audited by independent auditors.

The Issuer complies with the definition of SME set forth in Art. 1, par. 1, letter w-quater 1) of the Consolidated Act and in Art. 2-ter of the Issuers Regulation. More specifically, at the reporting date, the capitalisation value amounts to about € 31 million<sup>1</sup>, and the turnover value amounts to € 19 million.

The information concerning the Issuers' adoption of the Corporate Governance Code is contained in Par. 3 of this Report.

This Report, drafted in accordance with the legal and regulatory requirements provided for companies listed on the MTA market organized and managed by Borsa Italiana (and with the format elaborated by Borsa Italiana for the Corporate Governance Record - IX Edition - January 2022), is made available to the public on the authorised storage mechanism at [www.emarketstorage.it](http://www.emarketstorage.it) – and on the Company's website at <http://www.giglio.org> “Corporate Governance” – Shareholders' Meetings

The Board of Directors guides the Issuer with the objective of achieving its sustainable success, also in order to create value in the long-term to the benefit of its shareholders, keeping in mind the interests of other relevant stakeholders of the Issuer, as better described herein.

On the basis of the provisions set forth in the Corporate Governance Code, as of the reporting date, the Issuer does not qualify as Large Company, but as Company with Concentrated Ownership.

## 2. INFORMATION ON OWNERSHIP STRUCTURE (PURSUANT TO ART. 123-BIS, PAR. 1, OF CONSOLIDATED ACT) ON 31 DECEMBER 2021

### a) Share Capital Structure (pursuant to Art. 123-bis, par. 1, letter a) of the Consolidated Act)

Following the subscription of the share capital increase, upon payment in separate issues, approved by the Board of Directors of the Company on 28 June 2021, in execution of the proxy granted to it by the Shareholders' Meeting of 12 November 2020, the share capital of Giglio Group as of the reporting date equals € 4,393,604.40, entirely subscribed and paid-up, and is represented by no. 21,968,022 ordinary shares without express nominal value (the "Shares"), negotiated on the Telematic Stock-Exchange Market organised and managed by Borsa Italiana S.p.A. - STAR Segment, starting from 20 March 2018. These information are represented also in Table 1 appended to this Report. To the date of this Report, no special shares were issued, such as shares without voting rights or with limited voting rights.

It is noted that, on 31 October 2019, the Shareholders' Meeting resolved on the introduction of the system of shares with increased voting rights, which will allow for two votes per each share. The increased voting rights will be applicable to shares held by the same shareholder for at least 24 months, for which an application to be inserted in the specific list must be submitted. On 31 December 2020 and on 10 March 2020, two registration requests in the special list were made to obtain shares with increased voting rights. Meridiana Holding S.r.l. shall accrue its increased voting rights for 9,293,862 shares of Giglio Group S.p.A., because as of 10 March 2022, the 24 months of continuous

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<sup>1</sup> On the basis of 31 March 2022 market data.

ownership of shares from their date of registration (10 March 2020) shall expire, effective from Friday 8 April 2022.

For more information, see the documents on the Company's website at [www.giglio.org](http://www.giglio.org), in the "Investor relations - Shares with Increased Voting Rights" section.

On 7 March 2016, Giglio Group's Board of Directors resolved to issue the non-convertible bond named "GIGLIO GROUP S.P.A. - 5.4% 2016-2020", equal to € 3,500,000.00, expiring on 30 September 2020 and with a gross nominal interest rate of 5.4% per year, as per regulation approved on 7 March 2016 and subsequently amended on 12 February 2019. On 9 March 2016, the security was admitted to trading on the extra segment MOT PRO of Borsa Italiana S.p.A. The bond was fully reimbursed, with a last payment disbursed on 30 September 2020.

On 29 October 2018, the Shareholders' Meeting resolved to approve the Stock Option Plan called "Stock Option Plan 2018 - 2021", regarding Giglio Group S.p.A.'s ordinary shares and reserved only to executive directors and/or managers with strategic responsibilities. For more information, see the relevant parts of the Company's financial statements, of the disclosure document prepared pursuant to Art. 84-bis of the Issuers Regulation and of the Remuneration Report drafted pursuant to Art. 84-quater of the Issuers Regulation, all available on the website of the Company at <http://www.giglio.org>, "Corporate Governance" and "Investor Relations" sections.

On 30 April 2019, the Extraordinary Shareholders' Meeting resolved on the amendment of the Stock Option Plan 2018-2021, due to the new industrial plan approved on 15 March 2019, which provided for the Group's complete focus on the e-commerce sector.

The Stock Option Plan 2018–2021 has been made available on the Website [www.giglio.org](http://www.giglio.org), in the "Corporate Governance/Shareholders' Meeting" section.

Moreover, on 2 April 2019, the company issued a non-convertible debenture bond (called "EBB Export Program") of € 5 million in principal, made up of 50 bearer bonds with a denomination per unit of € 100,000.00 each. The interest rate for the operation is set at the fixed nominal gross annual rate of 4.57%. The legal duration for the obligations is set at 8 years and six months.

**b) Restrictions Regarding the Transfer of Shares (pursuant to Art. 123-bis, par. 1, letter b) of the Consolidated Act)**

As at the date of this Report, Shares can be transferred freely by deed between living persons and/or by inheritance due to death and are subject to the legal and regulatory requirements applicable to trading of listed shares issued by Italian companies.

**c) Major Holders of Share Capital (pursuant to Art. 123-bis, par. 1, letter c) of the Consolidated Act)**

As at the date of this Report, according to the results of the shareholders' register and taken into account the notices received pursuant to Art. 120 of the Consolidated Act, the major shareholders with equity interests of more than 5%, directly and/or indirectly (these information are represented also in Table 1 appended to this Report), were as follows:

Declarant	Direct Shareholder	% of Shares Issued	% of voting share capital
Alessandro Giglio	Meridiana Holding S.r.l.	56.66%	56.66%

**d) Shares that Confer Special Control Rights (pursuant to Art. 123-bis, par. 1, letter d) of the Consolidated Act)**

As at the date of this Report, the Shares of the Company are registered, indivisible, and freely transferable. Each share gives the same patrimonial and administrative rights, according to applicable law and the by-laws.

It is noted that, on 31 October 2019, the Shareholders' Meeting resolved on the introduction of the system of shares with increased voting rights, as better explained in the letter (a) above.

**e) Employees Stock Ownership: Mechanism Applicable to Voting Rights (pursuant to Art. 123-bis, par. 1, letter e) of the Consolidated Act)**

As at the date of this Report, there is no specific employees' stock option plan that makes no provision for the voting right of the employees.

**f) Restrictions on Voting Rights (pursuant to Art. 123-bis, par. 1, letter f) of the Consolidated Act)**

As at the date of this Report, there are no restrictions on the exercise of voting rights.

**g) Shareholder Agreements (pursuant to Art. 123-bis, par. 1, letter g) of the Consolidated Act)**

As at the date of this Report, the Company is not aware of the existence of any shareholder agreement as per Article 122 of the Consolidated Act.

**h) Change of Control Clauses (pursuant to Art. 123-bis, par. 1, letter h) of the Consolidated Act) and statutory dispositions concerning takeover bids (pursuant to Art. 104, par. 1-ter, and 104-bis, par. 1 of the Consolidated Act)**

At the reporting date, no relevant agreements signed by Giglio Group or one of its subsidiaries providing for change of control clauses appear to be in place.

With regard to the statutory provisions concerning takeover bids (pursuant to Art. 104, par. 1-ter, and 104-bis, par. 1 of the Consolidated Act), it is noted that the Company's By-laws do not include any derogation for the passivity rule dispositions set forth in Art. 104, par. 1 and 1-bis of the Consolidated Act, nor does it provide for the application of the breakthrough provisions set forth in Art. 104-bis, par. 2 and 3 of the Consolidated Act.

**i) Authorisation to Increase the Share Capital and Purchase Treasury Shares (pursuant to Art. 123-bis, par. 1, letter m) of the Consolidated Act)**

On 29 October 2018, the Shareholders' Meeting resolved to vest the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, for a period of five years starting from the date of the resolution, with the power to increase the share capital upon payment, without option rights pursuant to Art. 2441, par. 8 and - as far as applicable - par. 5 of the Italian Civil Code, in separate issues pursuant to Art. 2439, par. 2 of the Italian Civil Code, for a maximum amount of € 138,000.00 in nominal value, through the issue, also in more tranches, of a maximum of no. 690,000.00 ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, to be offered in subscription to the beneficiaries of the "Stock Option Plan 2018-2021".

On 30 April 2019, the Ordinary Shareholders' Meeting resolved to authorise the Board of Directors, pursuant to Art. 2357 of the Italian Civil Code, to purchase own shares. On the basis of the resolution, the purchase may be made, on one or more occasions, within 18 months from the date of the Meeting's resolution and in the limits of available reserves and distributable profits resulting from the last approved financial statement. The unit price of each share could not be less nor higher than 20% of the reference price registered for the share in the stock exchange market in the session prior to every transaction, and, in any case, at a unit price not higher than the price of the last independent transaction and the price of the current higher independent purchase in the trading venue where the purchase is carried out. Lastly, the maximum number of purchased shares could not have a total nominal value, including shares eventually owned at the date of this report by the Company and its subsidiaries, exceeding the fifth part of the whole share capital, taking into account also the shares

owned by the subsidiaries; The Board of Directors did not make use of the proxy granted to it by the Shareholders' Meeting, which has currently lost its validity.

The Extraordinary Shareholders' Meeting, on 12 November 2020, resolved to vest the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code:

- with the power to increase the share capital upon payment, without option rights pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code, in separate issues, within the limits of 20% (twenty percent) of the existing share capital, also taking into account Art. 44, par. 3 of Decree Law no. 76/2020, converted by Law no. 120/2020, through the issue, also in more tranches, of ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, to be offered in subscription to entities identified by the Board of Directors - including qualified industrial and/or financial Italian and international investors, and/or current shareholders and collaborators of the Company - also through the conversion of loan payables into risk capital by shareholders, provided that the issue price of the shares corresponds to the market value of those already issued, also taking into account the general context and the price at which the institutional investors would be willing to purchase said shares, and that this is confirmed by a specific report from a statutory auditor or an auditing company (hereinafter also referred to as the "First Proxy");

- with the power, for a period of five years starting from the date of the meeting's resolution, to increase the share capital upon payment in separate issues, without option rights pursuant to Art. 2441, par. 4, first sentence of the Italian Civil Code, to be settled through contributions in kind (more specifically, company's branches, businesses or plants organised for the performance of the activities included in the Company's object, as well as receivables, investments in joint ventures, listed and not listed financial instruments and/or other assets considered as instrumental by the Board of Directors for the achievement of the Company's object may be object of a contribution on behalf of third parties.), through the issue, also in more tranches of a maximum of 1,830,668.50 ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, in accordance with the criteria used to determine the issue price set forth by Art. 2441, par. 6 of the Italian Civil Code.

Moreover, the Shareholders' Meeting also resolved to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors, provided that the issue price of the shares is based to the equity value, taking into account also the performance of the listings over the last six-months period.

As of today, the Board of Directors did not make use of the latter.

On 17 December 2020, the Board of Directors resolved to exercise the First Proxy, vested on 12 November 2020 by the Company's Shareholders' Meeting. The Share Capital Increase was offered for subscription to institutional investors for a maximum of no. 3,300,000 ordinary, newly issued shares without nominal value, equal to 18.026% of the share capital. These issued shares were offered for subscription within the context of a private placement to be executed through an accelerated bookbuilding procedure (the "ABB") to "qualified" investors in Italy and to institutional ones abroad, as well as of Giglio Group's shareholders who have become such for a period of at least six months and who hold claims against the Company (expired or expiring within six months) recognised in the accounts as "financial liabilities".

On 22 December 2020, the Company announced the positive fulfilment of the reserved share capital increase. The transaction was completed with the placement of no. 2,439,790 shares at a price of € 1.97 per share. About 86% of the share capital increase was subscribed by Meridiana Holding S.r.l. through the conversion of some payables owed by the Company to the same shareholder; moreover, Antonio Lembo, shareholder of the Company, also participated in the subscription, subscribing 81,218 shares. The remainder of the share capital increase was subscribed by qualified or institutional



investors. Upon completion of the transaction, the overall share capital of the Company amounted to € 4,149,295 divided into no. 20,746,475 ordinary shares without nominal value.

On 28 June 2021, the Company announced to the market to have resolved to partially execute the powers granted by the Extraordinary Shareholders' Meeting, pursuant to Art. 2443 of the Italian Civil Code on 12 November 2020, and to increase the share capital of the company against payment, without option rights and in separate issues, pursuant to Art. 2441, par. 4 of the Italian Civil Code, as amended by Art. 44, par. 3 of the Law Decree 76/2020, converted with Law 120/2020, within the limits of 20% of the existing share capital. On the same date, the Company also announced to the market the conclusion of the private placement of no. 1,221,547 ordinary newly-issued shares without nominal value, at a price of € 1.78 per share, for an overall countervalue of € 2,174,353.66. The value of the capital increase, fully subscribed, thus amounted to € 244,309.40 in nominal value and € 1,930,044.26 at share premium. The price includes a discount of about 11.2% on the latest closing price of Giglio Group. The placement, managed by Integrae Sim S.p.A. as Global Coordinator of the transaction and carried out through the accelerated book-building procedure (ABB), was reserved exclusively to Italian and foreign qualified investors (with the express exclusion of the United States of America and of any other Country in which this would be prohibited by the applicable law), as well as to Meridiana Holding S.r.l. majority shareholder of Giglio Group, on a residual basis and for a maximum of 50% of the capital increase. Meridiana Holding S.r.l. subscribed no. 485,547 shares, equal to 39.75% of the capital increase.

**j) Management and Coordination Activities (pursuant to Art. 2497 et seq. of the Civil Code)**

Giglio Group believes that Meridiana Holding S.r.l. ("**Meridiana Holding**"), majority shareholder at 56.59%, does not exercise management and coordination activities due to the following reasons:

Giglio Group operates under conditions of corporate governance autonomy, having the power to negotiate independent relations with customers and suppliers and to define its own strategic and development lines without any interference by persons outside of Giglio Group;

Meridiana Holding does not exercise, de facto, functions centralised at group level that involve Giglio Group (e.g. strategic planning, creation of industrial and financial plans, management control, creation of group annual budgets, drafting of remuneration plans, group legal and corporate affairs, management of the financial structure and centralised cash management system, as well as communication and promotion activities);

Meridiana Holding does not determine the operational size of each company and no acquisition, divestiture, merger or division are subject to its authorization;

Giglio Group owns an organizational structure composed of expert professionals who, according to their powers and positions, operate independently along the direction dictated by the General Management and the Board of Directors, in accordance with regulated control procedures and systems;

The Board of Directors of Giglio Group S.p.A. and the other company bodies operate in full management independence.

Based on the above assumptions, on 13 October 2017 the Board of Directors of the Issuer confirmed the absence of exercise of management and coordination activities on behalf of Meridiana Holding.

The information required by Art. 123-bis, par. 1, letter 1) of the Consolidated Act ("*The agreements between the company and its directors... providing for indemnities in case of resignation or revocation without just cause, or termination of employment as a result of a take-over bid*") can be found in the section of the Report dedicated to the remuneration (Section 8.1).

The information required by Art. 123-bis, par. 1, letter 1) of the Consolidated Act ("*the rules applicable for the appointment and replacement of directors and for amendments to the by-laws, if different to the legislative and regulatory provisions applicable by default*"), are provided in the section "Board of Directors" of this Report. 4.2).

The information required by Art. 123-bis, par. 1, letter l) of the Consolidated Act (*"the rules applicable... for amendments to the by-laws, if different to the legislative and regulatory provisions applicable by default"*), are provided in the section dedicated to the Shareholders' Meeting (Section 13).

### 3. COMPLIANCE

On 11 February 2021, the Board of Directors resolved to adhere to the Corporate Governance Code, programming the activities to carry out for the adjustment.

Throughout 2021, the Company adopted the appropriate matters for the purpose of adapting its structure to the Corporate Governance Code and, in particular, it put in place the following obligations:

- Definition of quantitative and qualitative parameters in order to assess the significance of some independence requirements for the Company's directors and auditors (see Recommendation no. 7 of the Corporate Governance Code);
- Adoption of a procedure for the definition of the Company's remuneration policy (see Principle XVI of the Corporate Governance Code, which imposes the elaboration of a remuneration policy via the use of transparent procedures);
- Adoption of the regulation of the Board of Directors (see Recommendation no. 11 of the Corporate Governance Code);
- Revision of the Appointments and Remuneration Committee's Regulation (see Recommendations no. 11, 19, 20, 25 and 26 of the Corporate Governance Code);
- Revision of the Internal Control, Risks and Related-parties Committee's Regulation (see Recommendations no. 11, 32, letter c) and 35 of the Corporate Governance Code);
- Adoption of the board evaluation procedure (see Principle XIV and Recommendations no. 21 and 22 of the Corporate Governance Code);
- Re-approval of the Procedure for the predisposition of the remuneration policy following its new revision (see Art. 5, Principle XVI of the Corporate Governance Code);
- Adoption of an engagement policy for investors relations (see Recommendation no. 3 of the Corporate Governance Code);
- Definition of the general criteria or the identification of significantly relevant operations for Giglio Group S.p.A.'s subsidiaries (see Recommendation no. 1, letter e) of the Corporate Governance Code).

For more information regarding the aforementioned adjustments, see the relevant paragraphs contained herein.

It is noted that neither the Issuer nor its Subsidiaries with a strategic relevance are subject to non-Italian laws that might affect the Corporate Governance structure of the Issuer.

### 4. BOARD OF DIRECTORS

#### 4.1 ROLE OF THE BOARD OF DIRECTORS

The Board of Directors is the corporate body entrusted with the Company administration and holds the powers assigned to it by the law and by the By-laws. It is organized and operates in order to guarantee the effective and efficient performance of its functions. Its Directors act and deliberate in a knowledgeable and independent manner pursuing the creation of value for the shareholders, reporting to the Shareholders' Meeting about their administration.

Pursuant to Art. 22 of the By-laws, the Board of Directors is vested with the widest powers of ordinary and extraordinary administration of the Company.

Furthermore, the Board of Directors have the competence, in a non exclusive manner, to adopt resolutions regarding the following subjects:

- The decision to merge in the cases provided for in Articles 2505, 2505-*bis* of the Civil Code.
- The opening and closing of secondary offices;
- The reduction of the share capital in the case of return of shares by shareholders;
- The alignment of the Company By-laws to the regulatory provisions;
- The designation of the Directors who represent the Company;
- The transfer of the registered office within the national territory;
- The reduction of the share capital in the case of losses, provided for in Art. 2446, last par. of the Civil Code.

The Board of Directors shall guide the Issuer with the aim of achieving its sustainable success. For this purpose, it shall define the nature and the level of risk compatible with the strategic objectives of the Company, hereby including in its assessments all of the elements that may become relevant in view of the sustainable success of the Company. The Chairman of the Board of Directors, in particular, shall make sure that all members of the administrative and management bodies may take part, upon their appointment and throughout their mandate, in initiatives aimed at providing an adequate knowledge of the sectors in which the Company is engaged, of the corporate dynamics and of their evolution also in view of the sustainable success of the same, as well as of the principles of correct risk management and of the reference regulatory and self-regulatory framework.

For more information on the engagement policy for investors relations, see paragraph 12.

Pursuant to the Regulation adopted by the Board of Directors, this body, other than the authorities granted to it by current regulatory and legal dispositions and by the By-laws, shall also carry out the further tasks assigned to it by the Corporate Governance Code. More specifically, the Board of Directors, the body tasked with managing the Company, shall:

- a) Examine and approve the Industrial Plan of the Company and of the Group, as well as the relevant assumptions. In its assessment, it shall take into account the relevant issues for the generation of value in the long-term;
- b) Periodically monitor, at least twice a year, the implementation of the Industrial Plan and the coherence of its assumptions, assessing the general management performance and comparing the results thus obtained with the envisaged ones;
- c) Define the nature and the level of risk compatible with the strategic objectives of the Company, hereby including in its assessments all of the elements that may become relevant in view of the sustainable success of the Company;
- d) Define, on the basis of the Industrial Plan, which subsidiary holds a strategic importance;
- e) Resolve upon the Company's operations, as well as upon those of its subsidiaries with strategic importance, with a significant strategic, economic, capital or financial relevance for the Company itself; for this purpose, it shall establish the general criteria for the identification of significantly relevant operations.

On the occasion of the approval of the Financial Statement and of the Consolidated Financial Statements, the Board of Directors assessed the adequacy of the organisational, administrative and accounting asset of the Issuer [and of its subsidiaries with strategic importance].

The Board of Directors, in its assessments, was supported by the Director responsible for the Internal Control and Risk Management System, the Internal Control, Risks and Related-parties Committee, the Financial Reporting Officer and the Internal Auditor.

The Board of Directors evaluated the overall management performance, taking into account, specifically, the information received by the delegated bodies, as well as by confronting, periodically, the results obtained with the programmed ones.

The Board of Directors examined and approved in advance significant strategic, economic, capital and financial transactions of the Issuer and its Subsidiaries. Throughout 2021, the Issuer adopted some general criteria for the identification of significantly relevant operations for its subsidiaries.

The Shareholders' Meeting did not authorise in general and preventively derogations to the ban on competition provided by Art. 2390 of the Civil Code.

Taking into account Giglio Group's structure, the shareholders' characteristics and the composition of the sates of candidates proposed by Shareholders according to the rules set forth in the By-laws, the Board of Directors in charge did not issue guidelines on what professional profiles would be expedient in its members.

On 31 May 2017, the company adopted a procedure for the internal management and the external disclosure of insider dealing, as specified in paragraph 5.

#### **4.2 APPOINTMENT AND REPLACEMENT (PURSUANT TO ART. 123-BIS, PAR. 1 LETTER L), FIRST PART OF THE CONSOLIDATED ACT)**

Pursuant to Art. 15.1 of the By-laws, the Board of Directors is composed of a minimum of three and a maximum of eleven members. The ordinary shareholders' meeting establishes the number of members of the Board and its duration of office.

The directors are appointed by the shareholders' meeting on the basis of slates presented by shareholders in which the candidates are listed, by means of progressive number. Each candidate can be presented only on one slate at the risk of being declared ineligible. Each slate must contain, individually identified, a number of independent candidates pursuant to Article 148, paragraph 3, of Legislative Decree No. 58/1998 at least equal to the minimum number required by the By-Laws. The slates presenting a number of candidates of three or above should be composed of candidates belonging to both genders (male and female), so that the under-represented gender comprises at least two-fifths of the candidates (rounded up, with the exception of the corporate bodies composed of three members, for which said number shall be rounded down). Shareholders may only present slates that, alone or together with other shareholders, hold a percentage of the share capital, at the presentation date of the slate, with voting rights for the appointment of directors at shareholders' meeting, equal to at least 2.5%, or the amount necessary in accordance with law or regulations where this latter is different from the holding previously required. The Shareholders' Meeting notice called to appoint the members of the Board of Directors indicates the shareholding required for the presentation of the slate of candidates.

A shareholder cannot present, contribute to or vote for more than one slate, including through a nominee or trust company. In addition, the shareholders belonging to the same group (pursuant to Article 93 of Legislative Decree No. 58/1998 who are subject to control or common control, even if the control is by an individual) or are part of a shareholder agreement pursuant to Article 122 of Legislative Decree No. 58/1998 concerning the shares of the company, or participates in a shareholder agreement and are, in accordance with law, parent companies, or controlled by, or subject to common control of, one of the shareholder participants, may not present or vote with others presenting more than one slate or, as for all other parties with voting rights, vote on other slates. Support for the filing of a slate and votes cast in violation of this prohibition shall not be attributed to any slate. The slates, together with the curriculum vitae of the candidates containing extensive professional and personal details and the shareholders that presented them, or their mandate, with information on their respective identity and the total holding at the presentation date must be filed at the registered office at least 25 days before the date of the Shareholders' Meeting, while the relative certificate or communication confirming the above-mentioned shareholding and issued by the authorised intermediary in accordance with applicable legislative or regulatory provisions may also be made subsequently

provided at least 21 days before the date of the Shareholders' Meeting in first call. Within the terms for the presentation of the slate, each candidate must file declarations of acceptance of their candidature and certify, under their own responsibility, the inexistence of any cause of ineligibility or incompatibility with law, compliance with the independence obligations as per Article 148, par. 3 of Leg. Decree No. 58/1998 as well as any requirements prescribed by the By-laws, law and regulations for the members of the Board of Directors. Slates presented in violation of the above rule are considered void.

It is understood that since the shares have been admitted to trading on the MTA – STAR Segment, pursuant to Article 147-ter, paragraph 4, of Legislative Decree No. 58/1998, at least one director – or two, if the board has more than seven members – must meet the independence requirements established by Article 148, paragraph 3, of the Consolidated Finance Act and, where the By-Laws so provide, the additional requirements established by codes of conduct drafted by regulated market management companies or trade associations. The independent director who, after its appointment, shall lose its independent requirements, shall promptly notify the Board of Directors and, in any case, shall be debarred from holding the office, unless the requirement are still held by the minimum number of directors who, pursuant to the By-laws, must possess said requirement.

The candidates indicated in sequential order in the list that receives the most votes (the "Majority Slate") will be elected as members of the Board of Directors in a number equal to the total number of members of the governing body to be elected, less one, who will be elected from the minority slate, in accordance with the following paragraph, without prejudice to the above provisions governing gender equality, in accordance with applicable laws and regulations.

From the minority slate that obtained the largest number of votes, other than those in the previous paragraph, and that are not related in any manner, even indirectly, in accordance with law and regulations in force, with the shareholders that presented or voted on the slate above, the first subject on the slate in a progressive order shall be elected as director.

In the case in which a number of slates receive the same number of votes, a fresh round of balloting takes place between these slates.

Where the composition of the Board of Directors does not ensure compliance with gender equality laws and regulations, the candidate of the over-represented gender elected listed last on the slate which has obtained the highest number of votes will be replaced by the first listed candidate of the under-represented gender elected on the same slate. Where this procedure does not ensure gender equality, the replacement will be made by a relative majority of the Shareholders' Meeting, with prior presentation of the candidature of individuals belonging to the under-represented gender.

Where following the election of the candidates according to the procedures above do not ensure the appointment of a director, or of two directors, where the board is composed of more than seven directors, considered independent as per Article 148, paragraph 3 of the CFA, the non-independent candidate elected listed last on the slate attracting the highest number of votes shall be replaced by the first listed independent candidate not elected from the same slate, or, where not possible, by the first listed independent candidate not elected from the other slates, according to the number of votes obtained by each. This replacement procedure continues until the Board of Directors is comprised of at least one independent director, or of two, where the board is composed of more than seven members, pursuant to the requirements of Article 148, paragraph 3, of the CFA Finally, should said procedure not ensure the last result indicated, the substitution shall take place by a resolution passed by a relative majority of the Meeting, subject to the presentation of candidatures of persons having the aforementioned requisites.

Where only one slate is presented or where no slate is presented, the Shareholders' Meeting votes by statutory majority. The above regulations are subject to any further amendments to the law and regulations.

For the appointment of directors other than the renewal of the entire Board of Directors, the Shareholders' Meeting approves by statutory majority; the mandate of the directors appointed in this manner concludes together with those in office on their appointment.

The current By-laws, as of the reporting date, does not provide for the outgoing Board of Directors to present a slate for the appointment of the administrative body.

#### **4.3 COMPOSITION (PURSUANT TO ART. 123-BIS, PAR. 2 LETTER E) AND D-BIS) OF THE CONSOLIDATED ACT)**

Article 15 of the By-laws provides that the Company shall be managed by a Board of Directors composed of three to eleven members, in accordance with the previous decision of the Shareholders' Meeting upon each appointment.

Upon the approval of the Financial Statement as of 31 December 2020, the Board of Directors appointed by the Shareholders' Meeting of 30 May 2018, as reduced on 23 April 2020, finished its mandate.

The directors in office until the Ordinary Shareholders' Meeting of 21 June 2021 were as follows:

1. Alessandro Giglio (Chairman);
2. Anna Maria Lezzi (Executive Vice-chairwoman);
3. Marco Riccardo Belloni (Executive Member);
4. Francesco Gesualdi (Independent Member);
5. Silvia Olivotto (Independent member).

On 21 June 2021, the Shareholders' Meeting of the Company, upon setting at 5 the maximum number of the Board's members, appointed -on the basis of the slate presented- the directors for 2021-2023, to remain in charge until the approval of the Financial Statement as of 31 December 2023.

For the appointment of the directors, a slate was presented by Meridiana Holding S.r.l., the majority shareholder of the company with 56.6% of its share capital (no. 11,740,912 shares). The slate was approved unanimously by the Shareholders' Meeting of 21 June 2021.

The Meeting of 21 June 2021 appointed the following directors:

1. Alessandro Giglio (Chairman);
2. Anna Maria Lezzi (Executive Vice-chairwoman);
3. Marco Riccardo Belloni (Executive Member);
4. Francesco Gesualdi (Independent member);
5. Sara Armella (Independent Member).

As of the closing date of the fiscal year, the Board of Directors was composed of the same members mentioned above.

On 14 January 2022, as announced to the market, the Company received the resignation of Marco Riccardo Belloni from his office of executive director of the Company, effective immediately, due to personal reasons. On 26 January 2022, the Board of Directors of Giglio Group S.p.A., upon hearing the assessment of the Appointments and Remuneration Committee and upon receiving the acceptance of the Board of Statutory Auditors pursuant to Art. 2386 of the Italian Civil Code, co-opted, pursuant to Art. 20 of the standing By-laws, Carlo Micchi as new non-executive and non-independent director, who shall remain in office until the next Shareholders' Meeting. The Shareholders' Meeting called for the approval of this report shall also have to resolve upon the appointment of a director for the integration of the Board of Directors.

As of the reporting date, the Board of Directors is composed of the following members (for more information, see Table 2 and 3 in the appendix of this Report).

<b>Name and Surname</b>	<b>Office</b>	<b>Place and Date of Birth</b>	<b>Title</b>	<b>Internal Control, Risk and Related-Parties Committee</b>	<b>Appointment and Remuneration Committee</b>
Alessandro Giglio	Chairman of the Board of Directors	30 July 1965	Executive		
Anna Maria	Vice-chairwoman	16 June	Executive		

Lezzi		1961			
Carlo Micchi	Director	21 February 1956	Non-Executive and non-independent		
Francesco Gesualdi	Director and Lead Independent Director	11 February 1957	Non-Executive and Independent	Chairman	Member
Sara Armella.	Director	20 November 1969	Non-Executive and Independent <sup>3</sup>	Member	Chairwoman

**Alessandro Giglio.** Alessandro Giglio obtained a specialist degree in Performing Arts and Multimedia Studies at the "Silvio d'Amico" National Academy for Dramatic Arts, followed by a Masters in management at LUISS. In the course of his career he has held various posts, including national deputy chairman of UNAT-AGIS, member of the Technical Committee at the Ministry of Tourism and General Manager for Europe at MGE. He has spent the past 15 years planning and organising large-scale events for theatre and television, while also conceiving business initiatives which led him to found Giglio Group in 2003. He is also a consultant for several television networks in expanding markets for issues concerned with scheduling and programming strategies. He currently holds the post of Arbitrator on the Board of Directors of Confindustria Radio Televisione and is also Chairman of the Board of Directors and Chief Executive Officer of Giglio Group.

**Anna Maria Lezzi.** A graduate in Performing Arts at the "Silvio d'Amico" National Academy of Dramatic Arts, in the course of her career Anna Maria has gained extensive experience in the production and organisation of theatre events, live shows and exhibitions, both in Italy and overseas. She has worked with the company since its foundation on TV programmes for broadcasting on RAI and other channels, such as "Carramba che Sorpresa" with Raffaella Carrà, "Navigator" with Enzo De Caro and "Segreti e Bugie" with Katia Ricciarelli.

**Carlo Micchi.** Carlo Micchi, born in 1956 and graduated in Business and Economics at Rome's University, is a registered chartered accountant, as well as a member of the Italian Registry of Legal Auditors; moreover, he acts as a member of the Board of Statutory Auditors of several industrial companies, for which he also acted as director and liquidator, but also as expert of businesses in distress. Over the period 2019-2021, he acted as CFO and Financial Reporting Officer for Giglio Group S.p.A..

**Francesco Gesualdi.** Currently, he acts as General Director for the non-profit organisation AIL. From 1999 to 2003, he acted as General Director for Cinecittà Holding S.p.A. and from 2005 to 2010 he acted as General Secretary of Lazio Region.

**Sara Armella.** With a degree in Law and Business from the University of Genoa, she has been registered in Genoa's Law Society ever since 1996 and, as of 2009, she acts as Court of Cassation lawyer. She founded the Law Firm Armella & Associates with headquarters in Milan and Genoa, appointed in March 2021 as one of "Italy's 100 legal excellences" by Forbes. She acts as chairwoman for the Customs & Trade Facilitation Commission for the Italian division of the International Chamber of Commerce. She acts as Italian deputy for the Commission on Customs and Trade Regulations of the International Chamber of Commerce of Paris, and she is also a member of the International Fiscal Association and of ANTI, the Italian tax advisers association. Non-academic professor for Bocconi University, Verona's University, Genoa's University, Tor Vergata University and ICE (Agency for the promotion abroad and the internationalisation of Italian firms), as well as in various masters and bachelor courses, she published several scientific articles and monographs. She acted as chairwoman of Spim S.p.A., San Bartolomeo S.r.l., Fiera di Genova S.p.A., Marina Fiera di Genova S.p.A., and also as independent member for Banca Carige S.p.A. and Banca Cesare Ponti S.p.A.. She is currently acting as Independent Member for Ferservizi S.p.A. (Ferrovie dello Stato Group) and Autogas Nord S.p.A..

At the reporting date, the Board of Directors is thus composed of 5 members. The applicable rules on gender equality are thus respected. Indeed, two directors out of five belong to the least-represented gender.

Directors Francesco Gesualdi and Silvia Olivotto qualified as independent directors upon their appointment pursuant to Art. 148, par. 3 of the Consolidated Act and pursuant to Art. 2 of the Recommendation no. 7 of the Corporate Governance Code.

The Board of Directors shall assess every year whether directors that qualified as "independent" upon appointment continue to meet the independence requirements pursuant to applicable laws and legislations in force.

The presence of two independent directors aims at protecting a good corporate governance through enabling debate and dialogue between all of the Directors. The contribution of the independent directors permits the Board to evaluate with sufficient independence in cases of potential conflicts of interest of the Company with the controlling shareholders.

The Company considers the promotion of gender and opportunities equality as a key factor for the corporate organisation.

The following table shows administrative and management office held by the members of the Company's Board of Directors on 31 December 2021, both in listed and non-listed companies:

#### 1. ALESSANDRO GIGLIO

Company	Tax code	Office
E.A.O. EUROPEAN ARTISTIC ORGANISATION DI GIGLIO ALESSANDRO & C. LIMITED PARTNERSHIP	03152220103	Managing Partner
IBOX SA	CHE 301607488	Director
MERIDIANA HOLDING S.R.L.	02196450999	Governing Director
GIGLIO GROUP S.P.A.	07396371002	Chairman of the Board of Directors
CLOUDFOOD S.R.L.	10290840965	Chairman of the Board of Directors
IREN S.P.A.	07129470014	Director
IREN ENERGIA S.P.A.	09357630012	Director
MAXFACTORY S.R.L.	12309161003	Governing Director
GIGLIO (SHANGAI) TECHNOLOGY LIMITED COMPANY GIGLIO USA LCC E-COMMERCE OUTSOURCING S.R.L. - company subject to the activity of management and coordination of Giglio Group S.p.A. National Theatre of Genoa, Azointernational OU Director, Asia Technological Limited	CN110175110544 TIN 473768071 8576060969 00278900105	Director and Chairman of the Board of Directors Director and Chairman of the Board of Directors Director and Chairman of the Board of Directors Director and Chairman of the Board of Directors Director Director



## 2. ANNA MARIA LEZZI

Company	Tax code	Office
CM Consulting	15897061006	Governing Director
PARS Srl	03838671000	Governing Director
GIGLIO GROUP S.P.A.	07396371002	Director and Vice-chairwoman

## 3. MARCO RICCARDO BELLONI

Company	Tax code	Office
GIGLIO GROUP S.P.A.	07396371002	Chief Executive Officer
IBOX SA	CHE 301607 488	Director
E-COMMERCE OUTSOURCING S.R.L. - company subject to the activity of management and coordination of Giglio Group S.p.A.	8576060969	Chief Executive Officer
SALOTTO DI BRERA – DUTY FREE S.R.L. - company subject to the activity of management and coordination of Giglio Group S.p.A.	9776770969	Director with proxies and Chairman of the Board of Directors
GIGLIO USA LLC	TIN 473768 071	Director

## 4. FRANCESCO GESUALDI

Company	Tax code	Office
GIGLIO GROUP S.P.A.	07396371002	Director
CAMELOT 2014 SRL	12790391002	Partner

## 5. SARA ARMELLA.

Company	Tax code	Office
Ferservizi spa:	IT04207001001	Director
GIGLIO GROUP S.P.A.	07396371002	Director
Autogas Nord spa:	IT06170180019	Director
La Spezia Container Terminal spa	IT00859620114	Chairwoman of Supervisory Body

By taking into account the size of the Company, which does not qualify as "Large Company" pursuant to the Corporate Governance Code, the Board of Directors did not adopt the criteria regarding the maximum number of administrative and management offices that its directors can hold in other companies.

For the purpose of maintaining an adequate knowledge of the activity sector in which the Company operates, Directors shall receive, information and updates of the sector in which the Issuer operates, pursuant the principles of good economic governance and the applicable laws, also through meetings with the Company's advisors, which shall be held on the fringe of the meetings they are called to participate to.

#### **4.4 FUNCTIONS OF THE BOARD OF DIRECTORS (PURSUANT TO ART. 123-BIS, PAR. 2, LETTER D) OF THE CONSOLIDATED ACT)**

Throughout 2021, pursuant to the Recommendation 11 of the Corporate Governance Code, the Board of Directors adopted a regulation for the definition of the functioning rules of itself and its committees.

The Board of Directors shall meet at the Company's headquarters or in any other place, provided that it belongs to the European Union.

The meetings of the Board of Directors shall be chaired by the Chairman or, should he be unavailable, absent or incompatible, by the Vice-chairman. Should the latter be unavailable, absent or incompatible, too, a director appointed by the present member shall chair the meeting.

The Board of Directors shall meet, upon call from the Chairman, every time that the latter sees it fit or upon written request made by two directors. The meeting of the Board of Directors may also be called by the Board of Statutory Auditors. The Board of Directors shall meet with an adequate frequency in order to correctly carry out the body's functions in all the cases provided for by the Annual calendar of the Board, approved once a year, as well as in all the cases in which the current legislative provisions or By-laws require it.

Any document related to the items on the agenda shall be disclosed by the Chairman, if appropriate with the help of the Secretary, to the members of the Board of Directors and of the Board of Statutory Auditors, as well as, where necessary or adequate, to other subjects invited to the meeting, sufficiently in advance of the meeting. Should it be impossible to provide the necessary documents within the aforementioned terms due to specific needs, urgency or operations under development, the Chairman shall make sure that said documents will be provided as promptly as possible or, if necessary, directly during the meeting. Should the document be particularly complex and voluminous, the Chairman, if appropriate with the help of the Secretary, shall provide for the disclosure of a document summarising the most significant and relevant points for the purpose of the resolution on the agenda.

The Chairman, also upon the request of other directors, may invite to the Board meetings other directors of the Company or the Group, as well as other subjects, also external to the Company and the Group, whose presence may be deemed useful, also in order to provide relevant elaborations regarding the assessment of one or more items on the agenda. In this case, the subjects thus invited shall be made aware of the meeting's call and of any available document within the necessary limits for their effective participation in the Board's works.

In those Board meetings in which the items on the agenda include issues related to the Financial Reporting Officer's competence, the latter shall be invited to participate for the discussion of said issues.

Throughout the fiscal year, the Board of Directors held 4 meetings of the average duration of one hour and a half, which saw the regular participation of all directors. As far as the presence of each Director is concerned, see the table inserted at the end of this Report. The Chairman of the Board of Statutory has always took part in the board meetings; for more information on the presence of each auditor, see the Table inserted at the end of this Report.

With regard to the current fiscal year, the Board of Directors has held a total of 22 meetings for the approval of the annual and interim financial reports. The schedule is made available to the public via press release containing the Annual Calendar of Corporate Events, published on the Company's website at [www.giglio.org](http://www.giglio.org) - "Investor relations - Corporate Calendar" section. As of the reporting date, three meetings have already been held.

Individuals external to the Board of Directors can participate in the Board's meetings too, but only upon invitation. More specifically, during the Fiscal Year, external consultants, the directors of the

Issuer and the directors of Giglio Group were invited on the occasions where their presence was deemed useful to provided suitable in-depth information regarding the subjects on the agenda.

Directors and Statutory Auditors received the documents and all relevant information to be able to express themselves on an informed basis about the matters being examined. The Company strived to supply the documentation promptly and pursuant to the activity of the Company itself. The organization of the works of the Board shall be assigned to the Chairman, who takes care that the items on the agenda have enough time to be discussed over constructively.

In case of the Chairman of the Board of Directors' absence, or in the event that he should abstain from participating, or also in the event of a conflict of interest, the Chairman of the meeting shall be assigned to the Vice-chairwoman of the Board of Directors or to another director identified by the Board itself.

The notice that the Company usually deems adequate for the submission of the documents is of three days. Over the course of the year, said term was not always respected and the calls were made pursuant to the urgency policies set forth in the By-laws, and the meetings were held in quorate. The lack of timeliness in some circumstances is mostly ascribable to the fact that the time frame is dictated by a very intense and fast corporate activity due to the business needs or other commercial and industrial opportunities.

It is noted that the Board's meetings of 2021 were held via video-call, in accordance with the provisions set for the containment of COVID-19 pandemic.

#### **4.5 ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS**

The Board of Directors, should the Shareholders' Meeting not have done so itself, shall appoint amongst its members a Chairman and a Vice-chairman who shall replace the Chairman in case of his absence or temporary unavailability.

The Chairman of the Board of Directors shall promote the actual functioning of the Corporate Governance system. The Chairman shall act as interlocutor of the Intra-Board Committees and of the Board of Statutory Auditors on behalf of the Board of Directors.

Should a lead independent director not have been appointed, the Chairman of the Board of Directors, upon exercising the functions appointed to it by the Law, the By-laws and by other provisions set forth herein, and in line with the recommendations of the Code, shall carry out a connecting role between executive and non-executive directors, thus caring for the efficient functioning of the Board's works.

More specifically, notwithstanding the authorities established by current legislative and regulatory provisions, by the By-laws and the principles and recommendations of the Code, the Chairman of the Board of Directors shall make sure:

- a) That the pre-meeting information and the complementary information are provided within the adequate terms and that they are suitable to allow directors to act in an informed matter in the performance of their functions;
- b) That the Committees' activities are coordinated with the Board's activities;
- c) That the directors of the Company and its subsidiaries in charge of the pertinent management areas related to the Board agenda (including third parties or advisors external to the Company), in agreement with the CEO, attend the meetings of the Board, also upon the request of each director, in order to provide relevant elaborations on the items of the agenda;
- d) That all members of the administrative and management bodies may take part, upon their appointment and throughout their mandate, in initiatives aimed at providing an adequate knowledge of the sectors in which the Company is engaged, of the corporate dynamics and of their evolution also in view of the sustainable success of the same, as well as of the principles of correct risk management and of the reference regulatory and self-regulatory framework;
- e) That the self-assessment procedure set forth in Art. 6.3 is adequate and transparent;

- f) That the dialogue between executive and non-executive directors is favoured:
- g) That the timing of the Board of Directors is adequate, by favouring the optimisation of the debate and by regulating the length of each discussion according to the relevance of the items on the agenda.

### **Secretary of the Board**

In order to organise the works of the Board of Directors, the latter shall make use of the support of a Secretary.

Upon proposal of the Chairman of the Board of Directors, in line with the provisions set forth in the Code and in Art. 18.1 of the By-laws, the Board shall appoint a permanent Secretary (also external to the Company) vested with the adequate requirements of professionalism and experience accrued, preferably, in legal and corporate issues.

In case of the Secretary's absence, or should the latter not have been appointed yet, the Board shall identify an individual to act in its stead from time to time, at the beginning of each meeting. The supporting documents provided to the members of the Board of Directors and of the Board of Statutory Auditors shall be kept in the Board's records.

The Secretary shall assist the Chairman and, if appointed, the Vice-chairman, in its activities related to the correct functioning of the Board of Directors. The Secretary shall depend, hierarchically and functionally, on the Board of Directors and, by extension, on its Chairman.

The Secretary shall assist, with impartiality of judgement, the Board of Directors in each relevant activity and aspect for the purpose of the correct functioning of the corporate governance system. To this end, the Secretary may make use of external experts and advisors.

The Secretary shall collaborate with the Intra-Board Committees and with the Chairman so as to coordinate the latter's activities with the activity of the Board of Directors.

The person identified by the Board of Directors for the role of Secretary shall carry out the same office, with the same tasks, also in the Intra-Board Committees set up by the Board of Directors in accordance with the criteria established by the Corporate Governance Code.

## **4.6 EXECUTIVE DIRECTORS**

### **Chief Executive Officer**

Director Marco Riccardo Belloni exercised the proxies granted to him on 23 July 2020, as already described in the Corporate Governance Report as of 2020, until the Shareholders' Meeting of 21 June 2021. The following proxies were granted to Marco Riccardo Belloni upon the renewal of the Board of Directors on 21 June 2021:

#### ***(a) Direction***

- i. Define, coherently with corporate strategies and objectives, the Company's organizational, logistic and operational policies and guidelines, making use of the competent structures of the Company, as well as coordinate the implementation of said guidelines and policies by the responsible function;
- ii. Provide for, coherently with corporate strategies and objectives, the organisation structure of the Company, subject to sharing it with the Chairman;
- iii. Accept, sign and enter agreements with the financial administration of the state and local bodies;
- iv. Draw up the budget forecast and the operational and strategic plans related to the activities of the Group, to be submitted for approval to the Board of Directors;
- v. Negotiate and sign, terminate, recess from or cancel contracts for a sum no higher than € 2,000,000.00 for each contract, such as, by way of non-limiting example, contracts regarding the purchase, sale, distribution of Products, the supply of e-commerce services, or the licensing services for advertisement spaces, audiovisual products and

more generally of all services related to the Company's and its Subsidiaries' ordinary activities, including contracts and agreements with public administrations and bodies, as well as to take steps for their implementation;

- vi. Request, contract, change and terminate bank contracts such as funding, loans, credit lines, sureties and guarantees covering corporate obligations, for a sum no higher than € 2,000,000 for each transaction;
- vii. Represent the Company in dealing with any person, body or office, company or administration, public or private, including the administration of the Italian State or of foreign states, the railway administration, the Regions, the customs offices, the municipal and provincial offices, the chambers of commerce and the financial offices, with regard to the Company's activities and, more specifically, to the fulfilment, implementation and application of the provisions of law, subscribing claims and appeals;

***(b) Disputes and Lawsuits Powers***

- viii. Represent the Company in everyone of its active or passive trial, in every state and degree of judgement, in front of any judicial authority both in Italy and abroad, both ordinary and administrative, such as the Court of Cassation, the Court of Accounts, the Council of State, the Constitutional Court, the Court of Appeal, the Court House, the office of the Judge of Peace, and for any administrative, tributary, civil and criminal case; appoint and remove lawyers and attorneys for lawsuits, as well as arbiters, amicable arbitrators and experts in the limits described in the following point; Accept and subscribe clauses leading to competence and jurisdiction derogations; challenge decrees, orders, decisions or judgements of any court; file lawsuits, requests, declaration and complaints; notice protests and require precepts; proceed to enforcement or precautionary measures; represent the Company in any bankruptcy procedure and promote, where appropriate, its declaration; attend to the creditors' meetings; contribute to the appointment of monitoring delegations, accepting and exercising their office; declare the credits of the principal Company affirming their truth and reality; vote in favour or against any demand of credit compound or bankruptcy; accept or reject arrangement proposals;
- ix. Join as injured party in criminal cases, in the name and in the interest of the Company, filing lawsuits and complaints;
- x. Settle any dispute or pending suit that the Company has with third parties, as long as the unit value of every suit or dispute does not exceed € 500,000.00;
- xi. Demand or collect any sum owed to the Company for any purpose and by anyone (State, public or private entities, companies and physical or juridical persons), as well as issuing valid receipts and discharges;
- xii. Accept the establishment of mortgages, unsecured guarantees and/or sureties from third parties in favour of the Company for a sum no higher than € 100,000.00 for each transaction; agree to cancellations and registrations of mortgages by debtors or third parties in favour of the Company to curtail or settle an obligation.

***(c) Banking and Financial Powers***

- xiii. Undertake all financial transactions for the ordinary administration of the Company and its Subsidiaries (including issuing guarantees and letters of patronage in their favour) within the limits of powers conferred, and for a sum no higher than € 1,000,000 for each transaction; request credit lines for deposits and guarantees, always within the limits of the Company's funding at each time, contract new guarantees on said lines, as well as integrating the ones already existing, for a sum no higher than € 1,000,000 for each transaction;
- xiv. Request, contract, change and terminate bank contracts such as funding, loans, credit lines, sureties and guarantees covering corporate obligations, for a sum no higher than

€ 1,000,000 for each transaction;

- xv. Conclude deals with leasing, factoring and insurance companies within the limits of € 1,000,000;
- xvi. Receive, construct and release deposits, as well as release bank or insurance sureties and/or guarantees as security, allow restrictions of any kind; assign credits with or without recourse, for a sum no higher than € 1,000,000 for each transaction.

**(d) HR Management Powers**

- xvii. Assign professional appointments, including professional appointments related to procedural and extra-procedural activities (also arbitration) for a sum no higher than € 500,000 for each appointment;
- xviii. Conclude, amend and terminate collaboration and consultancy contract, for a sum no higher than € 500,000.00 for each contract;
- xix. Hire, promote or transfer employees, managers and directors, determining their tasks and salary pursuant to applicable laws and regulations, with the power to adopt against them all administrative and disciplinary provisions, dismissal included;
- xx. Settle and reconcile disputes for a sum no higher than € 400,000, both with the Ministry of Labour and Social Policy and with the Provincial Labour Office;
- xxi. Represent the Company in all its dealings with workers and employers trade unions, signing with them agreements in the name and on behalf of the Company; to attempt conciliation, make settlements and sign the minutes relating to settlements;
- xxii. Represent the Company with mutual and social security bodies and sign on behalf of the Company the periodic declaration to the social security and assistance organisations related to the payment of the contributions due for employed and non-employed staff.
- xxiii. Supply on behalf of the Company extracts of payrolls and attestations regarding the employees both administrations and public bodies and for privates, ensure compliance with the obligations of the Company as tax substitute, with the power to sign, for the purpose of said obligations, declarations, attestations and any other act and certificate; supply banks who lend to the Company's employees declarations attesting the commitment to withhold from the pay of said employees and transfer to the banks the amounts of the instalments and/or of the residual debt;
- xxiv. Assign severance indemnity advances and loans to employees for sums no higher than the sum allocated to the severance indemnity of the employee;

**(e) Commercial Agreements' Powers**

- xxv. Negotiate and sign, terminate, recess from or cancel contracts for a sum no higher than € 2,000,000 for each contract (in terms of both costs and revenues), such as, by way of non-limiting example, contracts regarding the purchase, sale, distribution or licensing of advertising space, audiovisual products, dubbing services, authorial and editorial tasks, technological services, products, TV production and more generally of all services related to the Company's and its Subsidiaries' ordinary activities, including contracts and agreements with public administrations and bodies, as well as to take steps for their implementation;
- xxvi. Sign, terminate, recess from or cancel contracts of any type related to registered and unregistered movable properties or amend contracts of any type, including but without any limitation, purchase, supply, transport, location, procurement of services agreements, as long as the unit value of each contract does not exceed € 300,000.00;
- xxvii. Sign, terminate, recess from or cancel location, leasing, rental contracts, as well as free loans for goods and real estate assets, as long as the unit value of each contract does not exceed € 300,000.00;
- xxviii. Draw up and sign letters of intent, term sheets and other non-binding commitments on behalf of the Company;

- xxix. Purchase, subscribe, transfer or exchange shares, units, bonds, or any other type of financial instrument and equity investments in other companies for a sum no higher than € 1,000,000 for each transaction;
- xxx. Purchase, sell and exchange goods and raw materials pertinent to the corporate object, as well as equipment, plants, registered and non-registered movables in general, setting the prices and the terms and conditions of payment until a maximum of € 1,000,000 for each transaction;
- xxxi. Sign, amend, renew and terminate contracts and insurance policies of any nature (including the ones against damages, for civil liability, etc.), setting the relative ceilings; pay premiums as well as collect compensation and premium refunds;
- xxxii. Deposit and renew brands, deposit patents, register, renew or cancel Internet domains as well as granting and use in any form industrial property rights;
- xxxiii. Sign contracts for outsourced services also of an IT nature, as long as the unit value does not exceed € 250,000;
- xxxiv. Appoint proxies, agents, representatives and commission agents, determining their powers, within the limits of the powers granted;
- xxxv. Sign in the name and on behalf of the Company all relevant declarations and attestations, pursuant to Legislative Decree 50/2016 and by EU, governmental, regional and provincial legislations regarding tenders and supplies; Submitting proposals for tenders, sign in the name and on behalf of the Company, as well as delegate to third parties the power to sign in the name and on behalf of the Company, public or private tender, concession and public supply contracts, or mandate acts for associations' shareholdings or temporary groups of undertakings, as well as accepting the mandate of association and grouping;
- xxxvi. Request the issue of sureties in the name and on behalf of the Company, binding it for what requested by public and private bodies for a sum no higher than € 1,000,000.00 for each transaction;
- xxxvii. Purchase, sell and change vehicle in general, signing every related act;
- xxxviii. Sign contracts of service and maintenance for plants, buildings and machinery;

**(f) GDPR Powers**

- xxxix. Carry out all fulfilments and tasks provided for by Legislative Decree no. 196/2003 as amended and by all other applicable laws and regulations regarding personal data protection and processing;

**(g) Employer's Powers (Legislative Decree no. 81/2008)**

- xl. Manage, direct, organize and control all the aspect inherent to the safety and health risks at the workplace, in all productive units and in all other workplaces of the Company, attributing to this purpose to the director the title of "Employer" pursuant to Legislative Decree no. 81/2008 as amended and integrated, with power to implement, as such, any act, fulfilment and activity necessary to comply with the aforementioned legislation and with all applicable laws and legislation regarding health, safety and hygiene at work, as well as prevention and protection of workers' psychophysical integrity and of the environment, with full financial autonomy and autonomous spending powers for the implementation of this office. More specifically, as a way of non-limiting example, the director is vested with the following powers:
  - xli. In the exercise of the functions set forth in the previous point, revoke proxies, authorizations and, in general, any other appointment eventually made until today by the Company within its organisation, having as object functions and powers regarding workers' health and safety, the protection of the environment and the protection of personal data;
  - xlii. Understand, also through consultancy bodies external from the Company, any supplementary law and legislation, amending and integrating, issued and being issued, in the field of safety and health protection of workers and the prevention of accidents at the workplace, and comply with the obligations provided by the aforementioned

- laws and legislations;
- xl.iii. Assess the risks and draw the relative Risk Assessment Document, as well as appointing the person in charge of the Prevention and Protection Service;
- xliv. Delegate, by conferring specific proxies, the functions and powers attributed with this proxy and delegable pursuant to Legislative Decree no.81/2008 to the person/s deemed more suitable for skills and professional ability in order to guarantee constant and continued compliance, with due diligence, to the obligations of health and safety at the workplace, conferring also spending management, organisation and control powers requested by the nature of the delegated functions, authorising also, where deemed necessary, the sub-delegation from its own delegates to other individual of specific functions;
- xlv. Guarantee the financial security for all extraordinary interventions exceeding the management and financial autonomy of delegated subjects in accordance with the previous points and necessary and useful to comply with laws and regulations, as well as supervising the skills of its own delegates and the correct fulfilment of the functions transferred to them, also by adopting and effectively implementing the verification and control method set forth in Art. 30 of Legislative Decree no.81/2008 and Legislative Decree no. 231/2001;
- xlvi. Commit the Company, towards the individual that shall eventually be delegated and by their sub-delegates, within the limits allowed by the law, to agree to indemnify each one of them from any cost and expense they shall incur in after assuming in their persons the responsibility for workers' health and safety, the protection of the environment and the protection of personal data, without prejudice to intentional fault and/or gross negligence.

***(h) Other Operational Powers***

- xlvii. Sign correspondence and all documents related to the areas that are the subject of this delegation of powers;
  - xlviii. Request and collect documents, goods and money from shipping and transport companies, customs, public and private railway offices, public and private warehouses and other storage spaces, public offices in general, signing the relevant receipt and releases. Undertake any other deed or transactions with them;
  - xl.lix. Coordinate the various functions and offices on the basis of the organisation chart adopted from time to time by the Company;
1. Delegate, through the assignment of specific proxies, all of each of the aforementioned powers to the person/s deemed more suitable for skills and professional ability.

**Chairman of the Board of Directors**

Following the renewal of the Board of Directors on 2021, the Chairman of the Board of Directors, **Alessandro Giglio**, was vested with the following powers:

***(a) Chairmanship***

- i. Represent the Company within the limits of the powers conferred;
- ii. Call the meetings of the Board of Directors;
- iii. Coordinate the activities of the Board of Directors and conduct the proceedings of Board meetings;
- iv. Make sure that all directors receive adequate information on the items of the agenda of each meeting with suitable notice; should the items concern ordinary issues, the documents, where available, shall be published within four working days; should this not be possible for extraordinary reasons, the Chairman shall make sure that all directors are informed with the utmost promptness and completeness;
- v. Define the strategic and top administration guidelines of Giglio Group;



- vi. Supervise the timely implementation of the boards' and committees' resolutions;
- vii. Monitor the compliance of the management of corporate affairs with the strategic guidelines of the Company;
- viii. Examine the information and/or documents related to every resolution proposal to be submitted to the Board of Directors;
- ix. Make sure: (a) that the activity of the committees existing pursuant to the Corporate Governance Code with functions of investigation, consultation and proposal is coordinated with the activity of the administrative body; (b) in agreement with the CFO, that the managers of the Company and the Group responsible for the relevant corporate functions take part in the Boards' meetings, also upon the request of each director, in order to provide appropriate supplemental information on the item on the agenda; (c) that the self-assessment process of the Board of Directors is adequate and transparent, together with the support of the Appointments and Remuneration Committee;
- x. Preside over the Meeting, pursuant to the statutory rules;
- xi. Oversee the relationships with public, national or supranational institutional bodies and with shareholders;
- xii. Promote, define and coordinate the communication strategies of the Company and oversee Giglio Group's corporate image policies;
- xiii. Coordinate the relationship with the subsidiaries within the powers of "top administration" set forth in this proxy system. All of the above, in order to make effective the coordination within Giglio Group;
- xiv. In respect with any guideline adopted by the Board of Directors, exercise its right to vote (even by proxy) in the meetings of its subsidiaries, affiliates and associates;

***(b) Other Executive Powers***

- xv. Negotiate and sign, terminate, recess from or cancel contracts for a sum no higher than € 3,000,000.00 for each contract, such as, by way of non-limiting example, contracts regarding the purchase, sale, distribution of Products, the supply of e-commerce services, or the licensing services for advertisement spaces, audiovisual products; all financial contracts; the contracts related to the economic activities of the Company and its subsidiaries, the ones related to the regulation of the relationship between the Company and its subsidiaries, as well as all relevant contracts for the realisation of strategic lines, hereby including all the contracts aimed at giving a better implementation to the "Chairmanship" powers as per the previous point (from i to xiv), including contracts and agreements with public administrations and bodies, as well as to take steps for their implementation;
- xvi. Request, contract, change and terminate bank contracts such as funding, loans, credit lines, leasing, factoring lines, sureties and guarantees covering corporate obligations, for a sum no higher than € 5,000,000 for each transaction.
- xvii. Purchase, subscribe, transfer or exchange shares, units, bonds, or any other type of financial instrument and equity investments in other companies for a sum no higher than € 2,000,000.00 for each transaction;
- xviii. Settle any dispute or pending suit that the Company has with third parties, as long as the unit value of every suit or dispute does not exceed € 1,000,000;
- xix. Accept the establishment of mortgages, unsecured guarantees and/or sureties from third parties in favour of the Company for a sum no higher than € 250,000 for each transaction; agree to cancellations and registrations of mortgages by debtors or third parties in favour of the Company to curtail or settle an obligation;

The Shareholders' Meeting of 21 June 2021 confirmed Alessandro Giglio in his office of Chairman of the Board of Directors of the Company.

The Chairman of the Board of Directors of the Company, Alessandro Giglio, holds, through Meridiana Holding S.r.l., a shareholding in the Issuer of 56.66% of the share capital of Giglio Group S.p.A..

### **Board Disclosure from Delegated Directors/Bodies**

Pursuant to Art- 23 of the By-laws, the delegated bodies promptly and adequately report, at least quarterly or in any way upon the Board's meeting, to the Board of Directors and the Board of Statutory Auditors, on the activities carried out, the general management performance and on expected future developments, as well as on transactions carried out by the Company or its subsidiaries that are particularly significant.

More specifically, the delegated bodies report on the transactions in which they have an interest, directly or on behalf of thirds, or which are influenced by the administering or coordinating body, if applicable.

The delegated bodies reported to the Board of Directors on the activities carried out during the year by the powers appointed to them every three months.

### **Other Executive Directors**

**Anna Maria Lezzi**, who, on 17 July 2018, was appointed by proxy with the powers reported in the 2019 Corporate Governance Report pursuant to Art. 123-bis of the CFA, available on the authorised storage mechanism at [www.emarketstorage.it](http://www.emarketstorage.it), as well as on the Company's website at [www.giglio.org](http://www.giglio.org) – "Corporate Governance - Shareholders' Meeting - Shareholders' Meeting 23 April 2020" section. The Board of Directors of 23 July 2020, besides appointing Anna Maria Lezzi as Vice-chairwoman of the Board of Directors, renewed the powers appointed to her, appointing also the following powers:

- xx. Monitor and manage the Treasury Office of the Company, pursuant to Law no. 262/2005 and to the procedures adopted by the Board of Directors;
- xxi. Keep and sign the Company's correspondence;
- xxii. Sign in the name and on behalf of the Company any kind of customs declaration required for the import/export operations, invoice or dispatch note, applications for granting and extending bank clearances, as well as invoices, credit and debit notes issued by the Company;
- xxiii. Demand or collect any sum owed to the Company for any purpose, as well as issuing valid receipts and discharges.
- xxiv. Open and close bank current accounts at banks, private bankers, credit institutions and Italian and foreign banking institutions, and carry out operations up to € 500,000 in the event that the beneficiary is not a Company of the Group; sign contracts and engage in business of all kinds, also with different financial bodies up to € 500,000;
- xxv. Sign payment orders and issue and sign cheques in the name of the Company, also from current account overdrafts, within the limits of the credit facilities granted, and in any case up to € 500,000; endorse any kind of cheques and collect the sums on the bank accounts of the Company, request and collect payments and deliveries of money, shares, securities of all kinds, goods and documents, issuing their receipt;
- xxvi. Rent, use and terminate safety boxes or safes;
- xxvii. Open and close postal account and carry out operations on them;
- xxviii. Receive from postal, telegraphic offices, letters, packages, ordinary, registered and insured, collect postal and telegraphic money orders and cheques of any kind and for any sum;
- xxix. Request and collect documents, goods and money from shipping and transport companies, customs, public and private railway offices, public and private warehouses and other storage spaces, public offices in general, signing the relevant receipt and releases; carry out any other operation or deed required with them;
- xxx. Represent the Company in Italy and abroad with any public or private body, as well as in all of its relationships with the Public Administration; more specifically, with the Ministries and their peripheral offices, Revenue Agency offices, Civil Engineering offices, Technical Revenue offices, Municipal Technical offices, Register offices, Value Added Tax office, Public Car Register, Government Debt offices, Deposits and Loans Fund offices, National Bank offices, Provincial and Municipal Treasuries, Companies Register, Chambers of Commerce, the offices of any Contracting Authority and, in general, with any public or private office, holding the powers to sign all declarations, certificates and communication required by applicable fiscal laws.
- xxxi. Represent, furthermore, the Company with the Telegraph, Telephone and Postal Service

offices, with transport companies, public and private, by sea, land and air, insurance companies offices, customs and social security offices;

- xxxii. Sign and present claims, appeals and other deeds; sign and present all the declarations for social security and fiscal entities;
- xxxiii. Intervene in the name and on behalf of the Company to call for tenders issued by any office, service of public/private administration, also governmental, regional, provincial or municipal, with powers to present tenders, sign and present all documents requested and eventually agree, with the contractor, terms and conditions for the implementation of the tendered contracts;
- xxxiv. Represent the Company with all social security and assistance organisation for mandatory work insurances, as well as with trade union and administrative organisations and trade associations, providing for the requirements laid down by applicable laws, with the powers to sign declarations, certificated and communications related to labour relations;
- xxxv. Carry out all fulfilments and tasks provided for by Legislative Decree no. 626 of 19 September 1994 as amended and by all other applicable laws and regulations regarding workers' health and safety at the workplace;
- xxxvi. Carry out all fulfilments and tasks provided for by Legislative Decree no. 675 of 31 December 1996 as amended and by all other applicable laws and regulations regarding personal data protection and processing;
- xxxvii. In respect with any guideline adopted by the Board of Directors, represent the Company in the Shareholders' Meetings of its Subsidiaries and Affiliates, with power of proxy;
- xxxviii. Assign, amend and revoke, both to employees of the Company and to third parties, powers, also with continuous character, as long as within the powers granted by this proxy.
- xxxix. Delegate, through the assignment of specific proxies, all of each of the aforementioned powers to the person/s deemed more suitable for skills and professional ability.

#### **4.7 INDEPENDENT DIRECTOR AND LEAD INDEPENDENT DIRECTOR**

The Corporate Governance Code recommends that the Board of Directors elects an adequate number of independent directors. On the basis of the Corporate Governance Code's indications (Recommendation 7), the circumstances that may compromise, or may seem to compromise, the independence of a director are as follows:

- a) if he/she is a significant shareholder of the company;
- b) if he/she is, or was in the previous three fiscal years, an executive director or an employee:
  - of the company, of one of its subsidiaries with strategic relevance or of a company subject to joint control;
  - of a significant shareholder of the company;
- c) if he/she, directly or indirectly (e.g. through subsidiaries or companies in which holds an office of significance, or as a partner in a professional firm or a consulting company) has, or has had over the previous year, any significant business, financial or professional relationship:
  - with the company or its subsidiaries, or with the relevant executive directors or top management;
  - with a subject that, also together with others through a shareholders' agreement, controls the company; or, if the parent company is a company or an entity, with the relevant executive directors or top management;
- d) if he/she receives or has received in the previous three fiscal years, by the company, one of its subsidiaries or by the parent company, a significant additional remuneration on its set remuneration for his/her office and on the one provided for by his/her participation in the committees recommended by the Code or provided for by the current legislation;
- e) if he/she was a director of the Company for more than nine years, also not consecutively, in the last twelve years;
- f) if he/she holds a position as an executive director in another company in which an executive director of the Company holds an administrative position;

- g) if he/she is a shareholder or director of a company or entity belonging to the same network as the company appointed to perform the audit of the Issuer;
- h) if he/she is a close relative of a person who is in one of the situations described at the preceding sub-indent;

Throughout 2021, the Issuer adopted specific criteria, both qualitative and quantitative, in order to assess the significance of the trade, financial or professional relationships, as well as of the additional remunerations for the purpose of the assessment of the independence of the members of the Board of Directors and of the Board of Statutory Auditors pursuant to Recommendation 7, letter c) and d) of the Corporate Governance Code of listed companies approved by the Corporate Governance Committee.

The Board of Directors includes among its directors two individuals who possess the independence requirement set forth by the Corporate Governance Code, the CFA and laid down in the Borsa Regulation. The number of Independent Directors, having regard to the total number of members of the Board of Directors, is in line with the provisions set forth in Art. 148 of the Consolidated Act and in the Borsa Instructions (Art. I.A.2.10.6).

These independent directors are deemed to be in adequate number and endowed with the adequate competences for the correct functioning of the Board of Directors and its internal committees, as better specified in the paragraphs related to the Internal Committees.

It is noted that, for the whole duration of the Fiscal Year, Francesco Gesualdi and Silvia Olivotto held the office of independent directors for the Company before the renewal of the Board of Directors of 21 June 2021, having qualified as such upon appointment from the Shareholders' Meeting, pursuant to Art. 148 of the Consolidated Act and to Art. 3 of the Corporate Governance Code.

Upon the renewal of the Board of Directors by the Shareholders' Meeting of 21 June 2021, the directors qualified as independent and in charge as of the reporting date are Francesco Gesualdi and Sara Armella. These directors, when presenting the slate for the appointment of the Board of Directors, qualified as independent directors pursuant to the CFA and the Corporate Governance Code, thus committing to promptly disclose to the Board of Directors any subsequent change in the information given.

With regard to the assessment of the requirements for its directors and auditors, the Board of Directors of 21 June 2021, upon the renewal of the Board and upon assessing the documents presented with regard to the provisions set forth in Art. 147-quinquies of the CFA, in Art. 148 of par. 3 and 4 of the CFA ("Grounds for ineligibility or forfeiture of the appointment/independence requirements") and in the Corporate Governance Code, by consensus expressed its favourable judgement with regard to the existence of integrity, professionalism and independence requirements for independent directors Francesco Gesualdi and Sara Armella. Lastly, the Board of Directors assessed the existence of the independence requirements of independent directors pursuant to Art. 148 of the CFA and on the basis of the assessment criteria set forth in the Corporate Governance Code. Each independent director provided all of the necessary elements for the Board's assessments.

The Board of Statutory Auditors assessed the correct application of assessment criteria and procedures adopted by the Board of Directors in order to assess the independence of its members.

Over the course of the fiscal year, independent directors Francesco Gesualdi and Silvia Olivotto participated in the Internal Control, Risk and Related-Parties Committee's and in the Appointments and Remuneration Committee's meetings, of which they are the sole members. Therefore, they did not deem it necessary to organise further meetings for the purpose of ensuring the confrontation of the independent directors in the absence of other directors.

### Lead Independent Director

Pursuant to the recommendations of the Corporate Governance Code, on 21 June 2021, the Board of Directors appointed as lead independent director of the Company the independent director Francesco Gesualdi, who had already held the office from 23 July 2020.

The Lead Independent Director shall collaborate with the Chairman of the Board of Directors to ensure the good operation of the Board of Directors and to ensure that the board members receive complete information in a timely manner. Non-executive directors and, more specifically, independent ones, refer to this office in order to improve the activities and operating procedures of the Board. In particular, he shall call, independently or upon the request of other board members, meetings to be attended by independent directors only on issues regarding the operating procedures of the Board of Directors or the corporate governance system.

During the Fiscal Year, the Lead Independent Director actively participated in the meetings of the board, coordinating, when necessary or appropriate, the requests and contributions made by independent directors.

## 5. HANDLING OF CORPORATE INFORMATION

On 31 May 2017, the Company adopted a procedure for the internal management and the communication to the outside of privileged information, implementing the provisions of the new Market Abuse Regulation introduced by Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 concerning market abuses, by the European Commission Delegated Regulation no. 2016/522 of 17 December 2015 and by the European Commission Delegated Regulation no. 2016/523 of 10 March 2016, regulating also the institution of the register of persons with access to privileged information [lastly updated on 07 October 2020 by the Board of Directors. The procedure can be read on the website of the Company at <http://www.giglio.org> in the *Corporate Governance – Governance System and Rules* section.

During the Fiscal Year, the Company disseminated one press release regarding internal dealings, available on its Website <http://www.giglio.org>, in the "Investor Relations", having received relevant notices regarding relevant operations pursuant to Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 and to Art. 152-*sexies* et seq. of the Issuers Regulation.

## 6. INTERNAL COMMITTEES OF THE BOARD OF DIRECTORS (PURSUANT TO ART. 123-BIS, PAR. 2, LETTER D) OF THE CONSOLIDATED ACT)

The Board of Directors did not constitute any internal committee other than the ones provided for by the Corporate Governance Code, without prejudice to the Related-Parties Committee, which, for the purpose of complying with the provisions set forth in the Related-Parties Regulation, was merged with the Internal Control and Risk Committee.

Taking into account the number of members of the Board of Directors and the size of the Company, the Board of Directors saw it fit to merge the functions of the remuneration committee with those of the appointments committee in a single committee for appointments and remuneration (hereinafter referred to as the "**Appointments and Remuneration Committee**"), pursuant to the provisions set forth in the Corporate Governance Code. For more information on the composition and operating procedures of the Appointments and Remuneration Committee, please see paragraph 7.2.

Moreover, the Issuer established an Internal Control, Risks and Related-parties Committee, as better explained in paragraph 9.2.

## 7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - APPOINTMENTS AND REMUNERATION COMMITTEE

### 7.1 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS

Over the course of 2021, the Board of Directors of Giglio Group, with the help of the Appointments and Remuneration Committee, adopted a specific procedure aimed at governing the self-assessment process of the Administrative Body, of the Board of Statutory Auditors and of its Committee, in line with the recommendations of the Corporate Governance Code.

This procedure focuses on the size, the composition and the actual functioning of the Board of Directors and of its Committee, considering the role that the Administrative Body carries out in the definition of its strategies and in the monitoring of the management performance and of the adequacy of the internal control and risk management system.

With regard to the size and the composition, the self-assessment process focuses on a series of elements such as the balance between executive, non-executive and independent directors, gender equality and the diversification of the experiences and of the professional and managerial competences of each member of the Board.

With regard to the actual functioning of the Board, the self-assessment process focuses on the modalities of the meetings, the frequency and the duration of the same, the promptness, the object and the continuity of the information flows within and from the Board of Directors, as well as the involvement of its members, the dynamics and the climate of the meetings, the role and the responsibility of the Administrative Bodies and of its Committees.

Generally, the Procedure is articulated in three stages:

#### **Start**

In this first stage, the Board of Directors starts, in the month of December of its last mandate, the Procedure, with the support of its internal functions. Should the Company deem it fit, the Administrative Body can receive the support of an independent external advisor (hereinafter, the "Advisor"), bound by specific and adequate confidentiality obligations and tasked with the definition of the object of the self-assessment process.

#### **Survey**

Subsequently, the Committee is called to determine the contents and the modality of the Board Evaluation Procedure. The latter, usually, is carried out with the dissemination of a survey to each member of the Board of Directors.

Taking into account all the above, the Committee thus defines and approves the content of the surveys, together with the Legal and Corporate Affairs Office of the Company.

Upon the approval of the survey's text, the latter is disseminated, via the Legal and Corporate Affairs Office, to the members of the Board of Directors, who shall answer anonymously by the end of January. The filled-out survey shall then be sent back to the Legal and Corporate Affairs Office, who shall properly record it.

#### **Results' Elaboration and Assessment**

Once the survey is completed, the Legal and Corporate Affairs Office, with the support of the Advisor, if appointed, shall analyse the answers provided in the surveys, transposing the results thus obtained in a report in which the eventual strengths and weaknesses arising from the surveys are highlighted, along with any possible margins of improvement.

The report shall then be presented to the Committee for its assessment and approval and, subsequently, it shall be submitted to the Board of Director's scrutiny. The Board shall authorise the publication in summary form of the results of the Procedure in its Corporate Governance Report.

In the Board Evaluation Procedure, the following subjects shall be involved, besides the Board of Directors:

- The Chairman of the Board of Directors, who shall cater for the adequacy and transparency of the self-assessment process;
- The Committee supporting the Board of Directors and the Chairman in every stage of the Procedure:
- The Advisor, if appointed;
- The Legal and Corporate Affairs Office supporting the Committee, who shall carry out all functional activities to the self-assessment and shall provide for the survey's recording;

The members of the Board of Directors, called to provide the information required for by the surveys. The Procedure is usually carried out during the last year of mandate of the Board of Directors, in view of its renewal.

Upon proposal of the Committee, the Administrative Body can decide to carry out the self-assessment of the Board of Directors and/or of one or more of its Committees also during the course of the other fiscal years.

### **Succession Plans**

It is noted that, on 26 October 2017, the Board of Directors of the Company approved a succession plan to be implemented in the event of the application of interdiction orders against executive directors, in order to protect the Issuer' going concern. More specifically, it is provided that in the event that one of the aforementioned directors is prevented from the performance of his/her office, his/her powers shall be transferred to another director with similar skills and requirements or, otherwise, to the General Manager. Should there be no General Manager or any Executive Director possessing the necessary requirements, the attribution of powers shall be resolved upon in the meantime in favour of the Chairman or, should this not be possible, of the Vice-chairman. Within 10 days from this attribution, the Board of Directors, upon the favourable opinion of the Appointments and Remuneration Committee, shall proceed to co-opt the subject thus identified. Should the Board not have proceeded with the co-optation, the Company shall be able to make use of a company specialised in the recruitment sector in order to identify a new director to be co-opted to replace the previous one.

## **7.2 APPOINTMENTS AND REMUNERATION COMMITTEE**

As pointed out in paragraph 6, taking into account the number of members of the Board of Directors and the size of the Company, the Board of Directors saw it fit to merge the functions of the remuneration committee with those of the appointments committee in a single committee for appointments and remuneration.

The Board of Directors, on 21 June 2021, constituted the Appointments and remuneration Committee.

### **Composition and Operating Procedures of the Appointments and Remuneration Committee (pursuant to Art. 123-bis, paragraph 2, letter d) of the CFA)**

Over the course of the year and until 21 June 2021, the Appointments and Remuneration Committee was composed of independent directors Francesco Gesualdi (Chairman) and Silvia Olivotto (Member). The Board of Directors of 21 June 2021, following the renewal of the body, appointed independent directors Sara Armella (Chairwoman) and Francesco Gesualdi (Member) as members of the Appointments and Remuneration Committee, in charge also as of the reporting date. Francesco Gesualdi and Sara Armella possess and adequate knowledge and experience in financial and remuneration policies.

The members of the Committee do not receive any additional payment other than the remuneration received for their office of directors, as resolved upon by the Board of Directors on 21 June 2021.

The members of the Appointments and Remuneration Committee shall remain in office for the whole duration of their office as directors, without prejudice to the power of the Board of Directors to revoke or replace them.

The Appointments and Remuneration Committee uses its own internal regulation, which governs its composition and appointment, its operating procedures, its tasks, its powers and its means, as updated lastly in 2021.

The Chairman/woman of the Committee shall program and coordinate the activities of the Committee, represent it, chair and conduct its meeting, as well as inform the Board of Directors of the resolutions adopted and of the activities carried out by the Committee at the first relevant meeting. In the event of his/her absence or impediment, he/she shall be replaced in all of his/her functions by the oldest member of the Committee present.

The Committee's meetings are attended by the Chairman of the Board of Statutory Auditors or by a standing statutory auditor delegated in its place; furthermore, upon invitation from the Committee's Chairman, the Chairman of the Board of Directors, the CEO as well as other parties can participate too, as long as their presence is useful to the Committee's works. No Director or manager shall take part in the discussions and resolutions of the Committee, where the proposals of the Board of Directors regarding its own remuneration are formulated.

The Committee shall meet with the necessary frequency for the performance of its functions in the dates set forth in the corporate calendar approved by the Committee itself and, in any case, should the meeting be necessary or advisable, upon the convocation of the Chairman of the Committee, also if requested by one or more members.

Any eventual document related to the items on the agenda shall be disclosed by the Chairman via e-mail to the members of the Committee, as well as, should it be deemed necessary or advisable, to the other subjects invited to the meeting, sufficiently in advance, before the date of the meeting, save in exceptional cases. Besides the legal obligations related to insider dealing, the members of the Committee shall keep the data and the information received during the performance of their functions as confidential.

The Committee shall be validly summoned in the presence of at least the majority of its components in office, and shall take its resolutions by an absolute majority of those presents. In the event of a tied vote, the vote of the Committee's Chairman/woman shall prevail.

The Secretary shall draft the meetings' minutes. The draft minutes shall be submitted to the Chairman of the Committee for his approval.

The minutes shall be signed by the Chairman of the meeting and by the Secretary, and shall be made available at the headquarters of the Company.

The member, should he/her have an interest on his/her own behalf or on behalf of a third party with regard to the resolution at hand, shall announce it to the Committee, without prejudice to the fact that no director shall take part in the discussion and resolution of the Committee in which the Board's remuneration is discussed.

The Chairman of the Committee shall inform the Board of Directors of the activities carried out by the Committee at the first relevant meeting.

The Committee can access the information and the corporate functions needed for the performance of its offices.

The Committee shall define a budget on an annual basis, to be submitted for approval to the Board of Directors during the assessment of the annual reports. The budget requested by the Committee may be amended by the Committee and submitted for approval to the Board in the event of sound reasons that were not foreseeable when the budget was firstly defined. The Company shall make available to the Committee all of the financial resources necessary for the performance of their tasks.



During the Fiscal Year, the Committee held 7 meetings of about 60 minutes each.

All the members of the Committee constantly took part in the meetings and the Board of Statutory Auditors was always represented.

Upon invitation of the Committee, external members also took part in its meetings in order to discuss specific items on the agenda, for which their participation was deemed appropriate.

For the current Fiscal Year, a number of no less than 6 meetings is provided, 1 of which already took place. The meetings of the Committee were duly minuted and the Chairman of the Committee gave the information on the first possible Board meeting.

In the performance of its functions, the Appointments and Remuneration Committee had the power to access the necessary information and company functions, as well as to make use of external consultants who are not in a position to compromise their autonomous judgement.

Taking into account the activities performed by the Appointments and Remuneration Committee, the Board of Directors resolved to provide to the Committee an annual budget of € 10,000, to this day spent in consultancy activities to support the Committee's decisions.

### **Functions of the Committee**

The Committee, within its powers, carries out consulting and proposing functions for the Board of Directors regarding the remuneration of directors and managers with strategic responsibilities, as well as the appointment of directors.

With regard to the appointment of directors and the self-assessment of the Board, the Committee shall help the Board:

- a) In the self-assessment activities of the Board and of its Committees, to be carried out usually during the last year of mandate, in view of the renewal of the Board of Directors and, should it be deemed fit, also during other years, supporting the Chairman in ensuring the adequacy and the transparency of the self-assessment process of the Board;
- b) In the definition of the best composition of the Board and of its Committees;
- c) In identifying the candidates for the office of co-opted directors;
- d) In the drafting, updating and implementation of any succession plan of the CEO and of other executive directors.

During the meetings held throughout the Fiscal Year, the Appointments and Remuneration Committee focused especially on the following actions related to the appointment of directors:

1. Propose a new member of the Board of Directors, Francesco Gesualdi, assessing the existence of the requirements necessary for carrying out the office;
2. Assess a new member of the Board of Directors, Marco Riccardo Belloni, assessing the existence of the requirements necessary for carrying out the office;
3. Support the Company in the conclusion of the consultancy agreement with Carlo Micchi, CFO and Financial Reporting Officer;
4. Assess the results of the annual self-assessment procedure;
5. Support the Company in the issues arising from the interdiction sanction imposed on the Chairman of the Board of Directors with Consob Resolution no. 21584 of 12 November 2020 (published on 16 November 2020 on the Bulletin of the Authority).

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

## 8.1 REMUNERATION OF DIRECTORS

As far as remuneration is concerned and according to the By-laws, the remuneration of directors is regulated by the terms set forth in Art. 2389 of the Italian Civil Code. The Shareholders' Meeting may grant them extraordinary or periodic indemnity and remuneration, including in relation to profits. In any event, directors shall be reimbursed of the expenses incurred by way of their office.

As far as the variable component of the remuneration is concerned, the Borsa Regulation, for the purpose of obtaining the STAR qualification, requires that the Company nominates a Remuneration Committee and that a significant part of the remuneration of executive directors and managers with strategic responsibilities is of an incentive nature.

For more information on the remuneration policy, the share-based remuneration plans, the remuneration of the executive directors, of the general manager, of the managers with strategic responsibilities and of non-executive directors, see the remuneration report published pursuant to Art. 123-ter of the Consolidated Act.

The Shareholders' Meeting of 21 June 2021 determined, with regard to the three-year term of the Board of Directors, as overall annual remuneration for the Board's members, an amount of € 450,000.

For more information, see the Remuneration Report, which shall be made available to the public on the authorised storage mechanism at [www.emarkestorage.it](http://www.emarkestorage.it) as well as on the Company's website in the "Corporate Governance - Shareholders' Meeting" section.

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### **Indemnities Payable to Directors in the Event of Resignation, Dismissal or Termination due to a Tender Offer (pursuant to Art. 123-bis, par.1, letter i) of the CFA)**

As at the date of this Report, there are no agreements between the Company and the Directors which provide for indemnity in the event of resignation, dismissal and/or revocation of office without just cause, or if the employment ceases following a takeover bid.

As made known to the public with the respective press releases, no resigning director during the Fiscal Year and in the period spanning from the end of the Fiscal Year and the date of this Report has been awarded with any indemnity or any other benefits.

## 8.2 REMUNERATION COMMITTEE

As pointed out in paragraph 6, taking into account the number of members of the Board of Directors and the size of the Company, the Board of Directors saw it fit to merge the functions of the remuneration committee with those of the appointments committee in a single committee for appointments and remuneration.

The Board of Directors, on 21 June 2021, constituted the Appointments and remuneration Committee.

### **Composition and Functions of the Committee (pursuant to Art. 123-bis, par. 2, letter d) of the Consolidated Act)**

For more information on the composition and operating procedures of the Appointments and Remuneration Committee, please see paragraph 7.2.

#### **Functions of the Committee**

With regard to the remuneration of directors, members of the Board of Statutory Auditors, and top managers, the Committee shall:

- a) Help the Board of Directors in elaborating its remuneration policy, carrying out the tasks assigned to it by the Code and by the "Procedure for the predisposition of the remuneration policy";
- b) Present proposals or express an opinion on the part of the Policy concerning the remuneration of executive directors and of other directors vested with specific powers, as well as the definition of performance objectives related to the variable component of said remuneration;

- c) Monitor on an annual basis, or with different frequency, if so established by the Board of Directors, the actual application of the Policy, assessing, in particular, the actual achievement of the performance objectives related to the variable component of the directors' remuneration;
- d) Periodically assess, at least on an annual basis, the overall adequacy and coherence of the directors' and top management' remuneration policy.

During the meetings held throughout the Fiscal Year, the Appointments and Remuneration Committee focused especially on the following actions related to remuneration:

- 1. Distribution of the remuneration among the members of the Board of Directors on the basis of the total emolument approved by the Meeting;
- 2. Assessment of the remuneration of Mr Carlo Micchi as advisor to the Company;
- 3. Supporting the Company in applying and amending the general remuneration policy adopted by the Company itself;
- 4. Assessment of the objectives achieved by the "Stock-Option Plan 2018-2021";
- 5. Supporting the Company in elaborating the incentive remuneration plans;
- 6. Supporting the Company in the definition of the remuneration of Marco Riccardo Belloni in his office of CEO.

For more information on the functions of the Appointments and Remuneration Committee pursuant as far as remuneration is concerned, see the section of the remuneration report published pursuant to Art. 123-ter of the Consolidated Act.

## **9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - INTERNAL CONTROL, RISKS AND RELATED-PARTIES COMMITTEE**

The Board of Directors shall define the corporate governance system of the Company, as well as the general structure of the group, and shall assess the adequacy of its organisational, administrative and accounting setup, including that of its subsidiaries with strategic relevance, with specific reference to the Internal Control and Risk Management System. More specifically, the Board shall:

- a) Define the guidelines of the Internal Control and Risk Management System, in coherence with the strategic lines of the Company, and assess, at least on an annual basis, the adequacy of the same system if compared to the company's characteristics and to the risk profile it adopted, as well as its efficacy;
- b) Appoint and revoke the director in charge of the Internal Control and Risk Management System, who shall take care of the identification of the main risks, who shall implement the guidelines set forth by the Board of Directors and shall cater for the design, realisation and management of the Internal Control and Risk Management System;
- c) Appoint and revoke the internal auditor, defining its remuneration in coherence with the corporate policies, making sure also that he is equipped with the adequate resource for the performance of his tasks. Should he decide to entrust the internal auditing function to an external subject either in its totality or partially, he shall also ensure that said subject is provided with the adequate requirements of professionalism, independence and organisation, providing also an adequate reason for his choice in his corporate governance report;
- d) Entrust the Board of Statutory Auditors or another body specifically established for the purpose with the supervisory functions set forth in Art. 6, par. 1, letter b) of the Legislative Decree no. 231/2001. Should this body be different than the Board of Statutory Auditors, the Board of Directors shall assess the opportunity to appoint at least one non-executive director and/or one member of the supervisory body and/or the owner of the legal and supervisory functions of the company within the body for the purpose of ensuring the coordination between the different subjects involved in the Internal Control and Risk Management System. Should the body be

different than the Board of Statutory Auditors, the Board of Directors shall assess whether to vest said functions to a collegial body or to a monocratic one, thus appointing its members.

- e) Approve, at least on an annual basis, the working plan laid own by the internal auditor, upon hearing the opinion of the Board of Statutory Auditors and of the CEO;
- f) Assess the opportunity to adopt further measures in order to ensure the efficacy and impartiality of other corporate functions involved in the Internal Control an Risk Management System;
- g) Assess, upon hearing the opinion of the Board of Statutory Auditors, the results exposed by the auditing company in the eventual suggestion letter and in the additional report addressed at the supervisory body;
- h) Describe, in the corporate governance report, the main characteristics of the Internal Control and Risk Management System and the coordination modalities between the subjects therein involved, pointing out the international and national models and best practices, expressing its overall assessment of the system's adequacy and justifying the choices made with regard to the composition of the supervisory body.

The Company has adopted an internal control and risk management system that integrates the risk management and the internal control systems, given the impossibility to consider these two systems in a separate way as far as the financial reporting process is concerned. This system aims at ensuring the reliability, accuracy, dependability and timeliness of the financial reporting.

The Internal Control and Risk Management System is the set of: rules, procedures and organisational structures aimed ad an effective and efficient identification, measurement, management and monitoring of the main risks, for the purpose of contributing to the sustainable success of the Company. It includes, amongst its structural elements, the internal control system related to the process of Financial Reporting's creation. The latter is aimed at ensuring the reliability, accuracy, dependability and timeliness of the financial reporting itself.

The internal control system is an integral part of the financial reporting process, and is included in the wider context of the internal control and risk management system. In general, the internal control system put in place by the Company is aimed at ensuring the safeguarding of corporate assets, the regulatory compliance, the efficiency and effectiveness of the corporate operations, as well as the reliability, accuracy and timeliness of the financial reporting itself.

The internal control system has the objective of identifying and assessing the events capable of compromising, should they occur, the reliability, accuracy, dependability and timeliness of the financial reporting, as well as the capacity of the process of preparation of the financial statements as a whole to produce a financial reporting pursuant to the accounting standards of reference.

The design approach in the construction of the control model for the financial reporting process was inspired by the international standards and the sector's best practices.

The accounting-administrative procedures for the preparation of the financial statements and of any other financial report are developed under the responsibility of the Financial Reporting Officer who, together with the CEO, shall assess its adequacy and effective application during the creation of the financial report, the consolidated financial statements and the half-year financial report of the Company.

#### **Main Characteristics of the Internal Control and Risk Management System Over Financial Reporting (pursuant to Art. 123-bis, par. 2, letter b) of the CFA)**

The Internal Control and Risk Management System is the set of: rules, procedures and organisational structures aimed ad an effective and efficient identification, measurement, management and

monitoring of the main risks, for the purpose of contributing to the sustainable success of the Company. It includes, amongst its structural elements, the internal control system related to the process of Financial Reporting's creation. The latter is aimed at ensuring the reliability, accuracy, dependability and timeliness of the financial reporting itself.

The Financial Reporting Officer shall take care of the adequate administrative/accounting structure of the Company, while the Director responsible for the Internal Control and Risk Management System shall take care of the adequacy and functioning of the Internal Control and Risk Management System.

Periodically, the Board of Directors, supported by the Internal Control, Risks and Related-Parties Committee, the Financial Reporting Officer, the director in charge of the Internal Control and Risk Management System and the Internal Auditor, shall assess the adequacy of the administrative and accounting procedures; the assessments shall be carried out on the basis of the methodological regulations defined in accordance with international standards. Moreover, integrative control procedures were carried out for the definition of the subsidiaries' Consolidated Financial Statements as of 31 December 2020.

Pursuant to the best practices of the sector, in order for the administrative and accounting procedures to be considered an adequate tool for addressing and controlling the financial reporting process and any other financial notification, the Company used an assessment framework for the adequacy and efficacy of the internal control system in the different corporate processes.

The aforementioned system of administrative and accounting procedures, together with the assessment framework, have been developed by the Issuer for the purpose of assessing the "adequate and actual application of the administrative and accounting procedures for the creation" of the Consolidated Financial Statements pursuant to Art. 154-bis of the CFA. For the execution of his tasks, the Financial Reporting Officer relied on the support of the manager responsible for the internal process and of the Internal Auditor in order to ensure the actual implementation, monitoring and update of the administrative/accounting system in relation to the financial reporting process.

In the light of the above, the internal control and risk management system, in relation to the financial reporting process, has been realised in three main phases:

- Risks identification and assessment;
- Controls identification and documentation;
- Controls assessment and verification of the actual application of administrative-accounting procedures.

With regard to the identification and assessments of the risks for the financial reporting, the Issuer has carried out its own analyses and audit activities on the companies within the Group, according to an intervention plan guided by the significance of the turnover and assets levels.

The risks, identified and assessed pursuant to international risk assessment practices, concern both the operational processes that feed the accounting entries in general, with a view both to prevent the accuracy and completeness errors and to prevent frauds. The assessment of the "pertinence" of the risks is qualitative, and was carried out with regard to the materiality and nature of the entries.

With regard to the identification and documentation of controls, the reference frameworks were developed in correspondence of the processes identified in the previous phase, with a risk-based representation of the internal controls and by analysing the existing documentation and the information obtained through interviews with the individuals responsible for the controls.

With regard to the assessment of controls and the actual application of the administrative-accounting procedures, the first and second tier controls have been taken into account for those processes feeding the main entries. The adequacy and efficacy assessments of the controls for mitigating the risks are of a qualitative type and are focused on the operating processes related to the material entries; moreover, taking into account the organisational transformation scope of the Issuer and the simultaneous remodulation of the corporate information systems, ad hoc assessments and integrative control procedures were carried out in order to verify the statements of the subsidiaries' Consolidated Financial Statements as of 31 December 2021.

### **Roles and Functions Involved**

The Board of Directors, supported by the Internal Control, Risks and Related-Parties Committee shall assess, on a half-yearly basis, the adequacy of the Internal Control and Risk Management System. The Committee's task and assessment's function is also to support the assessments and the decisions of the administrative body with regard to the Internal Control and Risk Management System and to the approval of periodical financial and non-financial reports.

The director in charge of monitoring the functions of the entire system, i.e. the CEO, shall be the individual in charge of governing the Internal Control and Risk Management System.

The Internal Control and Risk Management System for the financial reporting process is governed by the Financial Reporting Officer, who shall set adequate administrative and accounting procedures for the creation of the financial statement and the consolidated financial statements, as well as for any other financial communication.

The Financial Reporting Officer, while carrying out his activities:

- Interacts with the Internal Auditor, who carries out independent assessment regarding the functionality of the control system;
- Relies on the heads of functions involved who, each with regard to his/her own area of expertise, ensure the completeness and reliability of the information flows towards the Financial Reporting Officer for the purpose of creating the financial reporting;
- Establishes a mutual exchange of information with the Internal Control, Risk and Related Parties Committee and the Board of Directors concerning the use of accounting standards and their homogeneity for the purpose of drafting the consolidated financial statements, as well as the adequacy of the internal control and risk management system;
- Periodically reports to the Board of Statutory Auditors, to the Supervisory Body and to the Board of Directors with regard to the adequacy and reliability of the administrative-accounting system.

The Internal Auditor shall collaborate with the Financial Reporting Officer and the Board of Directors for the identification and monitoring of the risks. Moreover, it is noted that the Board of Directors shall approve once a year the Annual Audit Plan, after hearing the Board of Statutory Auditors and the Internal Control, Risk and Related-Parties Committee. The Audit Plan has been approved most recently on 07 September 2020 by the Board of Directors, upon positive opinion of the Internal Control, Risk and Related Parties Committee.

The Board of Directors, with the support of the Internal Control, Risks and Related-parties Committee, shall assess the Internal Control and Risk Management System twice a year. The directors rely on the help of the Internal Auditor and of the Supervisory Body in the assessment of the system, pursuant to Legislative Decree no. 231/2001, as well as of the Data Protection Officer, of the Financial Reporting Officer, of the Board of Statutory Auditors, by the Auditing Company and by the Director responsible for the Internal Control and Risk Management System.

The Internal Control and Risk Management System, in the half-yearly Internal Control and Risk Management System's Report, suggested to the Board of Directors to incorporate the suggestions received from the various functions involved in the assessment of the System's adequacy, as well as to implement the remediation pointed out by the Internal Auditor. The Board of Directors, over the course of its annual assessment, incorporated the observations of the Committee, delegating the Director responsible for the Internal Control and Risk Management System and the Financial Reporting Officer, each limited to his/her competence, to implement the activities suggested to the Board and aimed at ensuring the adequacy of the Internal Control and Risk Management System.

The Company is finalising the management reporting processes and is still working on adjusting the administrative, accounting and management reporting systems. Moreover, the Company is carrying forward the adjustment and implementation of the 262/2005 procedures on its strategic subsidiaries. With regard to the organisational, administrative and accounting structure of the strategic subsidiaries, it is noted that the Group is still expanding its management reporting mechanism to all of its subsidiaries. The Executive Officer for Financial Reporting programmed an action plan, adapting it to the encountered delays, mainly ascribable to the COVID-19 pandemics.

## 9.1 CHIEF EXECUTIVE OFFICER

The Board of Directors entrusted to the CEO the task of supervising and maintaining the internal control and risk management system. In exercising such task, the CEO shall identify the main corporate risks, taking into account the characteristics of the activities carried out by the Issuer and its subsidiaries, giving execution to the guidelines defined by the Board of Directors and entrusting to the internal auditor the task of verifying specific areas of operation, as well the respect of the rules and internal procedures in the execution of corporate operations.

## 9.2 INTERNAL CONTROL, RISK AND RELATED-PARTIES COMMITTEE

The Board of Directors, on 21 June 2021, constituted an internal committee of internal control and risk management, also vesting it with the functions of the committee of the transactions with related parties (hereinafter referred to as the "**Internal Control, Risks and Related-Parties Committee**").

### **Composition and Operating Procedures of the Internal Control, Risks and Related-Parties Committee (pursuant to Art. 123-bis, par. 2, letter d) of the CFA)**

Over the course of the year and until 21 June 2021, the Internal Control, Risks and Related-parties Committee was composed of independent directors Silvia Olivotto (Chairwoman) and Francesco Gesualdi (Member). The Board of Directors of 21 June 2021, following the renewal of the body, appointed independent directors Francesco Gesualdi (Chairman) and Sara Armella (Member) as members of the Appointments and Remuneration Committee, in charge also as of the reporting date. Francesco Gesualdi and Sara Armella possess and adequate knowledge and experience in financial and remuneration policies and/or of risk management.

The members of the Committee shall remain in office for the whole duration of their office as directors, without prejudice to the power of the Board of Directors to revoke or replace them.

The Committee uses its own internal regulation, which governs its composition and appointment, its operating procedures, its tasks, its powers and its means.

The Committee's meetings shall be chaired by the Chairman or, in the event of its absence or unavailability, by the most senior member. The Chairman/woman shall program and coordinate the activities of the Committee, represent it, chair and conduct its meeting, as well as inform the Board of

Directors of the resolutions adopted and of the activities carried on by the Committee at the first relevant meeting.

The Committee's meetings are attended by the Chairman/woman of the Board of Statutory Auditors or by a standing statutory auditor delegated in its place; furthermore, upon invitation from the Committee's Chairman/woman, other parties can participate too, in order to provide information and competency assessments with reference to the individual items on the agenda.

Any document regarding the agenda of each Committee's meeting shall be communicated by the Secretary via e-mail to the addresses provided by the members of the Committee, as well as via any other mean agreed upon at least three days before the meeting's date, save in exceptional cases.

The Committee shall be validly summoned in the presence of at least the majority of its components in office, and shall take its resolutions by an absolute majority of those presents. In the event of a tied vote, the vote of the Committee's Chairman/woman shall prevail.

The Secretary shall keep the minutes of every meeting. The minutes shall be signed by the Chairman/woman of the meeting and by the Secretary, and shall be made available to the Board of Directors, to the Board of Statutory Auditors and to the Internal Auditor through the Corporate Secretary.

The Committee shall report to the Board of Directors at least once every year on its activities, and in any case not after the term for the approval of the financial report. Furthermore, following each meeting, the Committee shall update the Board of Directors of the number of meetings held; this shall be done in the first meeting possible via a communication.

During the Fiscal Year, the Committee held 21 meetings of about 60 minutes each.

All the members of the Committee constantly took part in the meetings and the Board of Statutory Auditors was always represented.

Upon invitation of the Committee, external members also took part in its meetings in order to discuss specific items on the agenda, for which their participation was deemed appropriate.

For the current Fiscal Year, a number of no less than 12 meetings is provided, 4 of which already took place.

The meetings of the Committee were duly minuted and the Chairman of the Committee gave the information on the first possible Board meeting.

#### **Functions Assigned to the Internal Control, Risk and Related-Parties Committee**

The Committee is tasked with helping the Board of Directors in its objective to create value in the long-term for the benefit of the shareholders, taking into account the interests of other relevant stakeholders of the Company, as provided for in the Corporate Governance Code.

The Committee carries out consulting and propositional functions towards the Board of Directors with regard to the Internal Control and Risk Management System. Generally speaking, the Internal Control and Risk Management System must be understood as the entirety of rules, procedures and organisational structures aimed at an effective and efficient identification, measurement, management and monitoring of the Company's main risks, for the purpose of contributing to the sustainable success of the company, intended as the objective guiding the action of the Board of Directors, substantiated in the creation of value in the long-term for the benefit of the shareholders, taking into account the interests of other relevant stakeholders of the Company, as provided for in the Corporate Governance Code.

The Committee is also tasked with all the functions related to related-parties transactions, pursuant to Art. 9 of the Procedure for Transactions with Related Parties adopted by the Company and to the



Regulation issued by Consob with resolution no. 17221 of 12 March 2010. For the performance of the functions of the Committee with regard to the transactions with related parties, see the Procedure adopted by the Company and the aforementioned Consob Regulation.

With regard to the internal control and risk management, the Committee shall:

- a) Support the Board of Directors:
  - i. In defining the guidelines of the internal control and risk management system in coherence with the Company's strategies and in periodically assessing the adequacy of the same system compared to the company's characteristics and its risk profile, as well as its efficacy;
  - ii. In appointing, revoking and defining the remuneration of the Internal Auditor, as well as in assessing the adequacy of the resources appointed to the latter for the performance of his functions and, should the internal auditing function be vested to an external subject -entirely or partially- in assessing also the adequacy of the professionalism, independence and organisation requirements of the latter.
  - iii. In approving, at least once a year, the working plan drafted by the Internal Auditor;
  - iv. In attributing the supervisory body's functions set forth in Legislative Decree no. 231/2001 and in appointing any eventual member;
  - v. In assessing the opportunity to adopt measures in order to ensure the efficacy and impartiality of the other corporate functions, different than the Board of Directors, involved in the controls, as identified in Art. 32, letter e) of the Corporate Governance Code;
  - vi. In assessing the results presented by the Auditing Company in the suggestions letter, if any, and in providing the additional report addressed at the Board of Statutory Auditors;
  - vii. In describing, within the Report on corporate governance, the main characteristics of the risk management and internal control system and the procedures for coordination between the interested parties, expressing as well its evaluation of its overall adequacy;
- b) In assessing, together with the Executive Officer for Financial Reporting and the Board of Statutory Auditors, the correct utilization of the accounting principles and their consistency for the purpose of the preparation of the consolidated interim financial statements;
- c) In assessing the adequacy of the periodic financial reporting and, were drafted, of the non-financial one, in correctly representing its business model, the Company's strategies, the impact of its activities and the performances sought after;
- d) In assessing, were drafted, the contents of the non-financial declaration, relevant for the purpose of the internal control and risk management system;
- e) In expressing specific opinions on the identification of the Company's main risks and in supporting the assessments and the decisions of the Board with regard to the management of risks arising from detrimental facts that may come to its attention;
- f) In assessing the periodical reports and those of particular relevance prepared by the internal auditor and in monitoring the autonomy, the adequacy, the efficacy and the efficiency of said function;
- g) In entrusting to the Internal Auditor the assessment of specific areas of operation, giving immediate notice to the Board of Statutory Auditors;
- h) In reporting to the Board, upon hearing the main supervisory bodies of the Company, for the purpose of approving the annual and interim financial statements, on the adequacy of the internal control and risks management system, preparing the relevant report.

The Committee, in compliance with the provisions set forth in the Corporate Governance Code (Art. 37) shall promptly exchange information with the Board of Statutory Auditors of the Company for the performance of their respective tasks.

In the performance of its office, the Internal Control, Risk and Related-Parties Committee has the power to access the necessary information and company functions, as well as, under the conditions established by the Board, to make use of external consultants.

As shown in the procedure for the conduct of related party transactions approved by the Board of Directors on 31 May 2017 as amended, pursuant to the Consob Regulation's resolution no.17221 of 12 March 2010, an important role of the Committee is the preparation of measures and systems aimed at ensuring transparency and fairness to the transactions with related parties in the approval of these transactions.

During the meetings held throughout the Fiscal Year, the Internal Control, Risk and Related-Parties Committee focused especially on the following actions:

1. Assess and evaluate the periodical financial reports and the correct use of the accounting standards for the drafting of the periodical financial reports;
2. Assess the assumptions of the Industrial Plan adopted by the Company;
3. Evaluate the internal control and risk management system of the Company on a half-yearly basis;
4. Assess and evaluate the reports made available by the Supervisory Board;
5. Assess and evaluate the reports made available by the Data Protection Officer;
6. Assess and evaluate the reports made available by the Internal Auditor, as well as the results of the audit tests carried out by the latter, submitting to the Board of Directors the suggestions deemed useful from time to time;
7. Assess and evaluate the Annual Audit Plan;
8. Assess the adequacy of the administrative/accounting procedures set forth in Law no. 262 of 2005, suggesting to the Company the useful activities to carry out from time to time;
9. Assess the adequacy and the update of the procedure adopted by the Company on Internal Dealing and Privileged Information;
10. Assess and express opinions on the risks of the Company with regard to the amendment of the organisational chart and to the reorganisation of the proxy system that took place on 23 July 2020;
11. Carry out the activities and the formalities set forth in the Regulation adopted with Consob resolution no. 17221 of 12 March 2010, as well as pursuant to the Procedure for Related-Parties Transactions adopted by the Company in the event of Related-Parties Transactions.

The Board of Statutory Auditors was represented in all meeting of the Committee, as set forth in the regulation of the Committee.

Taking into account the activities performed by the Internal Control, Risk and Related-Parties Committee, on 21 June 2021, the Board of Directors resolved to provide to the Committee an annual budget of € 10,000, as of today almost entirely spent.

### **9.3 HEAD OF THE INTERNAL AUDIT FUNCTION**

On 26 October 2017, the Board of Directors appointed Mazars Italia S.p.A. as Head of the internal audit function upon proposal of the director responsible for the internal control and risk management system, after favourable opinion of the Internal Control, Risk and Related-Parties Committee, as well as after hearing the Board of Statutory Auditors, subject to the admission of the Company's Shares on the MTA-STAR market, vesting it with the powers briefly outlined below.

The function of internal auditor has been appointed to the company Mazars Italia S.p.A., which shall carry out the following activities: (i) entrust the responsibility of the internal auditor's functions to Mr Stefano Gnocchi; and (ii) assist in the Audit Plan execution and support the Financial Reporting Officer in the assessment of the administrative/accounting procedures.

The Head of the internal audit function, responsible in particular for assessing the suitability and effectiveness of internal control and risk management system:

1. Shall verify, both on an ongoing basis and in relation to specific needs and in compliance with international standards,
2. the operation and the adequacy of the system of internal control and risk management, through an audit plan, approved by the Board of Directors, based on a structure analysis and prioritisation of key risks;
3. Is not responsible for any operational area and is hierarchically dependent to the Board of Directors;
4. Shall have direct access to all the information he requires to execute his task;
5. Shall draft periodic reports containing adequate information on its own activity and on the company's risk management process, as well as about the compliance with the management plans defined for risk mitigation. The periodic reports shall contain an assessment on the adequacy of the Internal Control and Risk Management System;
6. Shall promptly draft reports on significant events;
7. Shall send the reports set forth in points (iv) and (v) to the Board of Statutory Auditors, the Internal Control, Risk and Related-parties Committee and the Board of Directors, as well as to the director responsible for the internal control and risk management risk system;
8. Shall verify, as part of the audit plan, the reliability of information systems including accounting systems.

More specifically, the main activities carried out by the Internal Auditor are the following:

1. The periodic assessment of the Internal Control and Risk Management System;
2. To develop the audit plan on a three-year and annual basis, which entails the execution of the following activities: (i) carrying out the assessments according to the schedule set forth in the audit plan; (ii) developing worksheet to support the auditing activities and conclusions; (iii) carrying out assessments upon request of the administrative and control bodies; and (iv) sharing the results of the assessments with the Internal Control, Risks and Related-Parties Committee, the Board of Statutory Auditors and the Board of Directors.
3. To assess the functionality and the coherence of the internal control system and of the risk management system;
4. To develop periodical reports on the activities carried out and on the results obtained, as well as to submit said reports to the relevant corporate bodies; and
5. To assess the reliability of the information and accounting system.

Taking into account the type of activities carried out by the Internal Auditor, the Company did not deem it necessary to provide said Auditor, who shall be remunerated as consultant, with any predetermined spending ability.

On the basis of the Internal Audit Plan approved by the Board of Directors on 07 September 2020, the assessment activities scheduled for the analysis period have been carried out and any eventual criticality has been identified, as well as the relevant corrective actions, in accordance with the defined risk profiles and the corporate objectives.

At the reporting date, the Internal Auditor assessed the following areas:

1. Workforce-related risk management;
2. Risks related to the financial exposure and to the monitoring of the economic and financial balance in the short and long-term, as well as to the reporting process for the Internal Control and Risk Management System;
3. Risks related to the collection, retention and treatment of personal data - GDPR (Data protection and security).
4. Risks related to the business' growth and to the estimates of revenues/growth expected also with regard to the business' foreign development.

Moreover, the Internal Auditor also carried out the assessment related to the conformity of administrative-accounting processes pursuant to Law no. 262 of 2005 and risks connected to operating business processes; In light of the recent organisational changes and of the updates of the

technological platforms used by the Group, the Internal Auditor assessed the adequacy of the set of compensatory controls carried out by each function, with regard to the Parent Company and the subsidiaries IBOX SA and E-Commerce Outsourcing S.r.l.. Taking into account the current context of the Group, it is believed that the Company has achieved a sufficient body of procedures, thus representing the basis for the development of the next stage, which provides for:

- (i) The adjustment of the administrative/accounting and management reporting systems and their procedures to the new application platform;
- (ii) The update of the operating procedures set forth in Law 262/05.

The Internal Auditor reserves the right to carry out further assessments on the operating effectiveness of the internal control so far designed.

Within the scope of the monitoring of the procedures thus introduced and of their approval, upon request of the Board of Statutory Auditors, the Internal Auditor launched on 28 August 2020 an assessment activity on the Treasury procedures. Following the results exhibited by the Internal Auditor, the Company's management developed an action plan.

The Internal Auditor carried out the follow-up activities, taking note of the developments and the corrective actions implemented by the Company and assessed the necessity to conclude the remedial plan envisaged, pointing out the required activities in its Annual Report.

Periodical and specific information flows were produced for the various organisational levels on the activities carried out and their results. Upon completion of the assessment activity, the recommendations of the Internal Auditor have been shared with the management, which swiftly strived to programme the corrective actions.

#### **9.4 ORGANISATIONAL MODEL no. 231/2001.**

The Board of Directors, in accordance with the methods and terms prescribed by Art. 2.2.3, par. 3, letter j) of the Borsa Regulation, on 19 May 2017, approved the "Organization, Management and Control Model" pursuant to Art. 6 of Legislative Decree no. 231/2001, as amended (hereinafter referred to as the "**Model**"). The Model was drafted in accordance with the guidelines set forth by Confindustria while complying with the relevant case law and best practices.

By adopting and efficiently implementing the Model, the Company shall be free from any administrative liability arising from crimes committed by top managers and by individuals supervised and managed by the same, put in place in the interest or for the benefit of the Company.

The Model includes the mapping of the corporate procedures with potential crime risk and provides for a series of rules of conduct, procedures and control activities, as well as a system of powers and proxies aimed at preventing the criminal activities described in Legislative Decree 231/2001 in the mapped processes. Furthermore, the Company adopted a disciplinary system applicable in the event of the violation of the Model.

For the purpose of assessing the adequacy and efficacy of the Model, pursuant to the provisions set forth in Art. 6, par. 1, letter b) of the Legislative Decree 231/2001, a Supervisory Body has been established, composed of two external members, Mr Mario Ippolito as representative of the consulting company Professional Governance Overview S.r.l. (PGO) and Mr Stefano Gnocchi, as representative of the consulting company Mazart Italia S.p.A., as well as by Mr Giorgio Mosci, independent director of the company, who were appointed in this office until the approval of the financial statement of 31 December 2020. Following the resignation of Giorgio Mosci from his office of Director, which took place on 23 July 2020, all of the members of the Supervisory Body are external.

The Supervisory Body shall:

1. Survey the efficacy of the Model to ensure that behavioural patterns implemented inside the company comply with the provisions of the same;
2. Verify the adequacy and effectiveness of the Model in preventing the criminal violations referred to in the Decree;
3. Evaluate any proposal of update and/or revision of the Model before their adoption; use its best endeavours to make the Board of Directors to keep constantly updated the Model in order to adapt it to corporate and legislative changes;
4. Carry out verification and spot checks provided for in the Model for all members of the Supervisory Board.

Furthermore, on a more operational level, the Supervisory Board shall:

1. Periodically verify the mapping of areas at risk annexed to the Model in order to propose to the Company to realise the necessary amendments upon its update;
2. Periodically verify, on the basis of an annual programme communicated to the Board of Directors, the effectiveness of the Model and the adequate application of its procedures and controls;
3. Based on this assessment process, prepare an annual report to be submitted to the Board of Directors highlighting the activities performed, the results of the assessments, any additional correction suggested and their development;
4. Coordinate with other functions (also with meetings held for the purpose) for the purpose of:
  - (i) An exchange of information aimed at keeping updated the areas at risk of crimes;
  - (ii) Constantly monitoring the risk profile of the activities performed by the Company and their evolution;
  - (iii) monitoring the various aspects regarding the implementation of the Model;
  - (iv) making sure that the corrective actions necessary to make the Model effective and adequate are undertaken promptly; gathering, elaborating and storing all relevant information received with regard to the Model;
  - (v) promoting initiative for the training of the Model's addressees and for its communication and dissemination.

The Supervisory board, within the limits of existing legislation, shall have free access to all relevant corporate documents, as well as the possibility to directly acquire data and information from responsible entities.

The Model was updated throughout the years in order to take note of the updates introduced by the legislator each time, the latest version was approved by the Board of Directors on 7 October 2020.

The Model was published on the Company's Website and communicated to the whole staff, third parties, clients, suppliers and partners, as provided for by the law.

Finally, always within the scope of implementing the Model, on 19 May 2017, the Board of Directors adopted Giglio Group's Code of Ethics. Indeed, as highlighted by Confindustria Guidelines, adopting ethical principles relevant to crime prevention is an essential element of the preventive control system. More specifically, Giglio Group's Code of Ethics identifies company values and states all the rights, duties and responsibilities of its addressees and provides for the application of sanctions, pursuant to the law and the National Labour Contract.

It is noted that, pursuant to Art. IA.2.10.2, par. 2, of Borsa Instructions, upon the admission of the listing on the STAR segment of Borsa Italiana, the Issuer duly attested the adoption by the Company of the Organization, Management and Control Model on 19 May 2017, pursuant to Art. 6 of the Legislative Decree no. 231/2001 and the composition of the Supervisory Board. The attestation is part of the document requested yearly by Borsa Italiana to companies listed on the STAR segment of the stock exchange aimed at maintaining said qualification.

As at the date of this Report, the Board of Directors did not consider it necessary to grant the functions of the Supervisory board to the Board of Statutory Auditors.

## 9.5 AUDITING COMPANY

On 1 December 2017, the Shareholders' Meeting, upon reasoned proposal of the Board of Statutory Auditors, entrusted the independent audit firm Ernst & Young S.p.A., with registered office in Via Po 32, Rome, with the office of performing the activity of legally auditing the financial statement's accounts, auditing the financial statement, verifying the accounting records and all relevant fulfilments as provided by law for Fiscal Years 2017-2025.

More specifically, for the fiscal years comprised in the office, the following activities shall be undertaken:

1. Audit the separate financial statements and the consolidated financial statements of Giglio Group S.p.A.;
2. Check the accounting records and make sure that the management performance is properly recorded on the accounts;
3. Check the consistency of the management report with the separate financial statements and the consolidated financial statements;
4. Audit limitedly the condensed half-yearly financial statements pursuant to the international accounting standard applicable to the financial reporting process adopted by the EU (IAS 34);
5. Premonitory activities to the subscription of tax returns;
6. Audit the following subsidiaries: Giglio TV HK Limited, Giglio Shangai, Ibox SA, Ibox S.r.l., E-Commerce Outsourcing S.r.l.

On 11 May 2018, the Shareholders' Meeting, based on the admission to negotiation of the ordinary shares of the Company on the MTA market, amended the nine-year validity period. Today, the office covers fiscal years 2018-2026 starting from the first trading day on the stock exchange market.

On 9 December 2021, the Shareholders' Meeting approved the consensual termination of the audit engagement previously entrusted to EY S.p.A., entrusting it, in line with the proposal made by the Board of Statutory Auditors, to BDO S.p.A. the new auditing engagement for 2021-2029, upon establishing the relevant remuneration.

For more information, see the Meeting's documents published on the Company's website at <http://www.giglio.org>, in the "Corporate Governance" section.

## 9.6 FINANCIAL REPORTING OFFICER AND OTHER CORPORATE ROLES AND FUNCTIONS

For the purpose of streamlining and distributing the corporate offices, on 14 May 2019, the Board of Directors of the Company appointed director Carlo Micchi, pursuant to Art. 154-*bis* of the Consolidated Act, with the favourable opinion of the Board of Statutory Directors, in substitution of Director and General Manager Mr Massimo Mancini, as Financial Reporting Officer, in fulfilment of the requirements of professionalism as provided by Art. 26 of the By-laws and of the requirements of good standing set forth in Art. 148, par. 4 of the Consolidated Act.

On 11 November 2021, Francesco Barreca was appointed as Financial Reporting Officer of the Company.

The Board of Directors vested the Financial Reporting Officer with all the power and means necessary for the exercise of the tasks attributed by the current law and By-laws, including the direct access to all functions, offices and information required for the creation and assessment of the accounting, financial and economic data, without the need of any prior authorisation.

## 9.7 COORDINATION OF THE INDIVIDUALS INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

As at the date of the Report, the Issuer has not yet assessed the adoption of specific coordination procedures between the individuals involved in the internal control and risk management system, believing that its bodies and function are sufficiently and efficiently integrated between them and no duplications of tasks exist. Moreover, it is reported that the Company has adopted, upon initiative of the Board of Statutory Auditors, the practice to carry out once a year a plenary meeting involving all the control bodies. The occasion is useful as it allows for a simultaneous confrontation between all the bodies involved and a sharing of each function's experience, for the purpose of improving: (i) the information flows; (ii) the efficacy of the Internal Control and Risk Management System.

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

In compliance with the provisions of the Related-Parties Regulation and subsequent interpretative communications, (i) on 31 May 2017, the Board of Directors adopted an internal procedure aimed at setting out the rules and principles to be followed for the purposed of ensuring the transparency and substantive and procedural fairness of Giglio Group's transactions with its related parties, directly or through its direct/indirect subsidiaries and (ii) on 21 June 2021, constituted the Internal Control, Risk and Related-Parties Committee, currently composed of two independent directors (in the persons of Francesco Gesualdi and Sara Armella).

As provided for by the Related-Parties Regulation, the internal procedure has been approved by the Board of Directors with the favourable opinion of the Independent Directors.

In conformity with the suggestion set forth in Consob Communication DEM/10078683 of the 24 September 2010, the Procedure is reassessed on an annual basis. Lastly, the procedure was assessed and updated on 30 June 2021 by the Board of Directors.

Taking into account the limited number of situations in which a director has an interest on his own behalf or on behalf of third parties, and by reason of the proper functioning of the procedure for related-parties transactions, the Board of Directors did not see it fit to adopt further operational solutions for identifying and managing the situations in which a director has an interest on his own behalf or on behalf of third parties, which are analysed individually directly by the CEO.

The full text of the procedure for related-parties transactions is available on the Company's Website <http://www.giglio.org>, in the "Investor Relations" section.

## 11. BOARD OF STATUTORY AUDITORS

### 11.1 APPOINTMENT AND SUBSTITUTION

Pursuant to Art. 29 of the Company's By-laws, the Board of Statutory Auditors is composed of three statutory auditors and three substitutes, eligible for re-election. The composition of the Board of Statutory Auditors shall ensure gender equality in compliance with applicable legislative and regulatory provisions.

The statutory auditors, who may be re-elected, are selected from persons meeting the requirements established by applicable laws and regulations, including the professional standing requirements established by Ministry of Justice Decree No. 162 of March 30, 2000, whereby it is understood, in respect of Article 1, paragraph 2, letters b) and c), of that Decree, that the following are considered closely related to the company's activity: (i) subjects pertaining to commercial law, tax law, accounting, business economics, general and international economics, financial markets and corporate finance; and (ii) the sectors of the industry and trade and communication generally. With regard to the

composition of the board of statutory auditors, the limits on simultaneous positions on governing and control bodies occupied by members of the board of statutory auditors are as set out in applicable laws and regulations.

The Board of Statutory Auditors are appointed, in accordance with the procedure illustrated in the following paragraphs, in compliance with applicable law and regulations on gender equality, based on slates presented by shareholders. Statutory Auditors are appointed by the shareholders' meeting on the basis of slates, in accordance with the procedures illustrated below. Each slate is composed of two sections: one for the candidates for the office of Standing Auditor and the other for the candidates for the office of Alternate Auditor, in which the candidates are listed in progressive number. The slates containing three or more candidates must contain candidates belonging to both genders, so that the under-represented gender is represented by two-fifths (rounded down) among the standing auditor candidates. Shareholders may only present slates that, alone or together with other shareholders, hold a percentage of the share capital, at the presentation date of the slate, with voting rights for the appointment at the shareholders' meeting equal to that for the appointment of the Board of Directors, as determined by these By-Laws.

The Shareholders' Meeting notice called to appoint the Board of Statutory Auditors indicates the shareholding required for the presentation of the slate of candidates.

Each shareholder cannot contribute to the presentation of or present, through other persons with voting rights or trust companies, on more than one slate. In addition, the shareholders: i) belonging to the same group (pursuant to Article 93 of Legislative Decree No. 58/1998 who are subject to control or common control, even if the control is by an individual) or ii) are part of a shareholder agreement pursuant to Article 122 of Legislative Decree No. 58/1998 concerning the shares of the company, or iii) participating in a shareholder agreement and who are, in accordance with law, parent companies, or controlled by, or subject to common control of, one of the shareholder participants, may not present or vote with others presenting more than one slate or vote on other slates. Support for the filing of a slate and votes cast in violation of this prohibition shall not be attributed to any slate.

The slates, together with the curriculum vitae of the candidates containing extensive professional and personal details including the list of offices held in other companies, and signed by the shareholders that presented them, or their mandate, with information on their respective identity and the total shareholding at the presentation date must be filed at the registered office at least 25 days before the date of the Shareholders' Meeting in first or single call together with a declaration of the presenting shareholders, where they are different than those that hold, also jointly, a controlling shareholding or relative majority in the share capital (this latter as defined above in the present article), attesting to the absence of any relationship with these latter in accordance with current legislative and regulatory provisions. The relative certificate or communication confirming the above-mentioned shareholding and issued by the authorised intermediary in accordance with applicable legislative or regulatory provisions may also be made subsequently, provided at least 21 days before the date of the Shareholders' Meeting in first call.

Within the terms for the presentation of the slate, each candidate must file declarations of acceptance of their candidature and certify, under their own responsibility, the inexistence of any cause of ineligibility or incompatibility with law, compliance with the independence obligations as per Article 148, par. 3 of Leg. Decree No. 58/1998, as well as any requirements prescribed by these by-laws, law and regulations for the members of the Board of Statutory Auditors.

Where within twenty-five days prior to the date of the Shareholders' Meeting in first or single call, only one slate has been presented, or slates have been presented only by shareholders which are



connected to each other in accordance with current legislative and regulatory provisions, further slates may be presented until the third day subsequent this date and the minimum shareholding for the presentation of slates indicated in the call notice will be reduced by half. Also in the case of this presentation, the relative certificate or communication confirming the necessary shareholding and issued by the authorised intermediary in accordance with applicable legislative or regulatory provisions may also be made subsequently provided within 21 days before the date of the Shareholders' Meeting in first call.

The slates and information presented must also be published in accordance with current regulatory provisions.

The statutory auditors shall be elected as follows: a) from the slate that has obtained the highest number of votes, based on the progressive order with which they are shown on the slate, two statutory auditors and an alternate auditor are elected, subject to the applicable gender equality laws and regulations; (b) from the slate that has obtained the second highest number of votes and that is not associated, even indirectly, with the shareholders who have presented or voted on the slate that obtained the highest number of votes, based on the progressive order with which they are shown on the slate, one statutory auditor, who is the Chairman of the Board of Statutory Auditors, and another alternate auditor are elected.

For the purposes of the appointment of the statutory auditors as per letter b) in the previous paragraph, in the case of parity between slates, the candidate presented by the shareholder with the largest holding will prevail or, the largest number of shareholders.

Where a party connected with a shareholder which has presented or voted the slate which obtained the highest number of votes has voted for a minority slate the existence of this connected relationship is only significant where the vote contributed to the election of the statutory auditor to be taken from this minority slate.

Where following the voting by slates or voting on the only slate presented the composition of the Board of Statutory Auditors, for the standing members, does not comply with the applicable gender equality laws and regulations, the standing auditor listed last on the slate which obtained the highest number of votes or the only slate belonging to the over-represented gender is excluded and replaced by the subsequent candidate, according to the progressive numbering by which candidates are elected, belonging to the other gender.

Where two or more slates have obtained the same highest number of votes, the Shareholders' Meeting votes by relative majority.

Where only one slate is presented, the Shareholders' Meeting votes on this slate; where the slate obtains the majority required by law, three candidates shall be elected standing auditor as indicated by progressive order in the relative section and two candidates shall be elected alternate auditor as indicated by progressive order in the relative section; the Chairman of the Board of Statutory Auditors shall be the first candidate of the section for standing auditor in the slate presented.

Where no slate is presented, the Shareholders' Meeting appoints the Board of Statutory Auditors by relative majority of the share capital represented at the Shareholder' Meeting, which must however comply with legislative and regulatory provisions on gender equality.

On the replacement of a standing auditor, where more than one slate has been presented, the alternate auditor from the same slate shall be appointed, which must however comply with legislative and

regulatory provisions on gender equality. On the replacement however of a standing auditor of the minority slate, the next candidate shall be appointed, according to the original presentation order and without taking into account the original standing or alternate auditor candidates, belonging to the same slate of the auditor resigning, or where this is not possible, the first candidate of the minority slate which obtained the second highest number of votes is elected, which must comply however with legislative and regulatory provisions on gender equality. In all other cases, including the lack of candidates on the slate, the Shareholders' Meeting appoints the standing or alternative auditors in order to supplement the Board of Statutory Auditors by majority vote. Where the Shareholders' Meeting is required to appoint standing and/or alternative auditors to supplement the Board of Statutory Auditors the following procedures apply: where auditors elected from the majority slate are to be replaced, the appointment is made with the favourable votes of a relative majority without being tied to a slate, which must however comply with legislative and regulatory provisions on gender equality; where instead auditors elected from the minority slate are to be replaced, the Shareholders' Meeting replaces them with the favourable votes of a relative majority, choosing where possible from among the candidates on the slate from which the auditor to be replaced was elected or, if not possible, from the minority slate which achieved the second highest number of votes, in both cases without taking into account the original candidate for the office of standing or alternative auditor, which must however comply with legislative and regulatory provisions on gender equality. In any case, shareholders who wish to propose a candidate must present in advance the same documentation relating to the candidate as that outlined above for the presentation of slates for the appointment of the entire Board of Statutory Auditors, if this refers to an update of that already presented in such an occasion.

Where the application of these procedures does not permit, for any reason, the replacement of the statutory auditors designated by the minority slate, the Shareholders' Meeting will vote with relative majority and as per legislative and regulatory provisions on gender equality, with prior presentation of candidates - together for each candidate with the same documentation outlined above in the case of the presentation of slates for the appointment of the entire Board of Statutory Auditors - by shareholders which hold, alone or together with other presenting shareholders, shares with voting rights equal to at least the shareholding which would be necessary for the presentation of the slates as determined by the present By-Laws, not permitting however the presentation by shareholders which hold, even jointly, a controlling shareholding or relative majority in the share capital (this latter as defined above in the present article) or connected to these latter as per legislative and regulatory provisions. The results of this latter voting will not take account of votes by shareholders which are not permitted the presentation of candidates. The Chairman of the Board of Statutory Auditors shall be the minority statutory auditor so appointed. Where no candidates are presented as illustrated above, the Shareholders' Meeting votes by relative majority, in accordance with applicable legislation and regulations on gender equality. The above regulations are subject to any further amendments to the law and regulations.

Where the Chairman of the Board of Statutory Auditors is replaced, the replacement standing auditor also assumes the office of the Chairman of the Board of Statutory Auditors.

Statutory auditors must have the requisites of good standing, professionalism and independence required by law and the applicable regulations.

The Shareholders' Meeting determines the remuneration of the statutory auditors, in addition to the reimbursement of expenses incurred for the office held.

## 11.2 COMPOSITION AND FUNCTIONS (PURSUANT TO ART. 123-BIS, PAR. 2 LETTER E) AND D-BIS) OF THE CONSOLIDATED ACT)

On 21 June 2021, the mandate of the Board of Statutory Auditors appointed by the Shareholders' Meeting on 11 May 2018 for 2018-2020 (and, as such, until the approval of the Financial Statements as of 31 December 2020) expired. The Board in charge until the ordinary Shareholders' Meeting of 21 June 2021 was thus composed:

Name and Surname	Office	Term: From	% Participation to the Board's Meetings
Cristian Tundo	Chairman	11 May 2018	100 %
Monica Mannino	Statutory Auditor	11 May 2018	100 %
Marco Andrea Centore	Statutory Auditor	11 May 2018	100 %
Cristina Quarleri	Alternate Auditor	11 May 2018	0 %
Stefano Mattioli	Alternate Auditor	11 May 2018	0 %

On the occasion of the Shareholders' Meeting of 21 June 2021, a single slate was presented by shareholder Meridiana Holding S.r.l. [the majority shareholder of the company with 56.66% of its share capital (no. 11,740,912 shares)].

As announced to the market on the same date, Meridiana Holding S.r.l. announced the waiver of two candidates for the office of statutory and auditor and alternate auditor. On 21 June 2021, the Shareholders' Meeting thus appointed two statutory auditors, Giorgio Mosci and Marco Andrea Centore, and one alternate auditor, Gianluca Fantini (later appointed as statutory auditor following the aforementioned waivers). The Company committed to promptly call a new Shareholders' Meeting for the purpose of integrating the Board of Statutory Auditors, in compliance with the gender equality principles set forth in Art. 148, par. 1-bis of the Legislative Decree no. 58/1998.

The Ordinary Shareholders' Meeting of 21 September 2021 - upon the candidacy proposed by shareholder Meridiana Holding S.r.l. (56.66% of Giglio Group's share capital)- thus appointed Lucia Tacchino as statutory auditor and Chiara Cosatti as alternate auditor.

As at the date of this Report, the Board of Statutory Auditors is composed as follows:

Name and Surname	Office	Term: From	% Participation to the Board's Meetings
Giorgio Mosci	Chairman	21 June 2021	100 %
Marco Andrea Centore	Statutory Auditor	21 June 2021	100 %
Lucia Tacchino	Statutory Auditor	21 September 2021	100 %
Gianluca Fantini	Alternate Auditor	21 June 2021	100 % <sup>2</sup>
Chiara Cosatti	Alternate Auditor	21 September 2021	0 %

Below, a brief summary of the personal and professional characteristics of each auditor pursuant to Art. 144-*decies* of the Issuers' Regulation.

**Giorgio Mosci.** Hired in September 1981 by Arthur Andersen's office in Milan and transferred to Genoa in 1982. He started working in the Ernst & Young Group first in Florence (1987) and then in Turin (1988), before moving to Genoa (1989) upon the inauguration of their new office, thus

<sup>2</sup> The participation is hereby intended for the meetings going from 21 June 2021 until 20 September 2021 as alternate auditor who took over as statutory auditor for the period at hand.

becoming partner in 1993. He acted as Sales & Marketing manager for EY Group in Milan, especially as manager responsible for their "Entrepreneur of the Year" award. In the context of the auditing activities, he acts as corporate advisor for the audit of economical assessments, accounting assistance and organisation, etc. He acted as contract professor for the academic years 2003/2004 and 2004/2005 at Genoa's Economics Faculty (Specialisation course - Financial Audit). He participated, as speaker, to various conferences regarding the auditing and accounting sectors at the University, the Chamber of Commerce, the Industrial Association, the Board of Chartered Accountants and the ANDAF (the Italian Association of Managing and Finance Directors).

**Marco Andrea Centore.** Since 2013 Marco has been listed in the Register of Chartered Accountants and the Register of Statutory Auditors. A partner at Studio Centore Commercialisti & Avvocati, he is a business consultant with a particular focus on extraordinary operations and crisis management. He acts as advisor for the Board of Chartered Accountants of Genoa. He also has solid experience in finance and taxation, specifically in the management of tax litigation. He acts as standing auditor in commercial and industrial companies active in various sectors.

**Lucia Tacchino.** Graduated with honours in Trade, Economics and Business Studies at the Trade and Economics University of Genoa in May 2003. She is registered in the Board of Chartered Accountants of Genoa starting from 2009. She is registered in the Registry of Financial Auditors starting from 2009. She is a PhD in Economics at the University of Genoa - XXIX Cycle - School of Social Sciences - Economics Faculty ever since 21 April 2017. She collaborated for several academic years with the University of Genoa, School of Social Sciences - DIEC. She participated, as speaker, to many conferences regarding the auditing, accounting and companies' crisis prevention sectors, but also with regard to accounting and tax issues for non-profit organisations. Her non-profit activities were carried out also in collaboration with Milan's "Università Cattolica del Sacro Cuore". She coordinates the non-profit work group of the ACB Group network. She collaborates with Rosina & Associates Law Firm ever since 2004, where she operates in all of the sectors of her professional activity, providing corporate and fiscal advices to companies and organisations. She provides assistance in the context of extraordinary operations carried out between listed companies. She acted as technical consultant for the Court of Genoa. She acts as financial Auditor for several listed companies and some non-profit organisations. She acts as Board member in a trust company, as well as internal auditor. She published several articles on specialised magazines.

**Gianluca Fantini.** With a Master's degree in Trade and Economics and another one in Law, he collaborated with a major corporate and financial consultancy law firm in Udine from 1998 to 2002. From 2002 to 2003, he founded his own professional office in Udine. From 2004 till today, he co-founded "FCB Associates", with headquarters in Udine, via Mentana 10 and office in Milan, via Napo Torriani 38.

**Chiara Cosatti.** After graduating in Trade and Economics, she became chartered accountant and financial auditor.

Following her university education, she obtained a Master's degree in Italian accounting standards and VAT. She specialises in general audits, supervisory bodies, accounting standards, business taxation and VAT. She is an expert in auditing procedures and business taxation. She is currently acting as Treasurer of the Board of Chartered Accountants in Udine.

The following table shows administrative and management office held by the members of the Company's Board of Statutory Auditors on 31 December 2021, both in listed and non-listed companies (for more information, see Table 4 appended to this Report).

### 1. Giorgio Mosci

Company	Tax code	Office
ALPIDORICA - S.P.A.	01426140065	Board Member
SOPRA STERIA GROUP S.P.A.	10850910158	Statutory Auditor

COGENERATION ROSIGNANO S.P.A.	09669820962	Statutory Auditor
HAIER A/C (ITALY) TRADING S.P.A.	03702260260	Chairman of the Board of Statutory Auditors
GIGLIO GROUP S.P.A.	07396371002	Chairman of the Board of Statutory Auditors
E-MOBILITY S.R.L.	12191250013	Director and Chairman of the Board of Directors

## 2. Marco Andrea Centore

Company	Tax code	Office
GIGLIO GROUP S.P.A.	07396371002	Statutory Auditor
CAMELTECH S.P.A.	01681580062	Statutory Auditor
TIMOSSI COMMERCIALE S.P.A.	00263520108	Statutory Auditor
C.A.I. CREAZIONI AMBIENTALI INNOVATIVE S.P.A.	01199030105	Statutory Auditor
ECOTRADE S.P.A.	02978190102	Statutory Auditor
FUTURA S.N.C. DI PIANO AGOSTINO E CIURCINA VITTORIO	03411800109	Insolvency Officer
SIX ITALIA S.P.A.	01778420155	Statutory Auditor
CONTRACT 2011 S.R.L.	02064200997	Governing Director
IMMOBILIARE TERRA DI LEVANTE S.R.L.	02076140991	Director
SAN BENIGNO IMMOBILIARE SBI S.R.L.	02559760992	Governing Director
TIMOSSI INVESTIMENTI S.P.A.	10908800153	Statutory Auditor
RECONTA -REVISIONI ED ELABORAZIONI CONTABILI S.A.S. DI DOTT. SALVATORE MARIA CENTORE E C.	01357360187	Managing Partner
AZIENDE DOLCIARE RIUNITE S.P.A.	00628470098	Statutory Auditor
S.T.C. CENTRO SERVIZI SOCIETA' DI CONSULENZA E REVISIONE S.R.L.	00823620182	Director

## 3. Lucia Tacchino

Company	Tax code	Office
ELETTRACQUA S.R.L.	00275000107	Statutory Auditor
UNISTARA S.P.A.	02611500105	Statutory Auditor
HYDRA ENERGIA S.R.L.	02343630998	Sole Auditor
GIGLIO GROUP S.P.A.	07396371002	Statutory Auditor
BIM FIDUCIARIA E DI REVISIONE S.P.A.	04272450018	Director

## 4. Gianluca Fantini

Company	Tax code	Office
E-Commerce Outsourcing S.r.l.	8576060969	Sole Auditor
CO.GES.A. S.R.L.	01505650307	Director
BDO Italia S.p.A.	03259120966	Alternate
FRIULAB S.R.L.	02214410306	Statutory Auditor
IMPLENIA ITALIA S.P.A.	02594310308	Statutory Auditor
MAGIC S.P.A. – GRANDI MAGAZZINI	01858180282	Statutory Auditor
DEALERNET S.R.L.	02886620307	Sole Auditor

## 5. Chiara Cosatti

Company	Tax code	Office
LOMBARDO S.P.A.	00167590306	Independent Auditor
Zofim S.p.A.	01419420300	Alternate
Tonutti Tecniche Grafiche S.P.A.	00166090308	Alternate
BLIZ S.R.L.	01319690309	Independent Statutory Auditor
CO.GES.A. S.R.L.	01505650307	Chairwoman of the Board of Directors and CEO
ALFA SISTEMI S.R.L.	01884350305	Statutory Auditor
UDINE E GORIZIA FIERE S.P.A.	01185490305	Alternate

As to questions on Board of Statutory Auditors composition, non eligibility and the limits of the accumulation of administration and control appointments which may be covered by the components of the Board of Statutory Auditors, the current dispositions of law and regulation find full application.

Over the course of 2021, 18 meetings were held, of which:

- (a) 9 meetings of the Board of Statutory Auditors, until 21 June 2021;
- (b) 4 meetings from 22 June to 21 September 2021;
- (c) 5 meetings until 31 December 2021.

The meetings lasted on average 180 minutes. For the current Fiscal Year, a number of no less than 20 meetings is provided, 6 of which already took place as of 28 March 2022.

The Board of Statutory Auditors as in charge over time, in the performance of its activities, liaised with the Internal Control, Risk and Related-Parties Committee, the Supervisory Body, with the internal audit function, with the Financial Reporting Officer and with the Auditing Company.

The Board of Statutory Auditors as in charge over time, monitored the independence of the Independent Auditors, verifying both compliance with the legislative provisions in this regard and the nature and extent of the various statutory auditing services provided to the Issuer and its subsidiaries by the auditing company and by the entities in its network.

For the purpose of maintaining an adequate knowledge of the activity sector in which the Company operates, Auditors shall receive periodically and whenever appropriate, information and updates of the sector in which the Issuer operates, pursuant the principles of good economic governance and the applicable laws, also through materials provided for by the Company. The Chairman of the Board of Directors, also through the internal functions of the Company, shall make sure that the auditors can participate in initiatives aimed at providing them an adequate knowledge of the sector of the Company's activity, of the dynamics of the Company and of their evolution, as well as of the reference legal and self-regulated framework.

### Independence

Throughout 2021, the Issuer adopted specific criteria, both qualitative and quantitative, in order to assess the significance of the trade, financial or professional relationships, as well as of the additional remunerations for the purpose of the assessment of the independence of the members of the Board of

Directors and of the Board of Statutory Auditors pursuant to Recommendation 7, letter c) and d) of the Corporate Governance Code of listed companies approved by the Corporate Governance Committee.

Upon appointment, the members of the Board of Statutory Auditors as in charge over time declared, on their own responsibility, to possess the independence requirements provided for by applicable laws and regulations.

The Board of Statutory Auditors as over time in charge, verified both in the first meeting possible after the appointment of the Board and subsequently that the independence requirement was still met by both independent directors in office, in accordance with the provisions set forth in the Corporate Governance Code, notifying the Board of Directors of such verification. The Board of Statutory Auditors, as in charge over time, in carrying out the assessment of its members, applied both the criteria provided by the Law and those pointed out in the Corporate Governance Code, considering all of the information made available by each member of the Board and assessing all of the relevant circumstances for this purpose.

### **Remuneration**

The remuneration of Auditors is commensurate to the commitment demand of them, to the relevance of the office held and also to the sectoral and dimensional characteristics of the company.

For more information, see the Remuneration Report available on the Company's website.

### **Interests Management**

Pursuant to the Recommendation no. 37 of the Corporate Governance Code, the auditor who has an interest on his own behalf or on behalf of third parties in a specific transaction of the Issuer, must promptly and fully inform the other auditors and the Board of Directors regarding the nature, terms, origin and extent of said interest.

## **12. INVESTOR RELATIONS**

### **Access to Information**

A specific corporate function called "Investor Relations" has been set up by the Issuer on its Website, making it easily identifiable and accessible, where all significant information regarding the Issuer for its Shareholders, so as to allow shareholders to exercise their rights in an informed manner.

On 30 June 2021, the Board of Directors appointed Elena Gallo as Investor Relator of the Company.

### **Investor Relations**

In accordance with the Corporate Governance Code, throughout 2021, the Board of Directors adopted an "Policy for the Relations with Giglio Group S.p.A.'s Investors and other Stakeholders" aimed at regulating, in a single document, the policy for the relations with the Company's investors and other stakeholders with regard to the multiple engagement forms that the Company puts in place, both (i) concerning the activities usually managed by the relevant corporate functions and (ii) with regard to the creation of a direct dialogue with the Board of Directors of the Company.

More specifically, the Policy is aimed at:

- a) Helping the Board of Directors to acknowledge the opinions, the expectations and the sensations of the Stakeholders with regard to corporate governance issues, corporate and environmental sustainability, as well as to the development strategies of the Company in view of its sustainable success, so as to keep it into account in the completion of its tasks;
- b) Establishing and maintaining additional dialogue and participation channels with regard to the Shareholders' Meeting that, without prejudice to the powers of each shareholder in that context, may allow for their further involvement in the Company's life;
- c) Increasing the comprehension of the Stakeholders on the Company's strategy, on the results pursued and on any other aspect, financial and non-financial, relevant for the purpose of choosing their investments and consciously exercising their corporate rights;
- d) all of this, in accordance with the current regulating norms concerning the equal treatment of the rights of those shareholders in the same situation, as well as the adequate measures necessary to

ensure transparency, correctness, promptness and symmetry in the disclosure of information, thus avoiding the dissemination of information that may damage the company's interest.

In brief, the Policy is addressed: (i) to favour the stability of the shareholders' investments and the growth and sustainable success of the Company through a better comprehension of the corporate objectives by the Stakeholders, as well as of their requests by the Company; and (ii) to promote the creation of a more immediate and transparent dialogue between the stakeholders, as well as a better reciprocal understanding between the Board of Directors of Giglio Group S.p.A. and its Stakeholders.

### 13. SHAREHOLDERS' MEETINGS (PURSUANT TO ART. 123-BIS, PAR. 2 LETTER C) OF THE CONSOLIDATED ACT)

Regarding the intervention of Shareholders in the Meeting, Art. 12 of the Issuer's By-laws provides the following: *"Participation in the Shareholders' Meeting is open to those with the right to vote who have obtained certification of their standing from an authorised intermediary and notified the Company thereof in accordance with applicable legislation. Those with voting rights may be represented by a proxy appointed in writing or by means of an electronic document signed in compliance with the applicable regulation. The Company may also be given notice of proxy authorisation by electronic channels, through the use of one of the following methods indicated from time to time in the call notice: (a) forwarding of the proxy authorisation to the e-mail address –possibly a certified e-mail address, where required by applicable legislation –indicated in the notice of the meeting; (b) the use of the specific section of the Company's website indicate in the notice of the meeting. The notice of the meeting may also indicate, in accordance with applicable legislation, additional methods of electronic notification of proxy authorisation that may be used for the specific shareholders' meeting to which the notice of meeting refers. The Chairman of the Shareholders' Meeting has the power to ascertain that proxy authorisation is valid and that those present have the right to participate in the meeting.*

To facilitate participation in the Meeting and the exercise of vote by Shareholders, the By-laws provide that the Meeting can be held by video, audio or teleconference, as indicated in each notice of the meeting.

Shareholders' Meeting are regulated by specific regulation, approved with a resolution of the Ordinary Shareholders' Meeting of the Company and made available on the Website of the Company <http://www.giglio.org>, in the "Corporate Governance - Shareholders' Meetings" section.

Pursuant to Art. 106, par. 4 of the Decree Law no. 18 of 17 March 2020 (the so-called "Heal Italy" Decree), due to the COVID-19 health emergency, during the Shareholders' Meeting of 21 June 2021, the participation to the meetings was allowed only through Computershare S.p.A. as Appointed Representative of the Company. The Meetings of 21 Septmeber and 9 December 2021 were held in person.

The Ordinary Meeting is called by the Board of Directors, at least once a year and within 120 days of the end of the Fiscal Year or within 180 days depending on legal requirements. The Meeting is also called, in a single call, ordinarily or extraordinarily, by the administrative body - whenever it deems it appropriate and in the circumstances specified by applicable laws and regulations - or by at least two members of the Board of Statutory Auditors pursuant to the applicable law.

The Meetings must be called with a notice containing the date, time and place of the Meeting and the agenda, as well as other information required by applicable laws and regulations. The notice announcing the Shareholders' Meeting must be published, within the time limits and methods established by law, on the Website of the Company as well as in the other manners provided for by applicable laws and legislation currently in force. The notice may indicate also the eventual dates of the following Meetings.



Shareholders who, alone or together, represent at least one fortieth of the share capital may request to supplement the list of items on the agenda, indicating the issues proposed, as well as presenting resolution proposals on the items of the agenda, within the limits and manners provided by law. Any person who has the right to vote may individually present resolution proposals to the Meeting. The request to supplement the list of items on the agenda not permitted for matters on which the Shareholders' Meeting will vote, in accordance with law, on proposals of the Directors or concerning projects or reports other than those prepared.

Any person who has the right to vote may submit questions upon the matters on the agenda, even before the Shareholders' Meeting, although within the terms provided for in the call notice. The Company is not obliged to answer if the relevant information are available on its Website in a "Q&A" format, or every time that the confidentiality and interests of the Company must be protected.

Each member's right to address the meeting on the agenda items is guaranteed by the coordination of the interventions and the meetings' works performed by the Chairman of the Meeting. The Meeting regulation incorporates specific provisions aimed at regulating in detail the discussion during the Meeting.

During the Meeting, the Board of Directors reported on planned and undertaken activities and did its best to ensure that the Shareholders received adequate information to allow them to take informed decisions at the Shareholders' Meeting. More specifically, all Directors participated in 2021's Meetings via web-conference.

During the Year, the Board of Director did not find it necessary to consider a proposal to the Shareholders' Meeting for changes to the By-Laws relating to the use of shares and the measures designed to protect minorities.

As already stated in this Report, on 31 October 2019, the Shareholders' Meeting resolved on the introduction of the system of shares with increased voting rights, which allows for two votes per each share.

For more information, see the documents on the Company's website at [www.giglio.org](http://www.giglio.org), in the "Investor relations - Shares with Increased Voting Rights" section.

#### **14. OTHER CORPORATE GOVERNANCE PRACTICES (PURSUANT TO ART. 123-BIS, PAR. 2, LETTER A) OF THE CONSOLIDATED ACT)**

The Issuer did not find it necessary to apply further corporate governance practices other than the ones already described in the previous points and included in specific obligations provided by applicable laws and/or regulations.

#### **15. CHANGES AFTER THE REPORTING DATE**

On 14 January 2022, as announced to the market, the Company received the resignation of Marco Riccardo Belloni from his office of executive director of the Company, effective immediately, due to personal reasons. On 26 January 2022, the Board of Directors of Giglio Group S.p.A., upon hearing the assessment of the Appointments and Remuneration Committee and upon receiving the acceptance of the Board of Statutory Auditors pursuant to Art. 2386 of the Italian Civil Code, co-opted, pursuant to Art. 20 of the standing By-laws, Carlo Micchi as new non-executive and non-independent director, who shall remain in office until the next Shareholders' Meeting. The Shareholders' Meeting called for the approval of this report shall also have to resolve upon the appointment of a director for the integration of the Board of Directors.

Other than the aforementioned, no changes in the corporate governance structure of the Company occurred upon the end of the Fiscal Year.

**16. CONSIDERATIONS ON THE LETTER OF 03 DECEMBER 2021 OF THE  
CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE**

The Board of Directors assessed the contents of the letter of the Chairman of the Corporate Governance Committee of 22 December 2020 and the recommendations thereby included, deeming that the best path to apply them would have been the adoption of the Corporate Governance Code.

To this regard, on 15 December, the Board of Directors resolved on the adoption of the new Corporate Governance Code and to programme all necessary activities for its adoption, of which full disclosure is made in 2021 Corporate Governance Report.

The Board of Directors assessed the contents of the letter of the Chairman of the Corporate Governance Committee of 3 December 2021, to which reference will be made in 2022.

## SUMMARY TABLES

**TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE AS OF THE REPORTING DATE**

<b>STRUCTURE OF SHARE CAPITAL</b>				
	Number of Shares	Number of Voting rights	Listed (markets) / Non-listed	Rights and Obligations
Ordinary Shares <small>(stating if voting rights can or cannot be increased)</small>	21,968,022	21,968,022	MTA	From Italian Civil Code and regulations. Increased voting rights as per Art. 6 of the By-laws (see par. 2 of this Report).

<b>MAJOR SHAREHOLDINGS IN SHARE CAPITAL</b>			
Declarant	Direct Shareholder	% of ordinary share capital	% of voting share capital
Alessandro Giglio	Meridiana Holding S.r.l.	56.66%	56.66%

**TABLE 2: BOARD OF DIRECTORS' STRUCTURE AS OF CLOSING DATE**

<b>Board of Directors</b>													
<b>Office</b>	<b>Members</b>	<b>Date of Birth</b>	<b>Date of First Appointment (*)</b>	<b>Term: From</b>	<b>Term: To</b>	<b>Slate (presenting stakeholders) (**)</b>	<b>Slate (M/m) (***)</b>	<b>Executive</b>	<b>Non-executive</b>	<b>Independent Code</b>	<b>Independent CFA</b>	<b>Number of Other Positions Held (****)</b>	<b>Equity investment (*****)</b>
<b>Executive Director and Chairman</b>	Giglio Alessandro	1965	13/02/12	21/06/21	Approval of 2023 Financial Statements (Belloni resigned on 14/01/22)	Shareholders	M	x				12	[•]/[•]
<b>Executive Director and Vice-chairman</b>	Lezzi Anna Maria	1961	30/07/08	21/06/21		Shareholders	M	x				3	[•]/[•]
<b>Chief Executive Officer</b>	Belloni Marco Riccardo	1983	23/07/20	21/06/21		Shareholders	M	x				[•]	[•]/[•]
<b>Independent Director</b>	Gesualdi Francesco	1957	14/05/2020	21/06/21		Shareholders	M		x	x	x	3	[•]/[•]
<b>Independent Director</b>	Armella Sara	1969	21/06/21	21/06/21		Shareholders	M		x	x	x	4	[•]/[•]
<b>OUTGOING DIRECTORS DURING THE FISCAL YEAR</b>													
<b>Independent Director</b>	Olivotto Silvia	1950	14/04/09	04/02/19	Approval of 2020 Financial Statements	-	-		x	x	x	[•]	[•]/[•]

**Number of meetings that took place during the fiscal year: 21**

**Quorum requested for the presentation of the slated by the minorities for the election of one or more members (ex Art. 147-ter of CFA) 2.5%**

**NOTES**

The following symbols must be inserted in the "Office" column:

• This symbol indicates the director in charge of the Internal Control and Risk Management System

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

(\*) The date of first appointment of each director is the date in which the director has been appointed for the first time ever in the Board of Directors of the Issuer.

(\*\*) This column reports whether the slate from which every director was elected was presented by shareholders ("Shareholders") or by the Board of Directors ("Board of Directors").

(\*\*\*) This column reports whether the slate from which every director was elected was a majority one ("M") or a minority one ("m").

(\*\*\*\*) This column reports the number of positions held by the person concerned as director or statutory auditor in other companies listed or other large companies. In the Corporate Governance Report, the offices are stated in full.

(\*\*\*\*\*) This column reports the participation of each director to the Board's meetings (indicate the number of meetings he/she participated in against the overall number of meetings; i.e. 6/8, 8/8, etc.)

**TABLE 4: BOARD OF DIRECTORS' STRUCTURE AS OF CLOSING DATE**

Board of Directors		Internal Control, Risk and Related-Parties Committee		Appointments and Remuneration Committee	
Office	Members	(*)	(**)	(*)	(**)
Non-executive - Independent Director from CFA and Code	Gesualdi Francesco	[•]/[•]	C	[•]/[•]	M
Non-executive - Independent Director from CFA and Code	Armella Sara	[•]/[•]	M	[•]/[•]	C
<b>Outgoing Directors During the Fiscal Year</b>					
Non-executive - Independent Director from CFA and Code	Olivotto Silvia	[•]/[•]	C	[•]/[•]	M
Number of meetings that took place during the fiscal year		11		7	

**NOTES**

(\*) This column reports the participation of each director to the Committees' meetings (indicate the number of meetings he/she participated into against the overall number of meetings; i.e. 6/8, 8/8, etc.)

(\*\*) This column reports the qualification of each director within the Committee: "C" Chairman/woman; "M" Member.

<b>Board of Statutory Auditors</b>									
<b>Office</b>	<b>Members</b>	<b>Date of Birth</b>	<b>Date of First Appointment (*)</b>	<b>Term: From</b>	<b>Term: To</b>	<b>Slate (M/m) (**)</b>	<b>Independen t Code</b>	<b>Participation to the Board's Meetings (***)</b>	<b>Number of Other Positions Held (****)</b>
<b>Chairman</b>	Giorgio Mosci	1958	21/06/21	21/06/21	Approval of 2023 Financial Statements	M	x	9/9	5
<b>Alternate Auditor</b>	Marco Andrea Centore	1982	09/10/17	21/06/21		M	x	18/18	13
<b>Alternate Auditor</b>	Lucia Tacchino	1979	21/09/21	21/09/21		M	x	5/5	4
<b>Alternate Auditor</b>	Gianluca Fantini	1970	21/06/21	21/06/21		M	x	4/4	6
<b>Alternate Auditor</b>	Chiara Cosatti	1977	21/06/21	21/09/21		M	x	n/a	7
<b>OUTGOING AUDITORS DURING THE FISCAL YEAR</b>									
<b>Chairman</b>	Cristian Tundo	1972	11/05/18	Approval of 2020 Financial Statements	Approval of 2020 Financial Statements	M	x	9/9	3
<b>Alternate Auditor</b>	Monica Mannino	1969				M	x	9/9	7
<b>Alternate Auditor</b>	Cristina Quarleri	1965				M	x	n/a	2
<b>Alternate Auditor</b>	Stefano Mattioli	1967				m	x	n/a	10

**Number of meetings that took place during the fiscal year: 18**

**Quorum requested for the presentation of the slated by the minorities for the election of one or more members (pursuant to By-laws): 2.5%**

**NOTES**

(\*) The date of first appointment of each auditor is the date in which the auditor has been appointed for the first time ever in the Board of Statutory Auditors of the Issuer.

(\*\*) This column reports whether the slate from which every auditor was elected was a majority one ("M") or a minority one ("m").

(\*\*\*) This column reports the participation of each auditor to the Board's meetings (indicate the number of meetings he/she participated into against the overall number of meetings; i.e. 6/8, 8/8, etc.)

(\*\*\*\*) This column reports the number of director or auditor offices held by the stakeholder pursuant to Art. 148-bis of the CFA and to the relevant implementation provisions set forth in Consob's Issuers Regulation. The complete list of offices is published by Consob on its website, pursuant to Art. 144-quinquiesdecies of Consob's Issuers regulation.