



**FIERA MILANO**

**FIERA MILANO S.p.A.  
REPORT ON CORPORATE GOVERNANCE AND  
OWNERSHIP STRUCTURE AT 31 DECEMBER 2015**

*prepared in accordance with Article 123-bis of Legislative Decree 24 February 1998, no. 58  
approved by the Board of Directors on 14 March 2016*

*Company website: [www.fieramilano.it](http://www.fieramilano.it)  
(Investor Relations/Corporate Governance section)*

This document contains a true translation in English of the document in Italian "Relazione sul governo societario e gli assetti proprietari al 31 dicembre 2015".  
However, for information about Fiera Milano reference should be made exclusively to the original document in Italian.  
The Italian version of the "Relazione sul governo societario e gli assetti proprietari al 31 dicembre 2015" shall prevail upon the English version.

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## Foreword

In this Report on Corporate Governance and Ownership Structure (hereinafter the **Report**), Fiera Milano SpA provides an account of its corporate governance system, information regarding the ownership structure, and disclosure on its compliance with the recommendations under the principles and application criteria of the Borsa Italiana Self-regulatory Code of Listed Companies, as amended in December 2011, July 2014, and in July 2015 (hereinafter the **Self-regulatory Code**). The term corporate governance is used to identify the body of rules and procedures adopted for the management and control of joint stock companies. An effective and efficient corporate organisation model must be capable of using the correct means to manage the business risks and potential conflicts of interest that can arise between Directors and shareholders and between shareholders with a controlling interest and those with a non-controlling interest in the Company. These aspects are of even greater significance in listed companies with a wide shareholder base.

The indications given by Borsa Italiana in the *Format for the Report on Corporate Governance and Ownership Structure* have been taken into account in the preparation of this Report.

### 1. Description of the Issuer

Fiera Milano SpA (hereinafter also the "Company or Fiera Milano"), an issuer of shares listed on the regulated market and specifically in the Segment for companies that meet the highest requirements of Borsa Italiana SpA (the STAR segment), uses a corporate governance system that meets the requirements of enacted laws, existing regulations and those of the Borsa Italiana Self-regulatory Code.

The Company uses a traditional administration and control model based on the existence of a Board of Directors and a Board of Statutory Auditors.

The Company qualifies as a Small and Medium Enterprise (hereinafter "SME") under Article 1, paragraph 1, section *w-quater* of Legislative Decree of 24 February 1998 no.58 (hereinafter the "Consolidated Finance Act")

As part of the initiatives to maximise shareholder value and guarantee the transparency of management actions, Fiera Milano SpA has drawn up concise and clear rules of conduct, governing both its organisational structure and its third-party relations, in particular those with shareholders, which conform to national and international best practice.

### 2. Disclosure on the ownership structure

#### Share capital

The paid in share capital is Euro 42,445,141.00 (forty-two million four hundred and forty-five thousand one hundred and forty-one) and comprises 71,917,829 (seventy-one million nine hundred and seventeen thousand eight hundred and twenty-nine) registered shares with no nominal value.

The increase in the share capital is the result of the Rights Issue carried out in 2015.

On 31 July 2015, the Extraordinary Shareholders' Meeting approved a share capital increase on a paid basis and in divisible form for a total maximum amount, inclusive of any share premium, of Euro 70 million to be offered to holders of the shares in accordance with Article 2441, paragraph 1, of the Italian Civil Code through the issue of new ordinary shares with normal entitlement and

identical in character to the shares already in circulation at the time of issue to be carried out within a period of 12 months from the date of approval granted by the Shareholders' Meeting.

The Extraordinary Shareholders' Meeting also granted the Board of Directors all necessary powers to decide, nearer to the date of the transaction, the final amount of the share capital increase, the number of ordinary shares to be issued, the rights option ratio and the issue price, as well as the timing of the share capital increase.

The Extraordinary Shareholders' Meeting also approved the cancellation of the nominal value of the shares.

In accordance with the mandate granted it by the Extraordinary Shareholders' Meeting of 31 July 2015, the Board of Directors, on 26 November 2015, approved the final terms of the Rights Issue and subsequent offer of unsubscribed rights and the relative timetable.

In detail, the Board of Directors approved the issue of a maximum of 31,126,821 ordinary Fiera Milano shares with no indication of nominal value with normal entitlement and identical in character to the shares already in circulation at the time of issue to be offered to existing shareholders at Euro 2.245 per share (of which Euro 0.01 to be assigned to share capital and Euro 2.235 to be the share premium) in the ratio of three new Fiera Milano shares every four Fiera Milano shares held, for a maximum total of Euro 69,879,713.

29,770,392 ordinary shares were subscribed in the Rights Issue. This was equal to 95.64% of the total shares offered and was for a total value of Euro 66,834,530.

The Company Articles of Association including the modifications to Article 5 – regarding the new amount of the share capital – are available on the Company website [www.fieramilano.it](http://www.fieramilano.it) in the section *Investor Relations/ Corporate Governance/ Articles of Association*.

Details of the Rights Issue are given in the Prospectus and in the Supplement to the Prospectus and in other documentation available on the Company website [www.fieramilano.it](http://www.fieramilano.it) in the section *Investor Relations/ Capital increase*.

The shares are indivisible and each carries one voting right except in the case of treasury shares held directly and indirectly, which do not have this right.

The Company has issued no other financial instruments with rights to subscribe to newly issued shares.

At 31 December 2015, the Company had no share-based incentive plans involving an increase, even without payment, of the share capital.

### **Restrictions on the transfer of shares**

There are no restrictions on the transfer of shares.

### **Significant shareholdings**

The Company is classified as a SME and, therefore, under Article 120, paragraph 2, of the Consolidated Finance Act the relevant level for the communication of significant shareholdings is 5% rather than 2%.

According to the shareholders' register and communications received pursuant to Article 120 of the Consolidated Finance Act, the shareholders that at 14 March 2016 held, directly or indirectly, shares equal to 5% or more of the share capital were as follows:

| Declarant   | Direct shareholder  | No. of shares     | % of ordinary share capital | % of voting capital |
|---|---|-------------------|-----------------------------|---------------------|
| Fondazione E.A.Fiera Internazionale di Milano                     | Fondazione E.A.Fiera Internazionale di Milano                     | 45,775,815        | 63.650                      | 64.226              |
|   | <b>Total</b>  | <b>45,775,815</b> | <b>63.650</b>               | <b>64.226</b>       |
| Camera di Commercio Industria Artigianato e Agricoltura di Milano | Parcam S.r.l.   | 4,689,316         | 6.520                       | 6.579               |
|   | Camera di Commercio Industria Artigianato e Agricoltura di Milano | 1                 | 0.000                       | 0.000               |
|   | <b>Total</b>  | <b>4,689,317</b>  | <b>6.520</b>                | <b>6.579</b>        |

### Shares with special rights

No shares with special rights have been issued.

### Employee stock options: mechanism for exercising rights

At 31 December 2015, there were no employee stock option plans.

### Restrictions on voting rights

There are no restrictions on voting rights.

### Shareholder agreements

There are no shareholder agreements as under Article 122 of the Consolidated Finance Act.

### Change of control clauses and provisions in the Articles of Association regarding tender offers

There are no changes to control clauses pursuant to Article 123-*bis*, paragraph 1, section h) of the Consolidated Finance Act.

As regards tender offers, the Company's Articles of Association meet current regulations on the passivity rule and do not provide for the application of the neutralisation measures under Article 104-*bis*, paragraphs 2 and 3 of the Consolidated Finance Act.

### Mandates to increase the share capital and authorisations for the acquisition of treasury shares

On 31 July 2015, the Extraordinary Shareholders' Meeting granted the Board of Directors all the necessary powers to decide the final terms of the Rights Issue and subsequent offer of unsubscribed rights.

The mandate was executed in 2015 as detailed in the preceding section headed "Share Capital".

In the 2015 financial year there was no authorisation from the Shareholders' Meeting to acquire treasury shares under Article 2357 and following of the Italian Civil Code.

At 31 December 2015, Fiera Milano SpA held directly and indirectly 645,008 treasury shares, equal to 0.90% of the share capital.

Of the total figure for treasury shares, 626,758 shares that are held directly were acquired before the 2015 financial year under previous authorisations given to the Board of Directors. The remaining 18,250 treasury shares are held indirectly through Ipack Ima S.p.A. following the acquisition of the latter during 2015.

### **Direction and coordination**

As approved by the General Council of its controlling shareholder Fondazione Ente Autonomo Fiera Internazionale di Milano on 26 July 2004, Fiera Milano SpA has organisational and management autonomy and is not subject to any direction or coordination, pursuant to Article 2497 and following of the Italian Civil Code, by its controlling company.

Any presumption of direction and coordination is negated by the fact that Fondazione Ente Autonomo Fiera Internazionale di Milano exerts no decisive influence on the long-term strategic plans or annual budgets of Fiera Milano SpA or on its investment decisions, nor does it determine its policies regarding the acquisition of goods and services on the market, or coordinates any business initiative or activity in the sectors in which the Company and its subsidiaries operate.

### **3. Compliance**

Fiera Milano SpA adheres to the Self-regulatory Code, approved by the Corporate Governance Committee of Borsa Italiana in March 2006 and as modified in December 2011, July 2014 and again in July 2015.

The Self-regulatory Code is publicly available on the website of the Committee for Corporate Governance at <http://www.borsaitaliana.it/comitato-corporategovernance/codice/2015clean.pdf>

The governance structure of Fiera Milano SpA is not affected by the legal provisions of countries other than Italy.

### **4. Board of Directors**

The Board of Directors has a central role in the Company organisation and is responsible for its activities and its strategic and operating guidelines, as well as for verifying that the necessary controls exist to monitor Company and Group performance.

#### **Appointments and replacements**

As required by law and by the Company's Articles of Association, the appointment of members of the Board of Directors is made from lists presented by shareholders who, either alone or in association with other shareholders, hold shares with voting rights that represent at least 2.5% of the shares with voting rights in ordinary shareholders' meetings, as required by both the Company's Articles of Association and by Consob Resolution no. 19499 of 28 January 2016. The lists must be deposited at the registered office of the Company at least twenty-five days preceding the date set for the first convocation of the shareholders' meeting and must be made publicly available at least twenty-one days prior to this date in compliance with enacted regulations.

Ownership of the minimum amount required to present lists is based on the shares that are registered to the shareholder on the day on which the lists are deposited with the Company. To prove ownership of the minimum number of shares required to present lists, the Shareholders must provide within the time required for the publication of the lists by the Company the relative certification released in accordance with law by authorised intermediaries.

Each list must be accompanied, within the aforementioned time, by (i) information concerning the identity of the shareholders that have presented the list and the percentage of the company held by these shareholders, (ii) statements in which each candidate agrees to be a candidate and declares that there is no cause that would make them ineligible or incompatible and that they

meet the necessary requirements under enacted law to be appointed, including any requirements of independence as established by the Statutory Auditors and as required by law and by the Self-regulatory Code (iii) a *curriculum vitae* of the business career of each candidate, indicating directorships and executive positions held.

It is also a legal requirement that at least one Director be appointed from the list with the greatest number of votes presented by minority shareholders and which is in no way connected, even indirectly, with the shareholders who presented, or joined together to present, or voted for the list that received the highest number of votes.

With reference to the appointment and replacement of members of the Board of Directors, in accordance with the requirements of Article 147-*ter*, paragraph 1-*ter*, of the Consolidated Finance Act and Article 144-*undecies*.1 of the Consob Regulation approved with deliberation 11971 of 14 May 1999 and subsequent amendments and modifications (hereinafter the "**Listing Rules**"), requires that:

- the number of Directors respects the principle of gender equality and guarantees that the least represented gender has at least one third of the seats on the Board;
- the way in which the lists are drawn up and the substitution mechanisms for replacing persons during their mandate guarantee that the approved principle of gender equality is adhered to;
- the mechanisms used should the elected body not respect the approved principle of gender equality ensure that some or all of the last three persons elected from the list that obtained the highest number of votes and that are of the gender most represented must step down to ensure the principle of gender equality to be replaced by the first persons that failed to be elected on the same list that belong to the less represented gender.

Under the Company's Articles of Association at least one of the members of the Board of Directors, or two members if the Board is made up of more than seven members, must be considered independent by the Statutory Auditors in accordance with enacted law (Article 148 of the Consolidated Finance Act).

For information purposes the entire section of the Company's Articles of Association regarding the aforementioned principle are available on the Company website [www.fieramilano.it](http://www.fieramilano.it) in the section *Investor Relations/ Corporate Governance/ Articles of Association*.

Furthermore, Fiera Milano SpA, as a company belonging to the STAR segment of the Italian Equity Market, is required to have two independent Directors in a Board of Directors of up to eight members, three independent Directors in a Board of Directors of between nine and a maximum of fourteen members, and at least four independent Directors in a Board of Directors with more than fourteen members. The Self-regulatory Code also recommends that an adequate number of independent Directors are appointed to the Board of Directors by applying the principles and criteria under articles 2 and 3 of the aforementioned Self-regulatory Code.

As indicated in the Self-regulatory Code, a Director of a listed company is not normally considered independent if:

- a) the Director, directly or indirectly, even through a subsidiary, fiduciary company or intermediary person, controls the issuer or is capable of exercising significant influence over it, or is part of a shareholding agreement through which one or more parties can exercise control or have a significant influence over the issuer;
- b) a Director has, or has held in the previous three financial years, a significant role (Chairman, Executive Director, executive with strategic responsibilities) in the issuer or in one of its subsidiaries of strategic importance or in a company which is subject to common control by the



Company, or in a company or entity which, also with others through a shareholding agreement, controls the issuer or is capable of exercising significant influence over it;

- c) in the preceding financial year, the Director has or has had, directly or indirectly, a significant business, financial or professional relationship with:
- the issuer, one of its subsidiaries or any of its top management;
  - someone who, also together with others through a shareholding agreement, controls the issuer, or – if a company or entity – is connected with any of the relevant top management;

or who is, or in the last three financial years has been, an employee of any of the aforementioned entities;

- d) a Director receives or has received in the previous three financial years from the issuer, or one of its subsidiaries or from a parent company, significant additional remuneration to the compensation agreed for a non-executive Director of the issuer or remuneration for being a member of a committee recommended in the Self-regulatory Code, including any incentive plans linked to company performance, comprising those that are share-based;
- e) a Director has been a Director of the issuer for more than nine of the previous twelve years;
- f) a Director is an executive Director in another company in which an executive Director of the issuer is also a Director;
- g) a Director is a shareholder or Director of a company or entity belonging to the group of the company that is appointed as legal auditor to the issuer;
- h) a Director is closely related to a person in any of the situations described above.

### Succession plans

To date, the Company has not adopted a formal plan for the succession of the Chief Executive Officer as the professional characteristics present within the Board of Directors and in the present management should ensure continuity in the operational management of the Company.

### Composition

The Board of Directors appointed at the Shareholders' Meeting of 29 April 2015, from a single list presented by the majority shareholder, Fondazione Ente Autonomo Fiera Internazionale di Milano, will hold office until approval of the Financial Statements at 31 December 2017 (Table 1 attached to the present Report gives the structure of the Board). The Board is composed of nine Directors. A brief *curriculum vitae* for each Director with his/her main personal and professional attributes, as well as a list of appointments held is given below.

- **Roberto Rettani**, Chairperson since 29 April 2015 and Independent Director under Article 148, paragraph 3 of the Consolidated Finance Act and under the Self-regulatory Code **(independent non-executive Director)**.

Born in Milan on 16 February 1953, Mr Rettani graduated in Industrial Chemistry from the Università Statale of Milan and did an MBA at the Luigi Bocconi University. In 2010 he founded Syneresis S.r.l., a consultancy company in the healthcare sector, and since that date has been its Chairman and Chief Executive Officer. He has over thirty years' experience in large Italian and foreign companies in the chemicals and pharmaceuticals sectors: from 2005 until 2008 he was Managing Director and CEO of Bracco Imaging S.p.A.; from 1999-2005, he was Managing Director and CEO of Zambon Group S.p.A.; from 1995-1999 he was Managing Director and CEO of Antibioticos S.p.A.; from 1994-1995 he was Group Director Planning & Strategy of Montedison S.p.A., a company in which he had previously been a member of the Steering Committee. From 1988-1994 he was Chief Executive Officer of Himont S.p.A. having previously been the Finance Director of Himont Incorporated. From 2005-2012 he was Chairman of the

Chemicals Group of Assolombarda and also a Council member. His other appointments include President of the Carlo Erba Foundation and member of the Scientific Advisory Board of the Filarete Foundation. Since October 2015 he has been Chairman of Impact LaB S.r.l. He is also a Board member of Lisapharma SpA and the Chairman of Italchimici SpA.

- **Corrado Peraboni**, Chief Executive Officer since 29 April 2015 (**Executive Director**).  
Born in Monza on 2 June 1964, Mr Peraboni is a graduate in law from the Università degli Studi di Milano. He is currently the secretary of the governing body of UFI, the Global Association of the Exhibition Industry. From 2001-2014, he was Deputy Chairman of the European Section of UFI; from 2004-2008 he was simultaneously World Deputy Chairman of UFI and Chairman of the European Section.  
From 2000-April 2015, he was Director General of Ente Autonomo Fiera Internazionale di Milano. From 1996-1999, he was a member of the General Council and Executive Council of Ente Autonomo Fiera Internazionale di Milano. Within the Fiera Milano Group he has been Chairman and Chief Executive Officer of Edizioni Fiera Milano S.p.A. (1997-2000); Chairman and Chief Executive Officer of Rassegne S.p.A. (1998-2000); a Board director of Fiera Milano International S.p.A. (2003-2007); Sole Director of Quartiere Fiera S.r.l. (2003-2012); a member of the Board of Directors of Villa Erba S.p.A. (2001-2014); and Chief Executive Officer of Expo CTS (2007-2009).  
He has also held several institutional offices: in 1992 he was elected to the Chamber of Deputies and was re-elected again in 1994; he has been a member of the Production Activity Commission, the Commission for Regional Affairs, and the cross-Chamber Committee overseeing the Cassa Depositi e Prestiti. From July 2012 until May 2015 he was a Board Director of Arexpo S.p.A.
- **Attilio Fontana**, Deputy Vice Chairman and Director since April 2009, an independent Director under Article 148, paragraph 3 of the Consolidated Finance Act and under the Self-regulatory Code (**independent non-executive Director**).  
Born on 28 March 1952 in Varese, Mr Fontana is a graduate in law from the Università Statale di Milano and owns a legal studio that he set up in 1980. Since 1988 he has been a lawyer entitled to represent clients in the Court of Cassation. From 1983-1989 he was an honorary district judge. He was a member of the Advocates and Procurators Council of Varese for three mandates and is registered in the Register of Auditors of Accounts. Since 1995 he has held numerous administrative positions and, since 2006, has been the Mayor of Varese; he is currently Vice Chairman of the National Committee of ANCI and a member of its National Steering Committee.
- **Licia Ronzulli**, Deputy Chairperson and Director since 29 April 2015, an independent Director under Article 148, paragraph 3 of the Consolidated Finance Act and under the Self-regulatory Code (**independent non-executive Director**).  
Born in Milan on 14 September 1975, Ms Ronzulli took a Master degree in Health Management and from 2003-2009 was responsible for coordinating the health professions within the IRCCS – Istituto Ortopedico Galeazzi of Milan (the San Donato Hospital Group). From 2009-2014 she was a member of the European Parliament and a member of the Committee for Employment and Social Affairs. She also became a member of the Committee for Environment, Public Health and Food Safety. Since 2004, she has worked with the international non-profit organisation, ONLUS Progetto Sorriso nel Mondo, travelling several times to Bangladesh with a surgical team specialising in the treatment of children with physical abnormalities.  
She is a consultant, manager and instructor in Corporate Welfare, Work-life Balance and Social Innovation.

- **Joyce Victoria Bigio**, Director since 29 April 2015, an independent Director under Article 148, paragraph 3 of the Consolidated Finance Act and under the Self-regulatory Code **(independent non-executive Director)**.

Born in Norfolk, Virginia (USA), in 1954, Ms Bigio graduated in Economy and Commerce from the University of Virginia in Charlottesville (USA) in 1976. From 1976-1986 she worked for Arthur Andersen & Co both in Milan and Washington becoming a Senior Audit Manager. From 1986-1990, she was responsible for setting up and implementing the management control system at Euromobiliare SpA in Milan; in 1990 she joined The Waste Management Group, a company with offices in both London and Milan, first as a Finance Manager for Europe and later as Controller of Mergers & Acquisitions. For three years from 1995 she was Director General of American International Bakeries in Milan and in 1998 became the Finance Director and a Board member of the Italian and Swiss subsidiaries of Sotheby's auction house. In 2002 she founded International Accounting Solutions Srl where she is currently a Managing Partner. She has been a non-executive independent board Director of Fiat SpA, as well as a member of the Control and Risks Committee and the Appointments Committee until the effective merger by incorporation of Fiat S.p.A. into Fiat Investments N.V.

She has also been an independent Director of Gentium S.p.A., a pharmaceutical company listed on Nasdaq, and of Simmel Difesa S.p.A. Since 2014 she has been an independent Board member and Chairperson of the Control and Risks Committee of RAI WAY SpA. In November 2015, she became an independent Director and Chairperson of the Control and Risks Committee of Veneto Banca S.c.p.a.

- **Renato Borghi**, Director since 2006, an independent Director under Article 148, paragraph 3 of the Consolidated Finance Act and under the Self-regulatory Code **(independent non-executive Director)**.

Born on 30 October 1948 in Milan, Mr Borghi is the Managing Director of Pellux S.r.l. He is also Deputy Chairman of Confcommercio Nazionale; Deputy Vice Chairman of Confcommercio Lombardia; Deputy Chairman of Federazione Moda Italia and National Chairman of Federmodamilano, both entities that represent companies in the retail and wholesale distribution of textiles, garments, furnishings, shoes, leather goods, travel goods and accessories.

- **Pier Andrea Paolo Edoardo Chevallard**, Director since 2010, an independent Director under Article 148, paragraph 3 of the Consolidated Finance Act and under the Self-regulatory Code **(independent non-executive Director)**.

Born on 24 May 1951 in Turin, Mr Chevallard graduated in Political Sciences from the University of Turin. Since January 2015, he has been CEO and General Director of Tecnoinvestimenti SpA. From November 2001 - December 2014, he was Secretary General of the Milan Chamber of Commerce, Industry, Craft and Agriculture. He is also Chief Executive Officer of Parcam Srl, Tecno Holding SpA, and Tecnoinfrastrutture S.r.l.; a Director of Promos, a specialised internationalisation and regional marketing company that is part of the Milan Chamber of Commerce; Director General of DIGICAMERE S.c.a.r.l.; and a board Director of Fiera Milano Congressi S.p.A., Ribes S.p.A. and ASSICOM S.p.A..

- **Romeo Robiglio**, Director since 2003. **(Non-executive Director)**.

Born in Montechiaro d'Acqui (Alessandria) on 20 January 1931, Mr Robiglio became the Deputy Director of the Milan headquarters of Credito Italiano in 1976 and from 1978-2003 was the Managing Director of Gruppo Siti Novara, a group of companies in the mechanical engineering sector. He has been a Director and member of the Executive Committee of Fondazione Cariplo (1998-2001) and of Intesa Asset Management (2000-2003). In 2001-2004, he was also Deputy Chairman of the Industrial Association of Novara and from 2004-2007 was appointed a board Director of Esatri S.p.A. part of Intesa San Paolo Group. He is also Director of Nolostand

S.p.A., and of the companies within the Intesa San Paolo Group, Sirefid S.p.A. and OldEquiter S.p.A.

- **Vincenza Patrizia Rutigliano**, Director since 29 April 2015, an independent Director under Article 148, paragraph 3 of the Consolidated Finance Act and under the Self-regulatory Code (**independent non-executive Director**).

Born in Barletta on 25 February 1968, Ms Rutigliano graduated in Foreign Languages and Literature. Since 2009, she has been the Director of Institutional Relations and Communications at Snam, one of the main European companies in the management of natural gas infrastructure. Since 2011, she has also been the President of FERPI, the Italian Public Relations Federation. From 2004-2009, she was Director of Communications at Autogrill and from 2001-2004 was the external relations Officer for Fastweb and Press Officer for e.Biscom. From 1997-2001 she was the spokesperson of the City of Milan. A specialist in Social Communications, she has been a professional journalist since 1997. In 2008 she was Director of the course for the Masters degree in Media Relations at the Alta Scuola in Media Comunicazione e Spettacolo of the Università Cattolica del Sacro Cuore in Milan. Since 2012 she has been a member of the Steering Committee of the Political Sciences Department of the Università degli Studi, LUISS Guido Carli in Rome.

She is a member of the Steering Committee of the General Council of Assolombarda and the Committee for the Milano Expo 2015 Brand.. She is a member of the Board of Directors of Toscana Energie and of *Il Cittadino* in Monza and Brianza.

With the exception of the Chief Executive Officer, all other members of the Board are non-executive Directors since none have any management responsibility.

For information on positions as Director or Statutory Auditor held by members of the Board of Directors in other companies listed on regulated markets, also foreign, or in financial, banking or insurance companies or companies of significant size, please refer to the section above and Table 1 of the present Report.

It should be noted that the number of independent Directors shown above exceeds the minimum ratio to the total number of Board Directors that is required by enacted law and regulations.

The Board of Directors verified the requisite independence of the Directors at the board meeting on 29 April 2015. On the aforementioned date, the Board of Statutory Auditors, as part of their duties under the law, verified that the Board of Directors had correctly applied the criteria and procedures for ascertaining and evaluating the independence of its own members.

The Chairman of the Board of Directors and the Chairman of the Board of Statutory Auditors therefore certified the existence of the requisite independence of the Directors on the basis of declarations given to this end in accordance with enacted law.

Profiles of the members of the Board of Directors may be found on the Company website [www.fieramilano.it](http://www.fieramilano.it) under *Investor Relations/Corporate Governance/Corporate Bodies*.

### **Role of the Board of Directors and Delegated Bodies**

The Board of Directors is invested with the widest powers for the ordinary and extraordinary management of the Company; specifically, it may take any action deemed appropriate or useful to achieve the Company objectives, except for those which, pursuant to law, are reserved for the Shareholders' Meeting.

In addition to those responsibilities that by law are the exclusive preserve of the Board of Directors, the Company's Articles of Association specifically assign the Board the following responsibilities:

- (a) the purchase, underwriting and transfer on its own behalf of shares, shareholdings or investments in other companies, including newly incorporated companies, and the transfer of option rights, except for normal treasury investment transactions;
- (b) the conferral of fixed or other assets to other companies in the process of incorporation or already incorporated;
- (c) any form of loan taken out by the Company which exceeds 30% of shareholders' funds;
- (d) taking out mortgages, charges or other guarantee rights of any type on all or a significant part of the bonds, property or assets of the Company;
- (e) approval of the budget;
- (f) the granting of bank guarantees from the Company to third-parties;
- (g) the stipulation of property-related contracts, with the exception of property rental contracts for a period not exceeding six years, agreed as part of the Company business;
- (h) the acquisition, divestment, creation, lease and contractual licensing agreements for patents, brands, models, internet sites and/or domains, satellite or cable television channels, editorial publications, royalties and similar and any intellectual property rights in general that are connected to the corporate objectives of the Company;
- (i) the appointment, use of consultants, and authorisation of services not covered by the budget and exceeding Euro 100,000 to third-parties that are in no way connected to the Board;
- (j) the appointment and removal of the Manager responsible for preparing the company accounts.

The Board of Directors is also responsible for the following:

- (k) any merger decision in circumstances pursuant to Articles 2505 and 2505-*bis* of the Italian Civil Code;
- (l) the setting up and closure of branch offices;
- (m) the reduction of the share capital in cases of shareholder rescission;
- (n) amending the Company's Articles of Association so that they adhere to the law;
- (o) the transfer of the registered office to another location in the same Province.

The Chief Executive Officer is vested with all the powers necessary for the ordinary and extraordinary management of the Company, except for those matters that are the exclusive preserve of the Board of Directors.

The Chief Executive Officer provides the Board of Directors, at least quarterly, with adequate information on the general progress of operations, on the foreseeable outlook for the business, as well as on the more significant transactions carried out by the Company and its subsidiaries.

The Directors notify the Board of Statutory Auditors in a timely manner in writing, and at least quarterly at the meeting of the Board of Directors, of any material economic, financial or equity-related transactions carried out by the Company and its subsidiaries.

As regards the provisions of point 1.C.3 of the Self-regulatory Code concerning an opinion of the Board about the maximum number of appointments that may be held as Directors or Statutory Auditors in listed companies, financial institutions, banks, insurance companies or companies of a significant size, it should be noted that the current Articles of Association of the Company do not stipulate a maximum number of such positions that may be held. However, the members of the Board of Directors have undertaken to guarantee that they will carry out their duties effectively and dedicate to the necessary time to these duties. This is confirmed by the significant number of



Board meetings held during the 2015 financial year and the high level of attendance at these meetings.

The meetings of the Board of Directors are usually scheduled according to a timetable approved at the start of the year in order to ensure maximum attendance at the meetings. The corporate calendar is available on the Company website [www.fieramilano.it](http://www.fieramilano.it) in the *Investor Relations/ Financial calendar* section.

During the financial year to 31 December 2015, the Board of Directors met twenty-five times with a high attendance rate for all Directors (the number of meetings attended by each member of the Board of Directors is shown in Table 1). The average duration of the board meetings was approximately two hours. At the date the present Report was approved, four Board Meetings had been held in the current financial year.

Group executives, who are responsible for the corporate activities pertaining to matters that are on the agenda, are invited to attend board meetings to supply additional information on the matters under discussion by the Board of Directors.

On 29 April 2015, the Board of Directors appointed a Secretary to the Board who is the Central Director of Corporate Affairs of Fiera Milano SpA.

The Chairman is supported by the Secretary in ensuring the timely delivery and completeness of the documentation supplied ahead of the board meetings and in maintaining the confidentiality of the data and information given.

Board Directors and Statutory Auditors receive the documentation and information sufficiently in advance of the date of the Board meeting to allow them to speak knowledgeably on the arguments submitted to them for discussion and approval.

The Board of Directors decided that the appropriate advance period for documentation given to Directors and Statutory Auditors ahead of board meetings was: seven days prior to the date of the meeting for any documentation regarding financial statements, budget and business plan except when there are valid reasons otherwise.

#### **The Chairman of the Board of Directors**

The Chairman directs the proceedings of the Shareholders' Meetings, verifies the correct constitution of the meeting, checks the identity and the legitimate right of attendees, oversees its conduct, including the rules governing the order and duration of any intervention, organises the voting system and the counting of votes, and scrutinises the results of any vote. The Chairman also oversees relations with the shareholders, supervises national and international institutional relations and corporate communication; he coordinates strategies and the internal audit, and verifies that decisions taken by the Board of Directors are implemented, whilst assisting the Chief Executive Officer in the internationalisation of the Group.

#### ***Induction program***

The Chairman and the Chief Executive Officer have been diligent in informing the Board of Directors of market conditions in the exhibition sector. They ensured that the Directors had adequate knowledge of the sector in which Fiera Milano SpA operates, company matters and performance, as well as the reference legal framework. In particular, the Board of Directors was made aware of the national and international environment for exhibitions with particular reference to the Brazilian, Chinese, South African, Indian, and Russian markets.

#### **Self-appraisal by the Board of Directors**

The Board of Directors carried out a self-appraisal of the functioning, composition and size of the Board of Directors and of its committees in the 2015 financial year.

The self-appraisal, instigated by the Chairman of the Board of Directors, was made by each Director completing a questionnaire; the results were revealed during the Board Meeting held on 14 March 2016.

The questions were designed to analyse (i) the size and composition of the Board of Directors with reference to the nature and professional experience of the Directors; (ii) its *modus operandi*, (iii) the composition and roles of the internal committees of the Board; (iv) the knowledge of the legal framework of the sector and the participation of Directors at meetings and in the decision-making process.

This questionnaire was completed by each Director and the results were aggregated and presented to the Board of Directors in an anonymous form.

The results of the questionnaire showed that the Board of Directors believes that the composition and *modus operandi* of the Board meet the organisational and administrative requirements of the Company. They also confirmed the diversity of professional qualifications of the Directors and the abilities and experience they bring to the decision-making process. A positive opinion was also expressed on the frequency of the meetings. There was also a positive evaluation of the internal committees concerning the role guaranteed by these committees within the Board.

## **5. INTERNAL COMMITTEES WITHIN THE BOARD OF DIRECTORS**

The Control and Risk Committee and the Remuneration Committee have been set up by the Board of Directors; their roles and functions are in line with the standards indicated in the Self-regulatory Code and with corporate governance best practice.

On 29 April 2015, the Board of Directors decided against having a specific appointments committee within the Board of Directors, under Article 5.P.1 of the Self-regulatory Code, as there appeared to be no requirement for such a committee. It decided that the functions of an appointments committee would be carried out by the Board in order to meet the criteria of 4.C.2 of the Self-regulatory Code.

On 26 July 2013, the Board of Directors adopted *Rules for the Appointment of the Corporate Bodies of Subsidiaries*, which gives guidelines for appointments to the administration and control bodies in subsidiaries that refer to the *Rules for the Regulation of Direction and Coordination by the Parent Company* (see section 11).

### **Remuneration Committee**

A Remuneration Committee has been constituted within the Board of Directors.

The Board of Directors meeting of 29 April 2015 appointed the Deputy Vice Chairman, Attilio Fontana, as Chairperson of the Remuneration Committee and the non-executive Directors, Licia Ronzulli and Romeo Robiglio, as the other members of the committee.

The members of the Remuneration Committee are remunerated for the work they do.

During the financial year to 31 December 2015 the Remuneration Committee met five times, with minutes taken, making proposals, as is its duty, to the Board of Directors. The average duration of these meetings was approximately forty-five minutes.

At the date of the approval of the present report, five meetings had been held in the current financial year.

Information on the composition, activities and operation of the Remuneration Committee, is given in the Report on Remuneration published in accordance with Article 123-*ter* of the Consolidated Finance Act.

### **Remuneration of the Board of Directors**

Reference should be made to the Report on Remuneration published in accordance with Article 123-ter of the Consolidated Finance Act for:

- The general policy on remuneration;
- Remuneration of Executive and Non-executive Directors;
- Remuneration of executives with strategic responsibilities;
- Compensation payable to Directors on resignation, dismissal or termination of employment.

### **Control and Risk Committee**

The Board of Directors set up an Control and Risk Committee composed of independent and non-executive Directors. The Committee has an advisory role, makes proposals and carries out preliminary research to aid the Board of Directors in its decisions and evaluations regarding the internal control and risk management systems, as well as the approval of the financial statements and the six month interim financial statements; it gives the Board of Directors information, on at least a six-monthly basis when the annual financial statements and the interim six-monthly statements are approved, regarding its activities and also the adequacy of the internal control and risk management systems.

The Internal Audit Committee has the following remit:

- to give a preliminary opinion to the Board of Directors regarding:
  - (i) the definition of the guidelines of the internal control and risk management systems so that the main risks faced by the Company and its subsidiaries are correctly identified, quantified, managed and monitored while assessing the compatibility of these risks with management of the company that is consistent with its stated strategic objectives;
  - (ii) the annual evaluation of the adequacy and efficacy of the internal control and risk management systems given the nature of the business and its risk profile; the description, which is part of the Report on Corporate Governance, of the main features of the internal control and risk management systems and the evaluation of its adequacy;
- to express a considered opinion on the interests of the Company and on the substantial correctness of conditions regarding related-party transactions, pursuant to the enacted Procedures for Related-Party Transactions adopted by the Company in accordance with Consob Resolution no. 17221/2010 and the relative enacted organisational procedures;
- to express a considered opinion on specific aspects regarding the identification of the main corporate risks;
- to evaluate, in collaboration with the Manager responsible for preparing the Company accounts, the Independent Auditors, and the Board of Statutory Auditors, the correct application of accounting principles, as well as their consistent application within the Group in the preparation of the consolidated financial statements;
- to express a preliminary opinion regarding the appointment or change in the Head of Internal Audit, ensuring that he/she has the necessary resources to carry out his/her role, as well as on whether the relative remuneration is consistent with Company policy;
- to express its opinion regarding the adoption and subsequent updating of the guidelines for the Manager responsible for the preparation of the Company accounts;
- to express an opinion to the Board of Directors on the annual approval of the work schedule prepared by the Head of Internal Audit and to examine the periodic reports made by the



internal audit department to evaluate the internal control and risk management system, and any other important evaluations;

- to give an opinion to the Board of Directors on the results of the independent audit expressed in any eventual letter of suggestions and in the report on the fundamental questions pursuant to Article 19, paragraph 3 of Legislative Decree no. 39/10 that have emerged as part of the legal audit;
- to express an obligatory but non-binding opinion on any intra-group service contracts that could come under the Rule governing the exercise of direction or coordination by the Parent Company;
- to monitor the independence, adequacy and efficacy of the internal control procedures.

The Chairperson of the Board of Statutory Auditors (or a member of the Board of Statutory Auditors delegated by the Chairperson) and the Head of Internal Audit for Fiera Milano SpA attend meetings of the Control and Risk Committee. Other Statutory Auditors may also attend.

If considered appropriate, the Committee may invite Directors and executives of Fiera Milano SpA or of Group companies to attend its meetings so that they may give their opinion on specific matters; it may also invite other persons who may be able to assist in the business of the Committee.

The Control and Risk Committee has access to information and the corporate functions necessary to expedite its business and may also use external consultants.

At its meeting on 29 April 2015, the Board of Directors appointed the following as members of the Control and Risk Committee: Joyce Victoria Bigio (Chairperson), Renato Borghi and Patrizia Rutigliano, all independent Non-executive Directors.

At the time of these appointments, the Board of Directors expressed a positive opinion on the professional accounting and financial experience of the Director, Ms Bigio.

The members of the Control and Risk Committee are remunerated for the work they do.

During the financial year to 31 December 2015, the Control and Risk Committee held eleven meetings, minuted in accordance with the regulations. The average duration of the meetings of this Committee was approximately two hours. At the date of the approval of the present Financial Statements, three meetings had been held in the current financial year.

During the financial year under review, the Control and Risk Committee has:

- evaluated the work schedules prepared by the Head of Internal Audit, with relevant periodic reports on the audit activity;
- examined the work schedule proposed by the independent audit firm, the relevant audit reports and the report on fundamental topics;
- examined the delegation and procurement systems;
- monitored the functioning of Group shared services;
- examined the process for preparing the quarterly and half-year operational report, as well as that for the annual Financial Statements, and evaluated the adequacy of the accounting standards used with particular attention to the methodology followed in applying any impairment test procedures;
- monitored the preparation of the Parent Company rights issue;
- periodically examined operations;

The Control and Risk Committee also exercised its prerogative to give a preliminary analysis to the Board of Directors identifying, quantifying, managing and monitoring the main risks faced by the Company.

On the subject of related-party transactions, the Committee expressed its opinion on the proposal to change the existing Related-party Procedure and examined the suitability and substantive correctness of the main economic, equity and financial transactions with related parties in the 2015 financial year.

## **6. Internal Control and Risk Management System**

The internal control and risk management system of the Company and the Group is made up of rules, procedures and organisational structures that are designed to identify, quantify, manage and monitor the main risks. It contributes to the conduct of the Company and the Group as it is consistent with the corporate objectives established by the Board of Directors of the Parent Company and favours the adoption of informed decisions. It also contributes to guaranteeing (i) the protection of shareholder equity, (ii) efficient and effective corporate procedures, (iii) reliability of financial reporting, and (iv) compliance with applicable laws and rules, the Company's Articles of Association, and internal procedures.

Fiera Milano Group has developed an integrated risk management model based on internationally recognised Enterprise Risk Management (ERM) standards.

The main aim is to have a systematic and pro-active approach to identifying the principal risks to which the Group is exposed and to identify as early as possible the potential negative effects, taking suitable action to mitigate these effects while continually monitoring the relevant exposure.

In order to achieve this Fiera Milano has compiled a catalogue of Group risks linked to the strategies being implemented, together with a risk mapping and risk scoring methodology, and has made the necessary organisational changes in order to identify the roles and responsibilities of those involved.

Specifically, the Group integrated risk management process entails an annual (i) update of the risk catalogue according to the strategies implemented and the management and business model used; (ii) assessment of the risks by the management of Fiera Milano SpA and of its subsidiaries; (iii) consolidation of information and prioritisation of the risks and the consequent course of action; (iv) tolerance analysis of any exposure identified and formulation of the appropriate management strategies/actions and the identification of those responsible for implementing such actions; (v) monitoring over time of any exposure that has been identified.

The Control and Risk Committee and the Board of Statutory Auditors are informed of the results of the aforementioned procedures.

### **Risk management and internal control system for financial reporting**

The aforementioned integrated risk management model cannot be considered separately from the internal control system used for the financial information process as both are elements of the overall internal control and risk management system of Fiera Milano SpA. It should be noted that the process for preparing the annual and interim financial statements and, in particular, the processes to describe the principal risks and uncertainties to which Fiera Milano SpA and the Group are exposed, are strictly linked and coordinated to the information flows deriving from the Enterprise Risk Management (ERM) processes of the Company and of the Group, which aim to identify, evaluate and mitigate any corporate risks.

In recent financial years, Fiera Milano SpA has modified its internal control system for financial reporting in keeping with the provisions of Law 262/05 so as to document, where necessary, the administrative and accounting control model adopted, and to schedule and carry out periodic

checks on the operational efficacy of the controls that are behind the certification processes of the Manager responsible for preparing the company accounts.

The aforementioned administrative and accounting control model combines the internal procedures and methods used by the Company to attain the corporate targets of integrity, accuracy, reliability and timeliness of financial information. The approach of Fiera Milano SpA in formulating, implementing and continually updating the aforementioned administrative and accounting control model follows a development process in line with generally accepted best practice, the guidelines for the duties of the Manager responsible for preparing the company accounts under Article 154-*bis* of the Consolidated Finance Act issued by Confindustria, and the control elements identified in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

This reference model, based on the components of the internal control system (Control environment, Risk assessment, Control activities, Information & Communications, and Monitoring) necessary to attain the aforementioned financial reporting objectives favours, *inter alia*, the identification of coordination opportunities and the development of synergies among, for example, Enterprise Risk Management activities, activities undertaken to comply with Decree Law 231/2001 and the activities of the Internal Audit Department.

The internal control system phases relating to the financial reporting system of Fiera Milano SpA can be divided into the following macro-categories:

- identifying procedures, risks and controls;
- defining and updating administrative and accounting procedures;
- monitoring and updating administrative and accounting procedures.

As part of the responsibilities and powers given him/her by the Board of Directors, the Manager responsible for preparing the Company accounts must effectively implement any actions falling into the above categories.

The main activities under the model used, and included in the macro-categories listed above, are summarised below.

#### **Identifying procedures, risks and controls**

This category includes all activities concerned with identifying or updating the extent of analysis and monitoring carried out, the identification and assessment of risks, the planning of administrative and accounting procedures and the formulation and assessment of checks aimed at mitigating those risks.

At least once a year, the Manager responsible for preparing the Company accounts decides the areas of the Company and Group processes that will be subject to risk analysis and to monitoring of the controls existing in the administrative and accounting control model. This will be done using both quantitative and qualitative parameters to ensure that the most significant areas and/or those that pose the greatest risk of failing to meet the objectives of the financial reporting controls are included in the aforementioned areas.

Defining the areas to be analysed and monitored necessitates identification of the relevant accounts, disclosures and connected procedures so that the subsequent identification and assessment of controls, both at entity level and at procedure and transaction level, can effectively mitigate the risks inherent in the process of preparing financial information.

With regard to identifying and assessing risk in financial reporting, the approach adopted considers both the risk of unintentional errors and those that may be caused by fraudulent activity, providing for the formulation and monitoring of checks and balances that address these types of risk, as well as coordinating the controls implemented with others in the overall internal control system.

To support the assessment of inherent risk levels, the reference criteria used are based on the following main potential risk indicators, generally recognised by the reference best practice: changes in information systems, processes and procedures and other complex elements, for example, the complexity of information processing required by a certain procedure, a high level of transactions, or, for example, in processes that incorporate a considerable amount of estimates and valuations, the adequacy of the documentation and the reliability of the assumptions made.

When significant risks in financial reporting are identified, the administrative and accounting control model provides for the appropriate identification of controls to mitigate these risks. Specifically, the approach adopted takes adequate account of both manual controls and the data system controls in the administrative and accounting procedures, the so-called automatic system controls application, the general IT control that govern system access, the control of developments and modifications to the application systems, and the adequacy of the information structures.

The administrative and accounting model, in line with reference best practice, ensures that the surveillance procedures for the processes, risks and controls is updated for significant changes in the Group administrative and accounting procedures whenever necessary.

#### **Defining and updating administrative and accounting procedures**

Based on the results of monitoring the processes, risks and controls, the Manager responsible for preparing the Company accounts defines or updates the administrative and accounting procedures and guarantees their adequacy as regards the internal control model and monitors the various phases of the definition or updating of the procedures.

In particular, the updating of the administrative and accounting procedures is done in conjunction with the evaluation of the design of the controls and the continuous monitoring of their implementation.

#### **Monitoring and updating of administrative and accounting procedures**

The Manager responsible for preparing the Company accounts constantly monitors the administrative and accounting procedures, with particular reference to those linked to the preparation of the financial statements, the consolidated financial statements and the summary half-year financial statements, as well as any action or communication of a financial nature that requires statements, attestations and declarations under paragraphs 2 and 5 of Article 154-*bis* of the Consolidated Finance Act, so as to ensure the adequacy and effective implementation of these procedures.

To achieve this, special verification actions to ascertain the correct implementation of the controls incorporated in the administrative and accounting procedures exist. The checks, analyses, and verification of the administrative and accounting procedures are based on defining a test strategy that determines the *modus operandi*, the controls and ways of monitoring the procedural systems implemented.

The timetable of the monitoring activity is prepared in such a way as to give priority to verifications of identified "key" controls, and to balance the objectives of efficiency with the

requirement of achieving adequate coverage of the verification activities, introducing rotational tests for the significant processes and sub-processes of subsequent important balance sheet dates.

With regard to the organisational aspects and to the roles involved in the various phases of formulating, implementing, monitoring and updating over time the administrative and accounting control model, it should be noted that specific information flows have been defined between the Head of Internal Audit and the corporate, administrative and control committees and the corporate executives and/or areas that, outside the Department of Administration, Finance and Tax, are involved in compiling, preparing and circulating the annual financial statements, the consolidated financial statements, the summary half-year financial statements, the interim management reports and, more in general, any information subject to attestation/ declaration by the Manager responsible for preparing the company accounts. The accounting and administrative model also covers specific information flows among Group companies and internal attestations/declarations.

In preparing the annual and interim financial statements and describing the principal risks and uncertainties to which Fiera Milano SpA and the Group are exposed, the Manager responsible for preparing the Company accounts works with the Enterprise Risk Management of the Company and of the Group in order to identify and assess all corporate risks.

#### **Governance of subsidiaries in countries outside the EU**

In accordance with the provisions of Article 36, as referred to in Article 39, paragraph 3 of the Stock Market Regulations, the Company and its subsidiaries have administrative and accounting systems which make public the accounting procedures used to prepare the consolidated financial statements of the Companies to which this law is applicable and which permit the regular communication of the data required to prepare the financial statements to the Parent Company management and its independent auditors.

Therefore, the conditions exist under the aforementioned Article 36, paragraphs a), b) and c) of the Stock Market Regulations issued by Consob.

#### **Director appointed to oversee the internal control and risk management systems**

The Board of Directors is responsible for internal control and risk management and, with the help of the Internal Control and Risk Committee, for establishing its guidelines and periodically verifying that it is fit for purpose and is functioning effectively, ensuring that the principal corporate risks are identified and managed in an appropriate manner. On 29 April 2015, the Board of Directors, in accordance with Rule no. 7 of the Self-regulatory Code, also appointed the Chief Executive Officer as the Director responsible for the internal control and risk management system.

#### **Head of Internal Audit (the “Internal Audit Department”)**

The Head of the Internal Control Department is responsible for verifying that the internal control and risk management system is fit for purpose and working; he/she is not hierarchically answerable to anyone in charge of an operating area but reports directly to the Chairman so that independence and autonomy are guaranteed. There is also a system for functional reporting to the Control and Risk Committee. The Head of the Internal Control Department has direct access to all the information necessary and to adequate means for carrying out his/her role.

It is the responsibility of the Board of Directors, on the suggestion of the Chief Executive Officer, prepared in conjunction with the Chairman, and having received a favourable opinion from the Control and Risk Committee and having consulted the Board of Statutory Auditors, to appoint or cancel the appointment of the Head of the Internal Control Department and to ensure that the latter has all the resources required to carry out his/her duties and is remunerated in line with

company policies. The Board of Directors is also responsible for annually approving the work schedule prepared by the Head of the Internal Control Department, having considered the opinion of the Control and Risk Committee, consulted the Board of Statutory Auditors, the Chairman and the Chief Executive Officer.

The Head of the Internal Control Department reports regularly to the Chairman and periodically to the corporate control bodies, the Control and Risk Committee and the Board of Statutory Auditors.

### **Organisational model pursuant to Legislative Decree no. 231/01**

The Company has adopted an Organisation, Management and Control Model in accordance with Legislative Decree no. 231/01.

The aim of the Organisation, Management and Control Model is to describe the operating and conduct rules governing the Company's activities, as well as the additional controls that the Company has adopted in order to prevent any of the offences described in the Decree being committed. The Model covers the current organisational and control tools, such as the organigram, the system of proxies and delegations and the service instructions.

In particular, the Model aims to:

- ensure, amongst those persons operating in the name of and on behalf of the Company in areas where there is a risk of offences being committed and in areas vulnerable to the committing of offences, that there is an awareness of the risk of committing an offence if the procedures received are violated, an event that might give rise to administrative or criminal sanctions not only for those persons but also for the Company;
- emphasise that any form of unlawful behaviour is strongly condemned by the Company (even where the Company may apparently be in a position to derive some advantage from it) as it contravenes not only the law but also the corporate ethics to which the company wishes to adhere in carrying out its corporate mission;
- permit the Company, through continuous monitoring of areas where there is a risk of offences being committed and of areas vulnerable to the committing of offences, to intervene promptly so as to prevent or act against the perpetration of any unlawful activity.

The Company's Model is composed of a general part, which describes the contents of Legislative Decree no. 231/2001, the function and principles of the Model, the identification of activities at risk, the definition of protocols, the characteristics and functions of the Supervisory Body, the activities of training and information, the system of sanctions, and fourteen special sections, each dedicated to a category of offence under Legislative Decree no. 231/2001: (i) crimes committed against the public administration (ii) corporate crimes (iii) crimes of market abuse (iv) transnational offences (v) crimes against persons in violation of workplace health and safety (vi) crimes concerning receiving, laundering and the re-use and self-laundering of money and goods of unlawful origin (vii) IT crimes (viii) crimes of organised crime (ix) crimes against industry and trade (x) crimes of copyright infringement (xi) inducements not to make statements or to make false statements to the court (xii) environmental crimes (xiii) employment of citizens from outside the EU who do not have a legal right to be in the country (xiv) private bribery. Each special section gives a description of the relevant crime, describes the sensitive operations, the instrumental procedures, and the general and specific supervision principles. The Model is completed by appendices, which are an integral part of it, that include the Code of Ethics and the reporting lines of each Organisational Unit to the Supervisory Body.

The Code of Ethics clearly defines the values recognised, accepted and shared by the Company and the responsibilities it assumes both internally and externally. Observance of the Code by the employees of Fiera Milano is of fundamental importance to the functioning, reliability and reputation of the Company, factors that are a decisive asset in the success of the Group. The



employees of Fiera Milano, in addition to meeting the normal requirements of loyalty, correct behaviour, and acting in good faith under the terms of the employment contract, must avoid carrying out any activity that is in competition with Fiera Milano, must respect the company rules and comply with the requirements of the Code of Ethics.

All those who have business relations with the Company are made aware of the Code.

The most recent update to the Model was approved by the Board of Directors at its meeting on 26 February 2016. This version incorporates the effects of the most recent legislation and specifically the enactment of (i) Law no. 186/2014 containing "*Disposizioni in materia di emersione e rientro di capitali detenuti all'estero nonché per il potenziamento della lotta all'evasione fiscale. Disposizioni in materia di autoriciclaggio*" [Measures for the disclosure and repatriation of capital held abroad and to strengthen the measures against tax evasion. Measures for self-laundering], which introduced a new crime, that of self-laundering, (ii) of Law no.68/2015 containing "*Disposizioni in materia di delitti contro l'Ambiente*" [Measures against environmental crimes]; and (iii) of Law no. 69/2015 containing "*Disposizioni in materia di delitti contro la pubblica amministrazione, di associazioni di tipo Mafioso e di falso in bilancio*" [Measures for crimes against the public administration, crimes by Mafia-style organisations and for fraudulent accounting].

In order to monitor functioning, efficacy and observance of the Model, and to ensure that it is updated, the Board of Directors has given a collective body the functions of a Supervisory Body, with the aforementioned duties.

The Supervisory Body is composed of the non-executive and independent Director, Pier Andrea Chevallard (Chairperson), Ms Federica Nolli, the Chairperson of the Board of Statutory Auditors, and the lawyer, Mr Ugo Lecis acting as an external expert. The members of the Supervisory Body are remunerated for their work.

The Organisational Model, in implementation of the terms of Article 6 paragraph 2 of Legislative Decree no. 231/01, provides for specific information flows to the Supervisory Body so that it can carry out more effectively the supervision and monitoring of the functioning of the Model.

With reference to the unlisted companies of the Group that have adopted their own organisational model, the Supervisory Body has conducted research on each of these in order to identify adequate technical/operational solutions that, while respecting the mandate and powers reserved for the same by the prevailing regulations, are appropriate to the dimensions and organisational context of each corporate entity, also taking account of the relevant guidelines issued by the Parent Company.

As regards foreign subsidiaries operating under foreign law, which do not have to adhere to the provisions of Legislative Decree no. 231/01 and which do not have their own Organisational, Management and Control Models pursuant to the aforementioned Decree 231, these have adopted the Code of Ethics and the guidelines for anti-corruption rules and other compliance programmes in order to have a systematic reference framework of crime prevention regulations and standards.

#### **Independent audit firm**

Accounting audit and control has been entrusted to Reconta Ernst & Young SpA, a company registered in the specific Consob Register, in compliance with applicable law. The mandate was conferred by the Shareholders' Meeting of 29 April 2014 and relates to the financial years ending 31 December 2014-2022.

#### **Manager responsible for preparing the company accounts**

The Board of Directors of the Company, on 29 April 2015, having previously sought the opinion of the Board of Statutory Auditors, appointed as Manager responsible for preparing the company accounts Mr. Flaminio Oggioni, previously the company's Director of Administration Finance and Tax, at the same time conferring on him, through the appropriate delegation of functions,

adequate means and powers to carry out the duties attributed to him under enacted law. The Board of Directors also supervises the effective compliance with administrative and accounting procedures. The Company's Articles of Association require the Manager to be an expert in matters of administration, finance and control and to possess the same characteristics of personal probity required for the Statutory Auditors under current legislation. The Manager's appointment is for three financial years and must not exceed the mandate of the Board of Directors that made the appointment.

### **Coordination among persons involved in the internal control and risk management system**

The coordination of persons involved in the internal control and risk management system is through a series of mechanisms and means of interaction: i) scheduling and holding joint meetings of the various corporate bodies and functions responsible for internal control and risk management; ii) attendance at meetings of the Control and Risk Committee by the Chairman of the Board of Statutory Auditors and other members of the Board of Statutory Auditors and by the Head of Internal Audit; iii) attendance by the Head of Internal Audit at the meetings of the Supervisory Committee under Legislative Decree 231/01.

## **7. Board of Statutory Auditors**

### **Appointment of Auditors**

The Company's Articles of Association currently require that the appointment of the Statutory Auditors is made on the basis of lists presented by the shareholders; the articles state that the position of Chairman of the Board of Statutory Auditors is granted to the first candidate on the second list by number of votes and who is in no way related, even indirectly, to those shareholders who presented, or combined to present, or voted for the first-placed list by number of votes. Only those shareholders who, individually or together, represent at least 2.5% of the share capital and are entitled to vote in the ordinary shareholders' meeting have the right to present a list, as required by the Company's Articles of Association and by Consob Resolution no. 19499 of 28 January 2016. A shareholder who intends to present a list of candidates and who does not own a controlling shareholding or the relative majority of the share capital of the Company must deposit a declaration stating the absence of any relationship with the controlling shareholder, as defined by the regulatory provisions. The lists must be deposited at the Company's registered office at least twenty-five days before the date fixed for the first convocation of the Shareholders' Meeting and must be made public by the Company at least twenty-one days before the date fixed for the first convocation of the Shareholders' Meeting.

Ownership of the minimum shareholding required to present lists is based on the shares that are registered to the shareholder on the day on which the lists are deposited with the Company. To prove ownership of the minimum number of shares required to present lists, the shareholders must provide within the time for the publication of the lists by the Company the relative certification by authorised intermediaries released in accordance with law.

Each list, deposited within the periods described above, must be accompanied by a declaration in which each candidate accepts the candidacy and declares that no reasons of ineligibility or incompatibility exist with reference to the accumulation of positions referred to below, that the requirements prescribed by enacted law relating to the assumption of the position are fulfilled, and must include a *curriculum vitae* of the career of each candidate that gives the administration and control positions held.

The Articles of Association also provide that, without prejudice to situations of incompatibility under prevailing laws, any person who is already an acting Statutory Auditor in five companies listed on regulated markets may not take up a position as Statutory Auditor and, if elected, their



mandate is nullified, except where different limits are established by laws which may periodically be introduced.

To meet the requirements of Article 148, paragraph 1-*bis* of the Consolidated Finance Act and Article 144-*undecies* of the Listing Rules regarding the appointment and replacement of members of the Board of Statutory Auditors, the Company Articles of Association contain the same criteria and principles as those for the appointment and replacement of members of the Board of Directors described above.

The complete Company Articles of Association is available on the Company website [www.fieramilano.it](http://www.fieramilano.it) in the section *Investor Relations/Corporate Governance/Articles of Association*.

### **Composition of the Board of Statutory Auditors**

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 29 April 2015, on the basis of a single list presented by the controlling shareholder, Ente Autonomo Fiera Internazionale di Milano – and will remain in position until the approval of the Financial Statements to 31 December 2017.

The Board of Statutory Auditors is composed of the following members and a short *curriculum vitae* is given indicating the personal and professional experience of each Statutory Auditor.

**Federica Nolli**, Chairperson of the Board of Statutory Auditors of Fiera Milano SpA since 29 April 2015. Born in Cremona on 3 February 1959, Ms Nolli graduated in Business Economics from the University of Pavia. She is on the National Register of Chartered Accountants [*Dottori Commercialisti*] and Legal Auditors. Since 1988 she has been a partner of FP & Partners and is Head of its Administration and Control Division and a consultant in Corporate Management and Organisation. She holds several supervisory positions.

**Antonio Guastoni**, Statutory Auditor of Fiera Milano SpA since 29 April 2015.

Born in Milan on 11 January 1951, Mr Guastoni has a degree in Economics and Business from the Università Commerciale Luigi Bocconi. He is qualified as a Chartered Accountant and is on the National Register of Auditors. He holds several administration and supervisory positions.

**Carmine Pallino**, Statutory Auditor of Fiera Milano SpA since 29 April 2015.

Born in Milan on 20 March 1967, Mr Pallino has a degree in Business Economics from the Università Commerciale Luigi Bocconi. He is on the Register of Chartered Accountants and of Business Economists. He is an auditor for companies and public entities. He is Chairperson of the Board of Statutory Auditors of A.S.A.M. S.p.A., Italproof S.r.l., and Consorzio IN.PROF. Since 2014 he has been an external member of the Supervisory Board of A.L.E.R. Milano. He works both as an accountant and an employment consultant.

**Francesca Maria d'Alessandro**, Substitute Auditor of Fiera Milano SpA since 29 April 2015.

A graduate in Business and Economics from the Università Cattolica del Sacro Cuore of Milan, Ms d'Alessandro is qualified as a Chartered Accountant and enrolled on the Register of Auditors. She is a member of the Commission to manage corporate crises and business insolvency of the Milan Association of Accountants and Accounting Experts. She has considerable consultancy experience in corporate restructuring and business crisis management and is a Statutory Auditor of several important national companies and entities.

**Alessandro Carlo Galli**, Substitute Auditor of Fiera Milano SpA since 29 April 2015.

Born in Busto Arsizio (Varese) on 11 May 1973, Mr Galli has a degree in Economics and Business from the Università Commerciale Luigi Bocconi and is qualified as a Chartered Accountant and enrolled on the Register of Auditors. He is a member and Chairperson of AdCerta S.r.l. and a partner of AGR & Partners. He holds several administrative and supervisory positions.

All the members possess the necessary requisites of professionalism and probity required by enacted law, as well as the independence required by Statutory Auditors in the Self-regulatory Code, possession of which was verified by the Board of Directors when they were appointed.

During the 2015 financial year, the Board of Statutory Auditors met twelve times. The average duration of the meetings of the current Board of Statutory Auditors was approximately three hours. At the date of approval of these Report, five meetings had been held in the current financial year.

### **Role and functions of the Board of Statutory Auditors**

The Board of Statutory Auditors, in accordance with Article 149 of the Consolidated Finance Act, monitors the Company's activities: to ensure compliance with the law and the Company's Articles of Association; to ensure compliance with the principles of correct administration; to ensure the adequacy of the company's organisational structure regarding positions and responsibilities, the internal control system and the administrative/accounting system, as well as the reliability of the latter in accurately representing management information; to ensure there exist the means of concrete implementation of the rules of corporate governance provided by the codes of conduct prepared by the companies responsible for the organisation and management of regulated markets and to ensure the adequacy of the regulations prepared by the Company and applicable to its subsidiaries, in accordance with Article 114 paragraph 2 of Legislative Decree 58/98. In accordance with Article 19 of Legislative Decree 39/2010, the Board of Statutory Auditors also oversees the legal auditing of the annual financial statements and the consolidated financial statements and the effectiveness of the internal control and risk management systems, as well as the process for financial reporting.

The Board of Statutory Auditors also monitors the independence of the independent audit firm, ensuring compliance with existing regulations, and the nature and scale of the various accounting services provided by the independent audit firm and its network of entities to the Company and its subsidiaries. In carrying out its activities the Board of Statutory Auditors also operates in conjunction with the internal control function and with the Control and Risk Committee on matters of common interest through meetings and exchanges of information.

## **8. Procedures adopted by the Company**

### **Internal Dealing Code**

The Company has adopted an *Internal Dealing Code*, prepared in accordance with article 152-*sexies* and subsequent articles of Consob Resolution no. 11971/99 and subsequent modifications and additions, to take account of the regulations regarding market abuse.

According to the *Internal Dealing Code*, a number of relevant persons, and persons close to them, who have regular access to inside information and the power to make management decisions that could affect the performance and prospects of the listed issuer, are obliged to inform the market of any transaction involving listed financial instruments issued by the company.

The range of "relevant persons" covered by the provisions of the *Internal Dealing Code* has been redefined with the approval of the Board of Directors during the 2015 financial year. In detail, the "relevant persons" are identified as the Directors, the Statutory Auditors, the Chief Financial Officer of the Company and Manager responsible for preparing the Company accounts, as well as Ente

Autonomo Fiera Internazionale di Milano, insofar as it owns a shareholding of more than 10% of the Company. The *Code* provides thresholds and terms of communication to the market and related sanctions in line with those established by Consob Rules. Consistent with the recommendations contained in the Rules for markets organised and managed by Borsa Italiana SpA, the current *Internal Dealing Code* provides for a black-out period of 15 days preceding the Board meeting convened to approve the Financial Statements for the period, during which the relevant persons (with the exception of persons holding at least 10% of the company) are prohibited from trading in financial instruments issued by the Company, with some specific exceptions.

The communications made in compliance with the *Internal Dealing Code* under article 152-*octies*, paragraph 7, of Legislative Decree no. 58/98 (filing models) are available on the Company website [www.fieramilano.it](http://www.fieramilano.it) in the section *Investor Relations/ Corporate Governance/ Internal Dealing*.

### **Procedure for the management of insider information**

The Company has adopted a *Procedure for the internal management and the external communication of insider information*, which incorporates the provisions of regulations regarding market abuse, and which also governs the setting up of a register of persons having access to insider information.

The procedure generally entrusts the management of insider information relating to their relevant areas of competence to the Company Chief Executive Officer and the Chief Executive Officers of Group companies; it contains specific sections dedicated to the definition of insider information, to the related procedures for managing insider information, to the ways of dealing with so-called market rumours, and governs instances of delays in communicating to the market, the approval process for press releases, the setting up of a register of persons having access to insider information, persons authorised to maintain external relations and persons obliged to maintain confidentiality.

The Company has also adopted a specific *Procedure for the maintenance and updating of the register of persons having access to insider information* in order to regulate the means and responsibilities of maintaining and updating the register. The document identifies the individual responsible for managing the register, an insider information committee and the individuals registered with it; and it governs the procedures for initial inclusion and subsequent updating of the register, as well as aspects regarding confidentiality obligations.

### **Procedures for Related-Party Transactions**

The Company has a *Procedure for Related-Party Transactions* (hereinafter the *Procedure*).

The *Procedure* was adopted on 5 November 2010 and implemented from 1 January 2011. It was prepared in compliance with the provisions of the Rule governing related-party transactions approved by Consob Resolution no. 17221 of 12 March 2010, subsequently modified by Consob Resolution no. 17389 of 23 June 2010 (hereinafter the Rule), and with the guidelines for the application of the Rule governing related-party transactions supplied by Consob with Communication no. DEM/10078683 of 24 September 2010.

The current *Procedure* was amended by the Board of Directors during the 2015 financial year to bring in line the definition of a related-party, which included executives with strategic responsibilities, with the new definition of executives with strategic responsibilities that was identified in the course of the same financial year.

The *Procedure* identifies the rules and measures to be adopted to ensure transparency and the substantial and procedural correctness of related-party transactions carried out directly by Fiera

Milano SpA or through its subsidiaries. The Control and Risk Committee has been identified as the body designated to express a considered opinion on the interests of the Company and the substantial correctness of the relevant conditions for the completion of related-party transactions.

The new *Procedure* takes advantage of the dispensation given in the Rule that, without prejudice to the requirements regarding the dissemination of information to the public, allows smaller listed companies – or for those with balance sheet assets or revenues as shown in the most recently approved Financial Statements that do not exceed Euro 500 million - the possibility of applying to Transactions of Greater Importance the guidance and approval procedures for Operations of Lesser Importance.

The Board of Directors of the Company will periodically evaluate, and anyway at intervals of not more than three years, whether to update the *Procedure* taking into account, *inter alia*, any eventual changes to its assets, as well as the efficacy of the application of the rules and guidance adopted.

The *Procedure* is available on the Company website, [www.fieramilano.it](http://www.fieramilano.it), in the section *Investor Relations/Corporate Governance/Related-parties*.

The Company has also adopted Organisational Implementation Instructions with regard to the *Procedure for Related-Party Transactions* in order to:

- (i) establish the methods and timing for the preparation and updating of the related-party database compiled specifically for the *Procedure*;
- (ii) monitor the rules for identifying related-party transactions before they are finalised and oversee the preliminary procedures by identifying those persons that should give and/or receive information, the subjects appointed to ascertain if a specific transaction comes under the application of the *Procedure*, as well as the means of guaranteeing the traceability of the transaction under examination;
- (iii) establish the methods, timing and responsibility for managing the process of informing the public as required by the *Procedure*.

## 9. Investor Relations

The Company has adopted a communication policy with the aim of establishing a continuous dialogue with all shareholders and, in particular, with institutional investors, ensuring the systematic and prompt dissemination of exhaustive information regarding its activities, while complying with the regulations on inside information.

It has therefore appointed an Investor Relations Manager within the organisational structure of the company, who reports to the Chief Executive Officer.

The means of financial communication are those of systematic contact with financial analysts, institutional investors and the specialist media in order to ensure a full and proper understanding of the trends in the Company's strategic direction, the implementation of strategy and the impact on the results of the business.

In addition, the Company believes that dialogue with investors is fostered by providing them with sufficient information to allow them to make informed decisions when exercising their rights and by organising the content of the Company's website ([www.fieramilano.it](http://www.fieramilano.it) in the *Investor Relations* section) so that they can access economic and financial information (annual financial statements, half-yearly and quarterly interim financial statements, presentations to the financial community), as well as updated data and documents of general interest to shareholders (press releases, Company calendar, composition of the Company's governing bodies, Articles of Association,

minutes of Shareholder Meetings, an outline of the Group structure, the *Code of Ethics*, the *Internal Dealing Code*, and the related filing models etc.).

## **10. Shareholders' Meetings**

The Shareholders' Meeting is conducted for the benefit of all shareholders and the resolutions approved in Shareholders' Meetings, in accordance with the law and the Articles of Association, are mandatory and binding on all shareholders, including those who did not participate, who abstained or who dissented, although dissenting shareholders have rights of rescission under certain circumstances.

The Shareholders' Meeting of 23 April 2013 adopted, in accordance with the provisions of Article 9.C.3 of the Self-regulatory Code, *Rules of Procedure* that govern the conduct of Ordinary and Extraordinary Shareholders' Meetings. This Rule is publicly available on the Company website [www.fieramilano.it](http://www.fieramilano.it) in the section *Investor Relations/ Corporate Governance/ Shareholders' Meetings*.

The aforementioned *Rules of Procedure* define the procedure to be followed to ensure the orderly and correct conduct of Shareholders' Meetings whilst guaranteeing the right of each shareholder to speak on the matters under discussion.

The Shareholders' Meeting is convened and deliberates, in accordance with law and the regulations pertaining to companies with listed shares, on matters that are its right under the law.

The Shareholders' Meeting is authorised to approve, among other matters, in an ordinary or extraordinary meeting (i) the appointment or dismissal of members of the Board of Directors and of the Board of Statutory Auditors and their relevant remuneration and responsibilities, (ii) the approval of the Financial Statements and the allocation of profits, (iii) the purchase and disposal of treasury stock, (iv) changes to the Company's Articles of Association, (v) the issue of convertible bonds.

Under enacted law, legitimate attendance and the exercise of the right to vote in Shareholders' Meetings is restricted to those who appear as shareholders on the seventh trading day prior to the date of the Shareholders' Meeting and who present to the issuer the relevant communication from an intermediary that accords with the latter's accounting records on behalf of the person having the right to vote at the Shareholders' Meeting using the aforementioned mechanism.

## **11. Other corporate governance procedures**

### **Regulation of Direction and Coordination**

The Company has regulations governing the exercise of direction and coordination by the Parent Company.

This document has been prepared with the objective of setting guidelines to govern the direction and coordination activity of the higher authority over the subordinate entity, with the aim of providing a solid base for the research and development of more extensive and more effective interrelationships.

The Regulation identifies precise responsibilities regarding, respectively, the Company and its subsidiaries, within an unambiguous and reciprocal assumption of duties, and it establishes precise governance procedures appropriately gauged to provide an equitable balance between requirements for centralisation and respect for the autonomous management of the subsidiaries.

It also specifies that in the Group's regulatory hierarchy the organisational regulations come below the Parent Company's Articles of Association and those of the various companies of the Group.

This Regulation was approved by the Parent Company Shareholders' Meeting on 15 April 2010 and, subsequently, in order for it to be adopted, was presented to the Shareholders' Meetings of the individual companies of the Group so that each of them could independently approve it as the basis for their own operations.

On 12 January 2011, the individual companies of the Group amended their own articles of association to make specific reference to the exercise of direction and coordination, pursuant to Articles 2497 and 2497-*bis* of the Italian Civil Code, by the Parent Company Fiera Milano SpA, as well as to judge the possibility for the Parent Company to centralise the management and, in the interest of the entire Group, specific functions for the subsidiaries as part of a shared services policy.

On 23 April 2013, the Shareholders' Meeting of the Parent Company approved the integration of the Regulation with a recommendation that the members of the Board of Statutory Auditors of the Parent Company, in line with best practice on this matter, should be appointed as Statutory Auditors in the Boards of Statutory Auditors of the subsidiaries. The aim of this change was to rationalise and simplify the organisation and to create important synergies that would guarantee greater efficiency and efficacy of the control systems to the benefit of the whole Group.

## **12. Changes subsequent to the end of the financial year under review**

There have been no changes to the corporate governance of the Company since the end of the financial year under review.

## Tables

The two tables on the following pages summarise the Company's adoption of the main corporate governance aspects of the Self-regulatory Code.

The first table gives the structure of the Board of Directors and its internal committees. It lists the Directors and the category to which they belong (executive, non-executive and independent). It also shows the composition of the various committees.

The second table gives the composition of the Board of Statutory Auditors. It lists the members of the Board, both standing and substitute, and indicates if they have been nominated from lists put forward by non-controlling interests.

Both tables give information on the number of meetings held by the Board of Directors, the various committees and by the Board of Statutory Auditors and the attendance rate of each individual member. The tables also show the number of administrative positions held in other companies; these have also been detailed in this Report.



**TABLE 1: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES**

| BOARD OF DIRECTORS      |                               |               |                      |                         |      |           |               |                            |  |       | Control and Risk Committee    |     | Remuneration Committee |     |     |
|-------------------------|-------------------------------|---------------|----------------------|-------------------------|------|-----------|---------------|----------------------------|--|-------|-------------------------------|-----|------------------------|-----|-----|
| Position                | Constituent                   | Year of birth | Date first appointed | Duration of appointment | List | Executive | Non-executive | Independent under the Code | Indep. under the Consol. Finance Act (TUF) | *     | No. of other positions held** | *** | *                      | *** | *   |
| Chairperson             | Roberto Rettani               | 1953          | 29.04.2015           | a                       | b    |           | X             | X                          | X  | 11/13 |                               |     |                        |     |     |
| Chief Executive Officer | Corrado Peraboni <sup>o</sup> | 1964          | 29.04.2015           | a                       | b    | X         |               |                            |  | 13/13 |                               |     |                        |     |     |
| Deputy Vice Chairperson | Attilio Fontana               | 1952          | 16.04.2009           | a                       | b    |           | X             | X                          | X  | 23/25 |                               |     |                        | P   | 5/5 |
| Vice Chairperson        | Licia Ronzulli                | 1975          | 29.04.2015           | a                       | b    |           | X             | X                          | X  | 12/13 |                               |     |                        | M   | 2/2 |
| Director                | Joyce Victoria Bigio          | 1954          | 29.04.2015           | a                       | b    |           | X             | X                          | X  | 13/13 | 2                             | C   | 8/8                    |     |     |
| Director                | Renato Borghi                 | 1948          | 29.10.2006           | a                       | b    |           | X             |                            | X  | 24/25 |                               | M   | 8/11                   |     |     |
| Director                | Pier Andrea Chevallard        | 1951          | 08.02.2010           | a                       | b    |           | X             | X                          | X  | 24/25 | 2                             |     |                        |     |     |
| Director                | Romeo Robiglio                | 1931          | 27.10.2003           | a                       | b    |           | X             |                            |  | 25/25 | 2                             |     |                        | M   | 5/5 |
| Director                | Vincenza Patrizia Rutigliano  | 1968          | 29.04.2015           | a                       | b    |           | X             | X                          | X  | 12/13 |                               | M   | 8/8                    |     |     |

**.....DIRECTORS WHO LEFT OFFICE IN THE PERIOD UNDER REVIEW.....**

|                         |                  |      |            |   |   |   |   |   |   |       |   |   |     |   |     |
|-------------------------|------------------|------|------------|---|---|---|---|---|---|-------|---|---|-----|---|-----|
| Chairperson             | Michele Perini   | 1952 | 27.10.2003 | c | b |   | X |   |   | 11/12 | 1 |   |     |   |     |
| Chief Executive Officer | Enrico Pazzali   | 1964 | 16.04.2009 | c | b | X |   |   |   | 12/12 |   |   |     |   |     |
| Director                | Roberto Baitieni | 1966 | 16.04.2009 | c | b |   | X | X | X | 12/12 |   | M | 3/3 |   |     |
| Director                | Davide Croff     | 1947 | 28.10.2012 | d | / |   | X | X | X | 10/12 |   | C | 3/3 |   |     |
| Director                | Giampietro Omati | 1940 | 16.04.2009 | c | b |   | X | X |   | 11/12 | 1 |   |     | M | 1/3 |

|   | Board of Directors | Internal Control and Risk | Remuneration Committee |
|---|--------------------|---------------------------|------------------------|
| <b>Number of meetings held in the financial year to 31 December 2015</b>  | 25                 | 11                        | 5                      |
| <b>Quorum required for the presentation of lists of nominees by minority shareholders (ex art.147-ter TUF):</b> | 2.50%              |                           |                        |

**NOTES**

\* This column shows the attendance rate of Directors at Board Meetings and at Committee meetings. It gives the number of meetings attended compared to the number of meetings held (no.attended/no. of meetings held during the period under review when the Director held office).

\*\* This column shows the number of other appointments held in listed companies, banks or insurance companies.

\*\*\* This column shows the role of the Director on the committee: "C":Chairperson; "M": member.

<sup>o</sup> This symbol indicates the Director responsible for the internal control and risk management system.

a Appointed by the Shareholders' Meeting of 29 April 2015 for a three-year period ending with the approval of the Financial Statements at 31 December 2017.

b Appointed from the only list presented, which was that of the controlling shareholder Fondazione E. A. Fiera Internazionale di Milano.

c Appointed by the Shareholders' Meeting of 27 April 2012 for a three-year period ended with the approval of the Financial Statements at 31 December 2014.

d Co-opted by the Board of Directors on 29 October 2012 to replace Mr Michele Motterlini who resigned. The appointment was subsequently ratified by the Shareholders' Meeting of 23 April 2013 for the period ending with the approval of the Financial Statements at 31 December 2014.



**TABLE 2: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS**

| BOARD OF STATUTORY AUDITORS |                              |               |                      |                      |      |                            |                                  |                                  |
|-----------------------------|------------------------------|---------------|----------------------|----------------------|------|----------------------------|----------------------------------|----------------------------------|
| Position                    | Constituent                  | Year of birth | Date first appointed | In office from/until | List | Independent under the Code | Attendance at the meetings (%) * | Number of other positions held** |
| Chairperson                 | Federica Nolli               | 1959          | 29/04/2015           | a                    | b    | X                          | 12/12                            | -                                |
| Statutory Auditor           | Antonio Guastoni             | 1951          | 29/04/2015           | a                    | b    | X                          | 12/12                            | -                                |
| Statutory Auditor           | Carmine Pallino              | 1967          | 29/04/2015           | a                    | b    | X                          | 10/12                            | -                                |
| Substitute Auditor          | Francesca Maria D'Alessandro | 1970          | 29/04/2015           | a                    | b    |                            |                                  |                                  |
| Substitute Auditor          | Alessandro Carlo Galli       | 1973          | 29/04/2015           | a                    | b    |                            |                                  |                                  |

.....STATUTORY AUDITORS WHO LEFT OFFICE IN THE PERIOD UNDER REVIEW.....

|                    |                  |      |            |   |   |   |       |       |
|--------------------|------------------|------|------------|---|---|---|-------|-------|
| Chairperson        | Stefano Mercurio | 1963 | 15/04/2010 | c | b | X | 10/10 | 21*** |
| Statutory Auditor  | Alfredo Mariotti | 1946 | 27/10/2003 | c | b | X | 10/10 | 24*** |
| Statutory Auditor  | Damiano Zazzeron | 1962 | 27/10/2003 | c | b | X | 9/10  |       |
| Substitute Auditor | Pietro Pensato   | 1939 | 27/10/2006 | c | b |   |       |       |
| Substitute Auditor | Antonio Guastoni | 1951 | 15/04/2009 | c | b |   |       |       |

|   |       |
|---|-------|
| <b>Number of meetings held in the financial year to 31 December 2015</b>                                    | 22    |
| <b>Quorum required for the presentation of lists of nominees by minority shareholders (ex art. 148 TUF)</b> | 2.50% |

**NOTES**

\* This column shows the attendance rate of the statutory auditors at the meetings of the Board of Statutory Auditors (no. of times present/ no. of meetings held during the period of appointment)

\*\* This column shows the number of appointments as director or statutory auditor held, in accordance with Article 148 bis of the Consolidated Finance Act.

\*\*\* This column shows the number of appointments as director or statutory auditor held, in accordance with Article 148 bis of the Consolidated Finance Act - as at 29 April 2015.

**a** Appointed by the Shareholders' Meeting of 29 April 2015 for a three-year period ending with the approval of the Financial Statements at 31 December 2017.

**b** Appointed from the only list presented, which was that of the controlling shareholder Ente Autonomo Fiera Internazionale di Milano.

**c** Appointed by the Shareholders' Meeting of 27 April 2012 for a three-year period ended with the approval of the Financial Statements at 31 December 2014.