



# **ANNUAL REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES**

Pursuant to TUF article 123-bis

(Traditional governance model)

Issuer: **CAD IT S.p.A.**

Web site: **[www.caditgroup.com](http://www.caditgroup.com)**

Accounting period: **year 2016**

Report approval date: **March 14<sup>th</sup>, 2017**

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## 1. ISSUER INFORMATION

The CAD IT S.p.A. (hereinafter referred to as the "**Company**") corporate governance system consists of the set of rules and procedures on which the management and control structure of the Company and of the group are based.

In order to constantly guarantee the transparency of its activities, the Company has, in fact, progressively implemented and adapted an articulated set of rules of conduct related to both its internal organisational structure and third party relationships, which complies with the best and latest corporate governance solutions and with the Corporate Governance Code.

In keeping with the comments of the Corporate Governance Committee for listed companies promoted by the Italian Stock Exchange, the Company truly believes that the primary goal of its governance system should be the maximisation of shareholder value, which is to be achieved by implementing an efficient structure on the one hand, while still being receptive to the needs of a changing market on the other. The Company believes that the weighted alignment of the internal corporate governance structures to those suggested by the Corporate Governance Code and to those identified as best practices, represents a valuable opportunity to enhance and guarantee its reliability towards the market.

Therefore, the Company has voluntarily adopted the corporate governance code for listed companies, acknowledging, in its by-laws, the rules suggested within for a correct corporate governance and it has also adopted the code of ethics and organisational model in accordance with Legislative Decree 231/2001 and subsequent amendments.

In compliance with the by-laws, the Company adopts the traditional governance control model which comprises the following bodies:

- the shareholders' meeting;
- the board of directors;
- the board of auditors;
- the auditing firm.

The shareholders' meeting is the body whose decisions express the will of the shareholders.

The shareholders' meeting approves financial statements, appoints the board of directors, the board of auditors, the auditing firm, determines director and auditor remunerations and amends the by-laws.

The board of directors defines the strategic plans of the Company and of the Group and is responsible for governing its management. It therefore has the widest power to perform all acts, including acts of disposal, as deemed necessary for the achievement of Company objectives, with the exception of those which, by law, are the exclusive competence of the shareholders' meeting.

The board of auditors assesses compliance with the law and the by-laws and possesses management control functions. In particular, the board of auditors monitors compliance with the principles of good administration, the adequacy of the Company's organisational structure, the correctness of transactions made with related parties and the appropriateness of the instructions issued to the subsidiaries with respect to the mandatory disclosure of inside information to the market.

The auditing firm checks that the accounts are correctly kept and that management events are correctly reported in the accounting records. It also verifies that the financial statements and the consolidated financial statements correspond to the accounting records and to the investigations performed.

The board of directors, defining the relative composition and responsibilities, has established the following committees:

- the nominating and remuneration committee;
- the internal control and risks committee.

The Company has adopted the following governance instruments:

- Company by-laws;
- code of ethics;
- shareholders' meeting regulations;
- nominating and remuneration committee regulations;
- internal control and risks committee regulations;
- organisational and management model ex legislative decree 231/2001;
- procedure for management and treatment of privileged information;
- Internal dealing procedure;
- procedure regarding the register of people with access to privileged information;
- related parties transactions procedure.

The Company's mission is to support customers in the design and implementation of strategic changes by providing ideas, expertise and advanced technologies and by delivering quick, tangible and measurable results. The Company intends to pursue its mission by maintaining and developing a relationship of trust with employees, customers, suppliers and institutions. Indeed, it is well aware that trust encourages customer loyalty, attracts the most qualified human resources, favours supplier credibility, reliability towards creditors and the development of a sense of confidence in the state and institutions.

## **2. OWNERSHIP STRUCTURE (Pursuant to TUF article 123-bis)**

**Update at 31/12/2016**

### **a) Share capital structure (pursuant to TUF article 123-bis, § 1, letter a))**

The share capital is divided into 8.980.000 ordinary shares at a nominal value of Euro 0.52 each, see Table 1 attached to this report (hereinafter “Report”).

The Company has not issued other securities that would confer the right to apply for new shares.

The Company has not provided for share-based incentive plans.

### **b) Restrictions on security transfer (pursuant to TUF article 123-bis, § 1, letter b))**

The Company has not imposed any restriction on the transfer of securities.

### **c) Significant holdings in share capital (pursuant to TUF article 123-bis, § 1, letter c))**

See table 1 attached to the Report.

### **d) Securities conferring special rights (pursuant to TUF article 123-bis, § 1, letter d))**

No shares granting special rights of control have been issued.

The Company by-laws do not foresee any plural or super voting shares.

### **e) Employee share scheme: mechanism for exercising voting rights (pursuant to TUF article 123-bis, § 1, letter e))**

There are no mechanisms for exercising the right to vote in the case of employee share ownership if the right to vote is not exercised by them directly.

### **f) Restriction of voting rights (pursuant to TUF article 123-bis, § 1, letter f))**

There are no restrictions on voting rights.

### **g) Agreements between shareholders (pursuant to TUF article 123-bis, § 1, letter g))**

With reference to the provisions in TUF art. 123-bis, letter g) and as far as the Company is aware to date, there is no evidence of any agreements between shareholders.

**h) Change of control clauses (pursuant to TUF article 123-bis, § 1, letter h)) and By-law provisions regarding Takeover Bids (pursuant to TUF articles 104, § 1-ter and 104-bis, § 1)**

The Company and its subsidiaries have not signed any significant agreements that would come into effect, be modified or terminated in the event of any changes in the contractor's controlling bodies<sup>1</sup>.

The Company by-laws:

- do not derogate from the "passivity rule" provisions provided for by TUF article 104, paragraphs 1 and 2;
- do not enforce the rules of neutralisation provided for by TUF article 104-bis, paragraphs 2 and 3.

**i) Delegated powers regarding share capital increases and authorisations for the purchase of own shares (pursuant to TUF article 123-bis, § 1, letter m))**

The Company board of directors, pursuant to Civil Code article 2443, is not authorised to increase the share capital or to issue participative financial instruments.

The Company shareholders' meeting has not granted any authorisation to acquire own shares pursuant to Civil Code Article 2357 and subsequent articles.

**l) Management and coordination activities (pursuant to Civil Code article 2497 and subsequent articles,)**

The Company is not under the management and coordination of other entities pursuant to Civil Code article 2497 and subsequent articles.

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The following should also be noted:

- the information required by TUF article 123-bis, first paragraph, letter i) ("*agreements between companies and directors, members of the control body or supervisory council which envisage indemnities in the event of resignation or dismissal without just cause, or if their employment contract should terminate as the result of a takeover bid*") is illustrated in the section of this Report on directors' remuneration and in the remuneration report issued under TUF article 123-ter (Section 9);

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<sup>1</sup> Although CAD IT has not signed any significant agreements that would come into effect, be modified or terminated in the event of any changes in the contractor's controlling bodies, it has to be noted that on April 7<sup>th</sup> 2016 CAD IT has signed an agreement for the acquisition of shares of the Spanish company Software Financiero Bolsa S.A., which includes the right to acquire additional shares in order to reach the controlling share of 51% **only if CAD IT does not undergo any change of control.**

- the information required by TUF article 123-bis, first paragraph, letter 1) ("*rules applying to the appointment and replacement of directors and members of the control body or supervisory council, and to amendments to the articles of association if different from those applied as a supplementary measure*") is illustrated in the section of this report dedicated to the board of directors (Section 4.1).

### **3. COMPLIANCE**

The Company has adopted the corporate governance code proposed by the Italian Stock Exchange, available on the latter's website at [www.borsaitaliana.it](http://www.borsaitaliana.it).

This Report, written in compliance with the corporate governance code, aims at informing the public about the corporate governance system adopted by the Company and about the actual modalities of adherence to the corporate governance code, in compliance with the obligations included in TUF art. 123-bis and its implementations.

CAD IT's corporate governance structure – i.e. the set of rules and behaviours aimed at ensuring an efficient and transparent functioning of CAD IT's governing bodies and controlling systems – substantially conforms with the recommendations included in the corporate governance code, to which the Company has gradually adapted over the time, following the related changes.

This Report explains the recommendations the Company has decided not to follow, providing the reason and evidence of the procedure adopted by the Company in order to make the decision.

The Report is made available to the public within the timeframe set by current regulations together with the other documents related to the shareholders' meeting at which the financial statements at 31/12/2016 were approved.

The Report can be consulted on the Company's website at [www.caditgroup.com](http://www.caditgroup.com).

It is to be pointed out that, when mentioning the by-laws, the Report considers the by-laws currently in force, which are available on the Company's website at [www.caditgroup.com](http://www.caditgroup.com).

Companies with shares listed on regulated markets are now required to submit a remuneration report, which includes the content provided for by the CONSOB Issuers Regulation, at the shareholders' meeting summoned for the approval of the financial statements. In order to avoid any unnecessary duplication of information, please refer to the remuneration report pursuant to TUF article 123-ter, which is available to the public on the Company's website (<http://www.caditgroup.com>) within the terms prescribed by the applicable laws.

The Company and its subsidiaries are not subject to the provisions of non-Italian laws that might affect its corporate governance system.

### **4. BOARD OF DIRECTORS**

#### **4.1. APPOINTMENT AND REPLACEMENT OF DIRECTORS AND BY-LAWS AMENDMENTS (pursuant to TUF article 123-bis, § 1, letter 1))**

Pursuant to TUF Article 147-ter, the company's by-laws sets the list voting system as the mechanism to be followed for the appointment of the board of directors.

Specifically, Article 17 of the Company by-laws foresees that: *"Directors are appointed by the ordinary Shareholders' Meeting on the submission of candidate lists by the shareholders themselves, in which the candidates are listed in a sequential order. Lists introducing three or more candidates shall include both genders, so that at least the minimum number of candidates belonging to the least represented gender, as prescribed by the applicable laws on balance between genders, is present. Only the shareholders who, either alone or together with other shareholders, represent at least one fortieth of the share capital, or any such other maximum percentage required by law, have the right to submit lists<sup>2</sup>. Each shareholder may submit, or contribute to the submission of, only one list and each candidate may appear on one list only, otherwise he/she will be considered ineligible. Candidates who (in the absence of any other grounds for ineligibility or disqualification) do not satisfy the legal requirements established by law or by-laws, cannot be included in lists.*

*The number of candidates on each list shall not exceed the maximum number of directors stated above; a minimum number of these candidates, in accordance with the minimum as may be provided for by law, must be in possession of the independence requirements provided for therein.*

*The lists of candidates must be deposited at the registered office, also through a mean of distance communication allowing the identification of the applicants, within the twenty-fifth day preceding the date of the Shareholders' Meeting which will decide on the appointment of the members of the Board of Directors. The Company must make the lists available to the public at the registered office, on the website and in any other way prescribed by the laws in force, without delay and at least twenty-one days before the date of the Shareholders' Meeting. On being deposited, the lists must be accompanied by:*

*A) comprehensive information on the personal and professional qualifications of the candidates, with details of their eligibility as independent;*

*B) a statement in which each candidate accepts the nomination and attests, under his own responsibility, that there are no grounds for ineligibility or incompatibility as provided for by law and that he/she is in possession of all other legal requirements;*

*C) a copy of the certificates issued by authorised brokers stating the ownership -at the time of depositing the list at the company - of the number of shares required to file the lists. Broker certification proving the ownership of the number of shares required to submit lists can also be produced subsequent to list deposit within the deadline at which the Company is obliged to publish all the lists.*

*Any lists or individual nominations presented without observing all of the above provisions, except those to be done by the company, will be disregarded. Moreover, any lists which do not show the minimum number of votes required by law will not be considered. All persons entitled to vote may vote for one list only.*

*Directorship election shall proceed as follows:*

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<sup>2</sup> For 2016, Consob has set this percentage at 4,5% of shares with voting rights.



*A) the established number of directors, except for the minimum reserved in accordance with minority laws, shall be elected from the list that obtained the most votes on the basis of the sequential order in which they appear on such list;*

*B) all the other directors shall be elected from the list that obtained the second highest number of votes on the basis of the sequential order in which they appear on such list, which is not connected in any way, either directly or indirectly, with the list referred to in point A).*

*If, after voting as indicated above, the required number of independent directors has not been elected, the last non-independent candidate/s in progressive order on the list that obtained the most votes shall be excluded and replaced by the next independent candidate/s, on the basis of the progressive order, who was/were not elected from the list or the lists that has/have obtained the highest number of votes.*

*In the event of a repeated tie between several lists, an equal number of directors will be drawn from each, again on the basis of the progressive order. Where a single list is submitted or voted, all directors will be taken from that list.*

*If, after the above mentioned election, the applicable laws on balance between genders are not respected and respecting, anyway, the prescribed number of independent directors, the candidate/s belonging to the more represented gender last elected from the list that has obtained the highest number of votes referred to in point A), will be substituted by the first candidate/s belonging to the less represented gender, according to the respective progressive order, not elected from the list or the lists that have obtained the highest number of votes. Such criterion will be applied until the Board composition complies with the applicable laws on balance between genders. Should this not be possible through the mentioned criterion, the missing directors will be appointed by the Shareholders' Meeting through the ordinary procedures, prior submission of candidates belonging to the least represented gender. If only one list has been submitted or voted, all the Directors will be taken from that list, in compliance with the applicable laws on balance between genders and respecting, anyway, the prescribed number of Independent Directors. The candidate whose name appears first on the list that obtained the highest number of votes will be the Chairman of the Board."*

The company's by-laws does not establish additional requirements to the ones provided for by the current regulations for the appointment as a director.

Article 16 of the by-laws says, indeed, that the appointment as a director is subject to the possession of those individual requirements set forth by law and that an adequate number of directors, not lower than what required by the law, must meet the independence requirements provided by the regulations in force or by the codes of conduct of market management companies, where applicable.

With reference to amendments to the by-laws, no additional rules to the applicable laws and regulations are set forth. The by-laws may, indeed, be amended by the extraordinary shareholders' meeting and, as set forth by Article 19 and by the board of directors, only for those amendments required to comply with new regulations.

The Company, being listed in the STAR section of the MTA market, is subject to specific regulations (for example, but not limited to it, Article IA.2.10.6 of the Instructions to the Rules of the Markets Organised and Managed by Borsa Italiana

S.p.A., with relation to the independent directors, rules that, for STAR listed companies, the number of the independent directors pursuant to letter l), section 3, Article 2.2.3 of said Regulations is considered as adequate when there are at least 2 independent directors in a board of directors with up to 8 members; at least 3 independent directors in a board with 9 to 14 members; at least 4 independent directors in a board with over 14 members).

### **Succession plans**

On April 29<sup>th</sup> 2015, the board of directors decided, in compliance with the opinion previously expressed in this regard by the nominating and remuneration committee, not to adopt succession plans for executive directors in accordance with criterion 5.C.2 of the corporate governance code, seeing no immediate need to do so, taking into account that five executive directors<sup>3</sup>, within the board of directors, already oversee the main corporate functions, thus giving this structure in itself the right guarantees to ensure continuity and certainty in corporate management should one of them resign.

Moreover, Article 18 of the Company by-laws foresees that, if one or more directors can no longer, for whatever reason, continue to fulfil their role during the financial year, they will be replaced in accordance with Civil Code Article 2386.

### **4.2 COMPOSITION (pursuant to TUF article 123-bis, § 2, letter d))**

Pursuant to article 15 of the by-laws, the Company is managed by a board of directors composed of a minimum of five to a maximum of fourteen members, including non-shareholders, appointed by the shareholders' meeting, which also decides the number of directors in compliance with the applicable laws on balance between genders (see table 2 attached to the Report).

The current board of directors of the Company will remain in office until the shareholders' meeting summoned to approve the 2017 financial statements<sup>4</sup>.

On April 29<sup>th</sup> 2015, the Company shareholders' meeting determined that the Board of Directors would be composed of ten members, five of which would be executive directors, three non-executive directors and two independent, pursuant to the corporate governance code<sup>5</sup> and to TUF art. 148, section 3. The Board of Directors was appointed

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<sup>3</sup> It is to be noted that, following Giuseppe Dal Cortivo's renounce, on July 8<sup>th</sup> 2016, to the office of chairman of the board of directors as well as to the powers he was vested with, the number of executive directors – at the date of this Report – is four. In addition, on October 19<sup>th</sup> 2016, Giuseppe Dal Cortivo also resigned from the office of non-executive director.

<sup>4</sup> Director Debora Cremasco, appointed by co-option by the board of directors on October 19<sup>th</sup> 2016 in place of the resigning director Giuseppe Dal Cortivo, will remain in office until the shareholders' meeting called on April 27<sup>th</sup> 2017.

<sup>5</sup> The Board of Directors follows the independence criterion for directors set out by the corporate governance code, with the only exception related to the office duration of more than nine years out of the last twelve of director Lamberto Lambertini, as explained in section 4.6 of this Report.

as a result of voting on two lists submitted by Company shareholders. The list submitted by Giampietro Magnani/Giuseppe Dal Cortivo included Giuseppe Dal Cortivo, Giampietro Magnani, Luigi Zanella, Paolo Dal Cortivo, Giulia Dal Cortivo, Thomas Burkhart, Lamberto Lambertini (independent) and Alessandra Pedrollo (independent) as candidates for the office of directors. The list submitted by Maurizio Rizzoli/Marina Righi included Maurizio Rizzoli and Gianpaolo Tosoni (independent) as candidates for the office of directors.

Those elected were Giuseppe Dal Cortivo, as chairman, Giampietro Magnani, Luigi Zanella, Paolo Dal Cortivo, Giulia Dal Cortivo, Thomas Burkhart, Lamberto Lambertini, Alessandra Pedrollo, Maurizio Rizzoli, Gianpaolo Tosoni. The first list obtained 74.80% of the votes compared to the voting capital and the second list received the remaining 25.20%.

On July 8<sup>th</sup> 2016, the board of directors acknowledged Giuseppe Dal Cortivo's renounce to the office of chairman of the board of directors as well as to the powers he was vested with and simultaneously appointed Giampietro Magnani as the new chairman of the board.

On October 19<sup>th</sup> 2016, the board of directors acknowledged Giuseppe Dal Cortivo's resignation from the office of non-executive director and simultaneously appointed Debora Cremasco, by co-option, pursuant to Article 18 of the by-laws and Article 2386 of the civil code and prior approval of the board of auditors and of the nominating and remuneration committee, as non-executive and independent director of CAD IT. Debora Cremasco will remain in office until the next shareholders' meeting on April 27<sup>th</sup> 2017. The status and role of each director within the board is indicated in Table 2 attached to the Report.

All directors in office during 2016 financial year have proven adequate skills and professionalism.

Each director's main professional skills are reported in the CVs attached to this Report.

With regard to seniority, below is a list with the first date of appointment of each director:

- Giuseppe Dal Cortivo: 27/02/1991 (until 19/10/2016)
- Giampietro Magnani: 27/02/1991
- Luigi Zanella: 27 /02/1991
- Paolo Dal Cortivo: 29/04/2002
- Giulia Dal Cortivo: 29/04/2015
- Thomas Burkhart: 29/04/2014
- Maurizio Rizzoli: 27/02/1991
- Lamberto Lambertini: 30/04/2003
- Alessandra Pedrollo: 29/04/2015
- Gianpaolo Tosoni: 29/04/2015
- Debora Cremasco: 19/10/2016

### **Maximum number of offices held in other companies**

Upon acceptance of their candidature, the directors are duly informed about the foreseen amount of time to dedicate to performing their task as well as any higher commitment required should they also be a committee member.

For this purpose, the Board of Directors asks all of its components to provide a list of any other offices held in other listed companies, as well as in banking, insurance and, financial companies or any other company of a significant dimension.

The directors accept the office when they believe they can dedicate the adequate amount of time for the performance of their duties, compatibly with the number and nature of other offices they may fulfil.

Should a director not longer be able to carefully perform his/her duties, he/she shall inform the board of directors which will evaluate the situation and invite that director to decide in the interest of the company.

In consideration of the above, the board of directors has not defined any general criteria on the maximum number of offices that directors and auditors may hold in other companies and which might be considered compatible with the effective performance of their directorship, it being understood that each director should evaluate the compatibility of any director and auditor offices held in other companies with the careful performance of the tasks they have accepted as a director of the company.

Currently, the four executive members (Paolo Dal Cortivo, Giulia Dal Cortivo, Giampietro Magnani and Luigi Zanella), the non-executive directors (Maurizio Rizzoli and Thomas Burkhart) and the independent directors (Lamberto Lambertini, Alessandra Pedrollo, Gianpaolo Tosoni and Debora Cremasco) do not hold positions as directors or auditors in other companies listed on regulated markets or of any significant interest.

### **Induction Programme**

In order that the directors are maximally aware of the duties and responsibilities of their office, the chairman of the board of directors expects them to participate, after their appointment and during their term, in initiatives aimed at providing them with adequate knowledge of the field of activity in which the Company operates, of the corporate dynamics and their evolution, as well as of the regulatory and self-regulatory framework.

During 2016, considering the directors' high skills in the industry where the Company operates, the chairman carried out the induction sessions – regarding business topics and regulatory updates – during the board of directors meetings.

### **4.3. ROLE OF THE BOARD OF DIRECTORS (pursuant to TUF article 123-bis, § 2, letter d))**

#### **Board of Director functions**

The board of directors is called by the chairman or, if he is unable, by the elder vice-chairman (if appointed) or by the elder executive director, every time he considers it to be appropriate, at the company's seat or elsewhere, through registered mail, facsimile, telegram or e-mail, sent to the members of the board of directors and board of auditors, at least three before the chosen date and, if urgent, through telegram or facsimile sent at least two days before the date of the meeting.

The board of directors may also be called by the board of auditors or individually by each single member of it, prior notice to the chairman of the board of auditors. The board of directors may also be called upon request of at least two directors. These rights have never been exercised during the financial year.

In order to ease directors' attendance, the board meetings are valid also when held as phone or video conferences, provided that all the participants can be identified by the chairman and by the other members, that they are allowed to follow the discussion and to intervene in real time, that they are allowed to exchange documents on the topics under discussion and that the all of the above is mentioned in the meeting's minutes.

During the 2016 financial year, the board of directors met nine times. The average duration of each meeting was approximately two hours and almost all the directors were in attendance.

Four meetings have been scheduled for the current financial year. For details on scheduled meetings, please consult the 2017 calendar of events as published on the Company website at: <http://www.caditgroup.com>.

The period of notice deemed sufficient to send the documentation is about a week. Such term is usually respected.

When the documentation was particularly voluminous (e.g. update of the Organisational Model ex 231/2001 and of the market abuse procedures), the company also provided a brief of the most significant and important points concerning the decisions on the agenda.

The board of directors' meetings have been coordinated by the chairman in such a way as to ensure that the topics on the agenda are given enough time for a constructive debate, and that all the directors can make their contribution.

Should the pre-meeting documentation not be provided with adequate advance, more in-depth analysis are carried out during the board meeting. In any case, the directors can access the information available at the Company's offices.

The board of director meetings were attended, upon invitation from the chairman, by Daniele Mozzo as the administration and finance manager and Michele Miazzi, manager charged with preparing the Company's financial reports and Giulia Dal Cortivo as head of the legal department, in order to provide the necessary details regarding the items on the agenda at the various meetings. During 2016, the need for other managers to attend the board's meetings has never been recognised. Nevertheless, these managers have constantly reported their actions to the executive directors who eventually informed the board if on topic with the agenda.

## **Board of Director powers**

Article 19 of the Company by-laws foresees that the board of directors is vested with full powers for the ordinary and extraordinary administration of the Company, without limitation, with the only exception of those powers reserved by law to the shareholders' meeting.

The above-mentioned article 19 also foresees that, in addition to matters that cannot be delegated according to the law, the following powers fall within the exclusive jurisdiction of the board of directors:

- a) the review and approval of the strategic, operational and financial plans of the Company and of the Group of which the Company is the parent, as well as the Company's corporate governance system and Group structure;*
- b) the purchase, sale, exchange and transfer of real estate and real estate rights and the creation of security interests on real estate;*
- c) the setting up of new subsidiaries; the hiring, purchase or sale of holdings in companies; the purchase, sale, exchange and transfer of the entire Company business or Company branches;*
- d) the purchase, sale, exchange and transfer, and any other acquisition or disposition of assets, rights and services, as well as obligations, commitments and responsibilities of any kind, whose amount is, individually or jointly with other connected operations, in excess of Euro 4,000,000/00, including amendments to such agreements, contracts, operations, commitments or assumptions of liability resulting in economic effects of an amount greater than the above-mentioned value;*
- e) the appointment of general managers, authorisations for the transfer of their general power of attorney and determination of their remuneration;*
- f) the issuing of guarantees and bonds of any kind to amounts exceeding Euro 2,000,000/00 for each individual act and to any amount, if in the interest of parties other than the Company and its subsidiaries;*
- g) the review and prior approval of Company and subsidiary transactions, where such transactions have a significant strategic, economic, or financial relevance for the Company, paying attention to situations in which one or more Directors have a personal interest or third party interest and to those transactions with related parties, establishing the general criteria for identifying significant transactions;*
- h) the verification of the adequacy of the organisational, administrative and accounting structure of the Company and its strategic subsidiaries established by the Executive Directors, with particular reference to the internal control system and to the management of conflicts of interest.*

## **Adequacy of the Company's and the Group's organizational, administrative and accounting structure**

During financial year 2014, the board of directors evaluated the adequacy of the organisational, administrative and accounting structure of the Company and of the Group, with particular reference to the internal control and risk management system.

After consulting the internal control and risks committee and the internal audit function, the board decided that the series of organisational structures and procedures, implemented by the Company itself, results in an appropriate process for identifying and monitoring risks and is tailored to the Company's specific characteristics.

The internal audit function, as planned in the annual audit plan approved by the board of directors, performed specific actions on the processes and activities considered most at risk on the basis of a risk assessment activity. These efforts resulted in positive evaluations on the adequacy of the internal control system and also highlighted useful recommendations and corrective actions for its improvement.

Considering the "size" of the business, the board of directors believes that there are no subsidiaries of such strategic importance that would require the Company to assess their organisational, administrative and accounting structure.

In any case, the internal audit function systematically performs activities aimed at verifying the adequacy of the subsidiaries' internal control systems.

### **Management performance**

Upon approval of the annual financial statements of the half-yearly report and of the interim management reports, the board of directors rated the overall operating performance, based on the information and the documents submitted by the delegated bodies and by comparing planned and achieved results.

### **Transactions with significant strategic, economic and financial relevance of the Company or the Group**

Pursuant to Article 19 of the Company by-laws, transactions with significant strategic, economic and financial relevance shall be the responsibility of the board of directors.

The board of directors has not set any general criteria to identify operations with significant strategic, economic and financial relevance for the Company, considering it more appropriate to make a case-by-case evaluation in relation to the specific operation to be performed.

It should be noted that the procedure regarding operations with related parties was approved on November 12<sup>th</sup> 2010 and has been in force since financial year 2011, in accordance with Consob Related Parties Regulation provisions. See paragraph 12 below for further details.

### **Assessment on the size, composition and function of the Board of Directors and its Committees**

During the 2016 financial year, the board of directors assessed its own size, composition and function and that of its committees.

Such assessment was carried out during the board meeting on March 24<sup>th</sup> 2016, using specific criteria developed by the board of directors itself and by its independent components, who take into account elements such as the professional characteristics and

experience of its members, their seniority, as well as the main activities carried out by the board during the year.

The main analysis profiles were: the adequacy of the number of components and of the composition, the role of independent directors, the organisation of meetings; decision making and the relative reporting, the responsibilities and matters reserved to the board of directors; the regulation of related party transactions; the management of confidential and privileged information; the process for defining, approving and the subsequent monitoring of the budget and of the multi-annual plan; the role, duty and function of board of directors' committees; information flows between the board of directors and the management.

In the light of the above-mentioned criteria, the following points came to light:

- the composition of the board has been judged as adequate in terms of overall number of members, gender balance and influence of the independent members. All the areas of expertise have been well covered within the board, as the presence of diversified skills ensures the complementarity of professional profiles and favours the dialectics and the efficient functioning of the body;
- the subjects reserved to the competence of the board of directors have been judged as thorough and the functioning of the body has been positively evaluated;
- the documentation prepared for the board has been assessed as accurate and transmitted sufficiently in advance;
- similarly, the number of committees and their respective skills have been judged as adequate and their functioning as efficient, also with regard to the preliminary activities carried out with reference to the board's decisions.

As mentioned above, the correct functioning of the board of directors is also demonstrated by the high percentage of attendance at its meetings; furthermore, the meetings show a wide and productive participation in the discussion by all members.

The analysis highlighted the importance of the work carried out by the various committees, which makes board of director decision-making easier and leads to more efficient information flows between the board of directors and the executive directors.

Prior to the appointment of new directors, which will take place at the shareholders' meeting of April 29<sup>th</sup> 2015, the board of directors of March 12<sup>th</sup> 2015 informed its shareholders of the professional qualities of the candidates to be elected for their consideration:

- an adequate number of independent directors (at least two) is required. This is, in fact, not only an essential element in the interests of all shareholders, both majority and minority alike, but also enables the appropriate structuring of committees within the board of directors itself;
- the number, the competence, the authority and the time availability of the non-executive directors shall be such as to ensure that their judgment can have a significant weight in board of directors decisions;



- at least one director (member of the "nominating and remuneration committee") must have sufficient knowledge and experience in financial matters or compensation policies;
- at least one of the directors (member of the "internal control and risks committee") must have adequate experience in accounting and finance or risk management.
- directors' appointment must respect the regulations in terms of the balance between genders introduced by Law no. 120 of July 12<sup>th</sup> 2010.

Being 2017 the last year in office for the current board of directors, the board evaluation will focus on the possible requirements that the new board shall have.

### **Exceptions to the non-competition provision**

The shareholders' meeting has not authorised, in a general and preventive way, exceptions to the non-competition provision set forth by Civil Code Article 2390.

## **4.4. DELEGATED BODIES**

### **Executive directors**

On April 29<sup>th</sup> 2015, the board of directors appointed giuseppe dal cortivo<sup>6</sup>, Giampietro Magnani, Luigi Zanella, Paolo Dal Cortivo and Giulia Dal Cortivo as executive directors.

Giampietro Magnani, Luigi Zanella and Paolo Dal Cortivo were given all the powers of ordinary administration, including the right of disposal on bank accounts, to the extent of credit granted, to a maximum amount of Euro 2,000,000/00 for each transaction with the authority to act alone, and up to a maximum amount of Euro 4,000,000/00 with the joint signature of another executive director. Directors Giampietro Magnani and Luigi Zanella were also conferred the powers and the right to purchase and/or dispose of registered tangible assets, with the exception of boats and aircrafts of any kind, on sole signing authority.

Paolo Dal Cortivo was also given the power to represent the Company in its dealings with institutional investors and shareholders and with the Italian Stock Exchange and CONSOB, providing them with all communications and information that are compulsory under the applicable laws and/or under the rules of international best practice, in compliance with such rules and with the Company's internal procedures.

Giulia Dal Cortivo was delegated to manage the employees of CAD IT and its subsidiaries CAD Srl, CESBE Srl, Datafox Srl and Smart Line Srl, as well as to manage CAD IT Group corporate and legal affairs and general secretary.

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<sup>6</sup> As already mentioned, Giuseppe Dal Cortivo resigned from the office of executive director on July 8<sup>th</sup> 2016 and from the office of non-executive director on October 19<sup>th</sup> 2016.

During the same meeting on April 29<sup>th</sup> 2015, the board of directors appointed Giuseppe Dal Cortivo as its chairman.

On July 8<sup>th</sup> 2016 the board of directors acknowledged Giuseppe Dal Cortivo's renounce to the office of chairman and executive director and simultaneously appointed as the new chairman Giampietro Magnani.

In consideration of the above-mentioned renounce, on July 27<sup>th</sup> 2016, the board of directors, on the advice of the nominating and remuneration committee, vested the directors Paolo Dal Cortivo and Giulia Dal Cortivo with the tasks previously assigned to Giuseppe Dal Cortivo.

Specifically, Paolo Dal Cortivo, already head of the "insurance" and "foreign" divisions within the Company, has also been assigned the management of the customers belonging to the "banks" and the "industry" divisions, while Giulia Dal Cortivo has been assigned the task to reorganise the internal organizational and managerial functions.

The top person in charge of the management of the Company is the chairman, whose details are outlined in the following paragraph.

In relation to this circumstance the situation of "interlocking directorate", as provided for by the corporate governance code, does not exist.

### **Chairman**

On April 29<sup>th</sup> 2015, the Company's board of directors appointed, for the same duration as the position of director, Giuseppe Dal Cortivo as chairman of the board, granting him all the powers of ordinary and extraordinary administration, except those reserved by law to the shareholders' meeting or to the board of directors and those reserved to the exclusive jurisdiction of the board of directors, as listed in article 19 of the by-laws.

As mentioned above, on July 8<sup>th</sup> 2016 the board of directors acknowledged Giuseppe Dal Cortivo's renounce to the office of chairman and executive director and simultaneously appointed Giampietro Magnani as the new chairman.

Pursuant to article 22 of the by-laws, the chairman is the Company's legal representative and as such, has the power of signature both in front of third parties and in court and the authority to promote judicial and administrative actions at all levels of jurisdiction, including judgments for judicial review and revision.

Since he plays a key role in the development of business strategies, the chairman also received managerial powers.

The chairman of the Company's board of directors is the top person in charge of management. He is not the controlling shareholder of the Company.

### **Executive Committee**

The board of directors has not established any executive committee.

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## **Reporting to the board of directors**

As set forth by the Company by-laws, the delegated bodies report to the board of directors on the activities performed while exercising their powers every three months at least.

### **4.5. OTHER EXECUTIVE DIRECTORS**

In addition to those identified in the preceding paragraph, no other director within the board is to be considered as executive under the criteria specified in the corporate governance code.

### **4.6. INDEPENDENT DIRECTORS**

Currently, there are four independent members within the board of directors of the Company.

The board of directors applies the independence criteria required for directors by TUF Article 148, section 3 and by the corporate governance code, with the exception of the criterion related to the term of office being longer than nine years in the last twelve years, in relation to Lamberto Lambertini. Indeed, the company believes that his continuous presence as independent director not only does not affect his independence, but it allows him to acquire a specific knowledge and experience of the Company, enabling him to carry out the independent director's functions with particular effectiveness and skill. The decision not to follow the above-mentioned criterion when evaluating his independence was made by the Company after a careful analysis within the board of directors, which led to the conclusion that the term of office alone does not undermine the independence of the director, as neither his autonomous judgement nor his freedom of evaluation are restricted.

The board of directors assessed the existence of the independence requirements provided for by the TUF Article 143, section 3 and the corporate governance code for the independent directors Lamberto Lambertini (with the above-mentioned exception related to the office duration), Alessandra Pedrollo and Gianpaolo Tosoni during the meeting following the appointment on April 29<sup>th</sup> 2015, and during the following meeting on May 4<sup>th</sup> 2016, through the signature of an annual declaration of independence by each of the above-mentioned directors.

The board of directors has made public the outcome of its evaluations through a press release to the market.

In case of variations to the composition of the board of directors, each new independent director will be evaluated – based on the information he/she provides and on other available information – and the outcome of such assessment will be disclosed to the market through a press release.

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On March 26<sup>th</sup> 2016 the board of auditors positively verified the correct application of the criteria and procedures adopted by the board of directors to assess the independence of its members.

The board of auditors annually communicates the outcome of their monitoring in its report to the shareholders' meeting.

Below is an excerpt from the board of auditors' report to the 2016 shareholders' meeting: *"the Company's subscription to the Corporate Governance Code prepared by the Committee for Corporate Governance and promoted by the Italian Stock Exchange and the methods for the implementation of corporate governance rules, are discussed in the Board of Directors' annual report. In particular we have assessed the independence requirements set forth in TUF article 148, section 3, letter c) and the correct application of the verification criteria and procedures adopted by the Board to assess its members' independency (...)"*

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In accordance with criterion 3.C.6 of the corporate governance code, the independent directors – without any other director – met on November 10<sup>th</sup> 2016 after proposal of the lead independent director, in order to assess the adequacy of the new board composition following Giuseppe Dal Cortivo's resignation, the appointment of Giampietro Magnani as chairman and the appointment, by co-option, of Debora Cremasco as independent director.

The independent directors have indicated, within the lists for the board's appointment, their suitability to the role and they undertook to remain independent during the entire term of office.

#### **4.7. LEAD INDEPENDENT DIRECTOR**

On April 29<sup>th</sup> 2015, the board of directors appointed the independent director, Lamberto Lambertini, as "lead independent director" in order to give further prominence to the role of the independent directors in terms of contributing with their skills and expertise to the board of directors' activities.

During the 2016 financial year, the lead independent director acted as the reference and coordination point for the needs and contributions of non-executive and independent directors, as well as for the identification of topics to be submitted to the board of directors.

### **5. PROCESSING OF CORPORATE INFORMATION**

On May 12<sup>th</sup> 2006, the board of directors approved the procedure for the management and processing of confidential information, whose last review was approved by the

board of directors on March 14<sup>th</sup> 2017, following the entry into force of EU Regulation 596/2014 (MAR) and related enactments.

This procedure was prepared with the aim of regulating the management and handling of confidential information and its communication to the public, in accordance with Legislative Decree no. 58 of 24/02/1998 and later modifications and integrations adopted by CONSOB, and with the Rules of the Markets organised and managed by Borsa Italiana.

The procedure applies to the management and handling of the Company's and its subsidiaries' confidential information.

The procedure is available in the "Investor Relations" section of the Company website at: <http://www.caditgroup.com>.

With reference to the requirement for issuers of listed securities, subjects in a control relationship with them and any person acting in their name or on their behalf, to establish and maintain a register of people who have access to the confidential information referred to in Legislative Decree no. 58 of 24/02/1998 and later modifications and integrations and adopted by the CONSOB Issuers Regulation, the board of directors voted to set up such a register and, on August 11<sup>th</sup> 2006, approved the procedure for establishing and updating the register of persons with access to privileged information, whose last review was approved by the board of directors on March 14<sup>th</sup> 2017 following the entry into force of EU Regulation 596/2014 (MAR) and related enactments.

The procedure is available on the Company's website at [www.caditgroup.com](http://www.caditgroup.com).

## **6. BOARD OF DIRECTOR COMMITTEES (pursuant to TUF article 123-bis, § 2, letter d))**

On April 29<sup>th</sup> 2015, the board of directors set up, within the board itself, the following committees, in accordance with corporate governance code recommendations:

- nominating and remuneration committee (the functions conferred by the corporate governance code to the remuneration committee and to the nominating committee have, in fact, been delegated to a single committee. This choice was made, through a specific board resolution on April 29<sup>th</sup> 2015, taking into account (i) the dimension of the board of directors and (ii) its organisational needs, with the aim of maximizing the efficiency of its activities and those of the committees. It is to be noted that this choice allows to reach the targets set out by the corporate governance code for each committee and that the nominating and remuneration committee follows the requirements for both committees);
- internal control and risks committee.

The committees are composed as follows:

- the nominating and remuneration committee is made up of the independent directors, Lamberto Lambertini (chairman) and Alessandra Pedrollo and the non-executive director, Maurizio Rizzoli;

- the internal control and risks committee is made up of the independent directors, Lamberto Lambertini (chairman) and Alessandra Pedrollo and the non-executive director, Maurizio Rizzoli.

The committees have an advisory and consultative function and assist the board of directors in activities regarding matters of respective competence, acting in accordance with corporate governance code indications.

The company has not established other committees with advisory and consultative functions other than those covered by the corporate governance code.

## **7. and 8. NOMINATING AND REMUNERATION COMMITTEE**

In the 2016 financial year, the nominating and remuneration committee was composed of three members, all non-executive directors, the majority of whom are independent. Committee members had the consistent knowledge and experience in accounting and finance deemed appropriate by the board of Directors at the time of appointment.

Participation at the Committee's meetings by non-members has occurred upon invitation of the committee in relation to the agenda.

For anything not listed in this section, please refer to the remuneration report, which constitutes an integral and essential part of the Report, as specified in section 9.

### **Functions of the nominating and remuneration committee**

Financial year, the nominating and remuneration committee has the following functions to:

- a) advise on board of directors' dimension and composition;
- b) advise on the professional figures whose presence within the board of directors is deemed to be appropriate;
- c) submit to the board of directors candidates to the office of director in case of co-optation, when there is a need to substitute independent directors;
- d) submit recommendations on the maximum number of positions ad directors and auditor considered as compatible with the position of director as well as on any exception to the non-competition provisions of article 2390 of the civil code;
- e) periodically assess the adequacy, the overall consistency and practical application of the general remuneration policy of the executive directors and the other directors with special responsibilities, also considering, with regard to the latter, the information provided by the executive directors; advise the board of directors on the subject matter;
- f) submit proposals or express opinions to the board of directors on the remuneration of executive directors and directors with special responsibilities, as well as on the establishment of performance targets related to the variable component of the remuneration; monitor the implementation of board of directors decisions, particularly verifying that said targets are achieved;

No director attended nominating and remuneration committee meetings concerning proposals about his own remuneration to the board of directors.

The board of directors has not assigned additional functions to the nominating and remuneration committee other than those provided for by the corporate governance code.

### **Meetings of the nominating and remuneration committee**

Information regarding the number of meetings held during the financial year and the effective participation of each component at the meetings held are shown in table 2 of the Report.

At least one meeting is planned for the current financial year.

In the 2016 financial year, the nominating and remuneration committee met five times: once on March 14<sup>th</sup> 2016 to assess the adequacy and overall consistency of the remuneration policy for directors and managers with strategic responsibilities defined by the board of directors for financial year 2016 as well as to propose to the board of directors the target to be reached for the distribution of the variable short-term gross yearly remuneration to the executive directors; the second time on May 12<sup>th</sup> 2016 to propose to the board of directors the target to be reached for the distribution of the annual bonus – already set by the board on November 12<sup>th</sup> 2015 – to Michele Miazzi, as the manager charged with preparing the Company's financial reports; the third on July 8<sup>th</sup> 2016 to (i) submit the appointment proposal for the chairman of the board to the board of directors should Giuseppe Dal Cortivo renounce to the office and (ii) submit every proposal necessary to regulate directors' remuneration to the board of directors – as previously set out by the shareholders' meeting and by the board of directors on April 29<sup>th</sup> 2015 – should Giuseppe Dal Cortivo renounce to the office of chairman and executive director, which would consequently result in the reduction in the number of the executive directors in charge; the fourth time on July 27<sup>th</sup> 2016 to propose to the board of directors the attribution to other directors of those tasks previously carried out by Giuseppe Dal Cortivo; the fifth time on October 19<sup>th</sup> 2016 to evaluate the proposed appointment, by co-option, of Avv. Debora Cremasco as non-executive and independent director of the Company, should the board accept Giuseppe Dal Cortivo's resignation.

In performing its functions, the nominating and remuneration committee was able to access all the necessary information and business functions required to perform its tasks as well as to use external consultants, under the terms set by the board of directors. The chairman of the board of auditors or another auditor usually takes part in the meetings, in addition to other persons the committee should deem useful with reference to the topics on the agenda.

The meetings of the nominating and remuneration committee meetings have been coordinated by the chairman and duly recorded.

The chairman of the committee informs the board of directors about its meetings during the closest board meeting by providing a recap of the topics that were discussed.

## **Budget of the nominating and remuneration committee**

On April 29<sup>th</sup> 2015, the board of directors set the committee's budget for external consultancies at Euro 5,000/00 per semester.

## **9. DIRECTOR REMUNERATION**

The information contained in this section is also referred to in the remuneration report deliberated by the board of directors pursuant to article 123-ter of the TUF that will be submitted to the advisory vote of the shareholders' meeting scheduled for April 27<sup>th</sup> 2017. The remuneration report will be made available on the Company website at: <http://www.caditgroup.com> within the timeframe provided for by the law.

### **Executive directors' remuneration**

The remuneration of the Company's executive directors includes a fixed component, a variable component, subject to the achievement of pre-determined objectives in the short and long-term and an attendance token for each meeting they attend.

The Company has not provided for any stock-based incentive plan in favour of executive directors.

The nominating and remuneration committee has set the criteria for the allocation of the above-mentioned variable component for the 2016 financial year.

The Company has not set any particular end of office treatment or other indemnities for the suspension or dissolution of the director's relationship upon either the Company's or the individual's initiative.

The Company entered into contractual agreements that allow it to ask for the full or partial return of any remuneration component paid on the base of data which have been subsequently proved to be manifestly wrong, pursuant to Criterion 6.C.1. letter f) of the corporate governance code.

### **Non-executive directors' remuneration**

The remuneration of non-executive directors is not connected to the economic results achieved by the Company.

Non-executive directors are not subject to share-based incentive plans.

No stock-based incentive plans have been set for the non-executive directors.

The remuneration of non-executive directors includes a fixed component and an attendance token for each board meeting they attend.

In accordance with Consob Communication no. DEM/11012984 dated 24/02/2011, please also note that no agreements providing compensation in the event of resignation or dismissal/revocation without just cause or if employment relations should cease as a



result of a takeover bid have been concluded between the Company and the directors in accordance with TUF article 123-bis, paragraph 1 letter. i).

The remuneration received by the directors for the 2016 financial year is outlined in detail in the 2017 remuneration report.

## **10. INTERNAL CONTROL AND RISKS COMMITTEE**

On April 29<sup>th</sup> 2015, the board of directors set up an internal control and risks committee. The internal control and risks committee is composed of three members, the majority of which are independent directors.

Each member of the committee had the experience in accounting and financial matters or risk management deemed appropriate by the board of directors at the time of his appointment.

### **Functions of the internal control and risks committee**

The internal control and risks committee assists the board of directors in carrying out its tasks relating to internal control, as prescribed by the corporate governance code.

Specifically, the committee carries out the following functions:

- to assess, together with the manager charged with preparing the Company's financial reports and the external auditors, the correct application of the accounting principles and, in the case of groups, their consistency in the preparation of consolidated financial statements;
- to provide the board of directors with prior advice on the tasks it carries out in accordance with the internal control and risk management code. Such advice is binding if related to decisions regarding the appointment, termination, remuneration and resources allocation of the person responsible of the internal audit function;
- to give advice on specific aspects regarding the identification of corporate risks;
- to examine the periodical reports on the evaluation of the internal control and risk management system and those with particular relevance prepared by the internal audit function;
- to monitor the autonomy, the adequacy and the efficiency of the internal audit function;
- to ask the internal audit function, if deemed necessary, to audit specific operational areas, informing the chairman of the board of auditors;
- to report to the board of directors at least once each semester, at the time of financial statement and half-yearly report approvals, on the activities performed and the adequacy of the internal control and risk management system.
- to support with adequate preliminary activities the board of directors' evaluations and decisions concerning the management of risks arising from detrimental facts the board has become aware of;

- cover the functions of the committee provided for by article 7 of Consob Resolution 17221/2010, as amended by Consob Resolution 17389/2010, regarding the approval of transactions with related parties.

The internal control and risks committee carries out consultative and advisory activities aimed at adopting the Company's corporate governance rules.

In performing its functions, the internal control and risks committee has the right to access all the necessary information and business functions required for carrying out its tasks as well as to use external consultants, under the terms set by the board of directors.

The chairman of the internal control and risks committee informs the board of directors about its meetings during the closest board meeting by providing a recap of the topics that were discussed.

### **Meetings of the internal control and risks committee and risks**

Information regarding the number of meetings held during the financial year and the effective participation of each component at these meetings is shown in table 2 attached to the Report.

Four meetings have been scheduled for the current financial year.

In the 2016 financial year, the internal control and risks committee met seven times, respectively on: March 14<sup>th</sup> 2016, May 12<sup>th</sup> 2016, July 6<sup>th</sup> 2016, July 27<sup>th</sup> 2016, September 22<sup>nd</sup> 2016, October 19<sup>th</sup> 2016 and November 10<sup>th</sup> 2016. The average meeting duration was about one hour.

Depending on the items on the agenda, persons who were not members of the committee, on invitation from the committee itself, also took part in the meetings.

The internal control and risks committee did not receive any assistance from external consultants and each of its meetings was attended by the chairman of the board of auditors and by the director responsible for internal control and risk management. The committee is allowed to access any information and corporate area deemed necessary for the execution of its tasks.

Specifically, in the 2016 financial year, the internal control and risks committee also examined the changes made to the organisation model, to the Company's procedures "Management and treatment of privileged information" and "register of people with access to privileged information", as well as the auditing reports prepared by the internal audit function. The committee has been informed about the most relevant issues regarding the Company and its Group, including Giuseppe Dal Cortivo's renounce to the office of chairman of the board of directors and executive director and his following resignation as member of the board of directors.

The Committee monitored the efficiency of the account auditing process and the related work plan, as suggested by the corporate governance code, through the exchange of information with the auditor and the board of auditors.

The internal control and risks committee also met with the board of auditors about the results presented by the auditing firm with regard to the report on key matters arising from the statutory audit.

The Committee reported its activities as a supervisory board to the board of directors and to the board of auditors every six months at the same time as the annual and half-yearly financial report approvals.

The minutes of the internal control and risks committee meetings have been duly recorded.

### **Budget of the internal control and risks committee**

On April 29th 2015, the board of directors set the committee's budget for external consultancies at Euro 5,000/00 per semester.

## **11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

### **Introduction**

In the drafting of the strategic, industrial and financial plans, the board of directors, has defined, with the assistance of the Internal control and risks committee and through the activity of the executive director responsible for internal control and risk management, the guidelines for the internal control and risk management system, so that the main risks regarding the Company and its subsidiaries can be correctly identified considered, managed and monitored in order to make them compatible with a good and correct company management, including in its assessment every risk that may have an impact on the medium to long-term sustainability.

The Company's internal control system, in compliance with the corporate governance code, is to be interpreted as the set of rules, procedures and organisational structures aimed at permitting, through an adequate process for the identification, measurement, management and monitoring of the main risks, a good and correct management of the company, coherently with the target of maximizing the value for shareholders. Therefore, the structure of the internal control system is the combination of processes set to monitor the efficiency and effectiveness of the Company's operations, the reliability of financial information, the compliance with laws and regulations and the protection of the company's assets.

This system concerns the entire company, involving the following parties:

- the board of directors, with the role of directing and assessing the adequacy of the system;
- the executive director responsible for internal control and risk management, who establishes and maintains an efficient internal control and risk management system;

- the internal control and risks committee, made up of three members, with a majority of independent directors, which supports, through adequate preliminary activities, the board of directors' evaluations on the internal control and risk management system;
- the internal audit function manager, who verifies that the internal control and risk management system is adequate and well-functioning;
- the board of auditors, which monitors the efficiency of the internal control and risk management system, also acting as the internal control and accounts auditing committee.
- the manager charged with preparing the Company's financial reports, who drafts the administrative and accounting procedures for drafting the financial statements, the consolidated financial statements as well as any other financial communication.

The Company has set coordination modalities between the above listed subjects in order to maximise the efficiency of the internal control and risk management system and to reduce duplicate activities. These modalities consist of coordination meetings between the different players involved in the internal control system in order to share the main points and to align each other on their actions.

In the planning, implementation, monitoring and updating of the internal control and risk management system, the Company has taken the "COSO Report", internationally regarded as best practice, as a reference model.

In order to ensure the effective implementation of the system and a high level of reliability of the information, several corporate procedures are formalised, including administrative and accounting procedures, periodically updated subsequent to organizational and legal changes.

### **Description of the internal control and risk management system relating to financial reporting process**

The existing control system relating to the financial reporting process is part of the wider internal control system, as they are both elements of the same process for the management, control and monitoring of company risks, aimed at ensuring the reliability, accuracy and rapidity of the same financial reporting.

The board of directors defines the internal control system guidelines in relation to the financial reporting process, so that the main risks for the Company and its subsidiaries are sufficiently measured, managed and monitored. The board of directors has also set the compatibility criteria for these risks with a good and correct management of the company.

The drafting of administrative and accounting procedures requires an assessment of the chance of errors, intentional or otherwise, originating from the processes that lead formulating financial reporting. For the purposes of drafting such system, a mapping and evaluation of the areas where potential threats to the financial information reliability may arise is performed.

The internal control system implemented by the Company in relation to the financial information process consists of the following phases:

- identification of risks on financial reporting;
- assessment of risks on financial reporting;
- identification of controls on identified risks;
- assessment of controls on identified risks.

With reference to each of the above listed phases, it is to be pointed out that:

- **risk identification on financial reporting** is carried out during the wider risk assessment process for the identification of risks that may affect the achievement of the targets set by the corporate processes; risk assessment is updated annually upon approval of the internal audit plan;
- **inherent risk assessment** is performed with quality criteria designed to estimate the probability of event occurrence and their impact on the pursuit of corporate targets;
- first and second level **risk management controls** are performed. The first level controls are included in the operating processes themselves and can therefore also be performed for each single subsidiary. The second level controls, however, satisfy the criteria of segregation of duties. For instance, the latter include those checks executed by the manager charged with preparing the Company's financial reports;
- **the assessment of controls against identified risks** is performed by means of internal audit activities and, where appropriate, may result in the identification of compensatory controls, corrective actions or improvement plans.

The results of monitoring activities are periodically submitted to the Company's top management, to the executive director responsible for the functioning of the internal control system and to the internal control and risks committee, which, in turn, reports to the board of directors and to the board of auditors.

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On March 14<sup>th</sup> 2016, the board of directors approved the internal audit plan, after hearing the board of auditors and the director responsible for internal control and risk management.

During the same meeting the board of directors assessed the adequacy, efficiency and effectiveness of the internal control system and of risk management with respect to the characteristics of the Company and its risk profile based on the information and evidence collected with the support of the investigative work carried out by the internal control and risks committee.

Based on the analysis performed, the board of directors believes that the current internal control system generally allows for the achievement of the corporate targets.

## **11.1. EXECUTIVE DIRECTOR RESPONSIBLE FOR INTERNAL CONTROL AND RISK MANAGEMENT**

On 29<sup>th</sup> April 2015, the board of directors appointed the executive director Giampietro Magnani to supervise the functioning of the internal control system.

During financial year 2016, he has identified the main corporate risks (strategic, operational, financial and compliance), taking into account the characteristics of the Company's and its subsidiaries' activities, and he has periodically submitted them for board of directors' assessment.

In particular:

- he has implemented the guidelines established by the board of directors, by planning, creating and managing the internal control and risk management system and by constantly checking its adequacy, effectiveness and efficiency;
- he has adapted this system to any changes in operating conditions and to the legislative and regulatory landscape;
- he has been given the power to ask the internal audit function to perform audits on specific areas of work and on compliance with the internal rules and procedures in the execution of corporate operations, informing the chairman of the board of directors, the chairman of the internal control and risks committee and the chairman of the board of auditors;
- he has promptly reported to the internal control and risks committee on issues and problems that arose in the course of its or other functions' activities so that the committee itself could take appropriate action.

## **11.2. PERSON IN CHARGE OF THE INTERNAL AUDIT FUNCTION**

The responsible for the internal audit function, Donatello Marcolungo, appointed by the board of directors on August 27<sup>th</sup> 2014, is someone external to the Company who has the required professionalism, independent and organisational skills.

The appointment was proposed by the director responsible for internal control and risk management, after approval by the internal control and risks committee and after hearing the board of auditors.

The Company has chosen to externalise the internal audit function considering the specific skills and characteristics of the appointed person.

The internal auditor remuneration has been determined by the board of directors, after approval by the internal control and risks committee and after hearing the board of auditors.

No predetermined budget has been allocated to the responsible of the internal audit function, who will be entitled to submit to the Company a prior authorisation request each time it is necessary (e.g. for specialised external advice).

The responsible of the internal audit function is not in charge of any operational department and is not under the supervision of any operational department manager, including the administration and finance department.

The responsible for the internal audit function is under the authority of the board of directors and reports the performance of his actions to the internal control and risks

committee and to the executive director responsible for internal control and risk management, with whom he regularly meets but without compromising their independence.

During financial year 2016, the responsible for the internal audit function:

- verified, both continuously and in relation to specific needs and in compliance with the international standards, the operations and suitability of the internal control and risk management system, through an audit plan, approved by the board of directors, based on a structured analysis and prioritization of key risks. With reference to the 2016 financial year, on March 14<sup>th</sup> the board of directors approved the internal audit plan, after proposal by the internal control and risks committee, as well as after hearing the board of directors and the director responsible for internal control and risks management;
- had direct access to all useful information for the performance of his office;
- prepared regular reports containing an adequate summary of his work, on the procedures for conducting risk management as well as on the respect of the plans established for their containment and an evaluation of the suitability of the internal control and risk management system;
- punctually prepared reports on events of major importance (and forwarded them to the chairman of the board of auditors, of the internal control and risks committee, of the board of directors and to the executive director responsible for internal control and risk management);
- verified, as part of the audit plan, the reliability of information and accounting systems.

The Company has not set aside a budget for the person responsible for internal control, but, if necessary, he may make a request to the board of directors for prior authorisation for expenditures (e.g. for the use of external specialist advice).

With reference to the 2016 financial year, the main areas subject to internal auditing were financial reporting, with particular attention to financial statements' formation and the external supplying process for goods and services.

### **11.3. ORGANISATIONAL MODEL pursuant to Legislative Decree 231/2001**

On November 10<sup>th</sup> 2006, the board of directors approved the organisational and management model (including specific procedures for financial resource management) pursuant to Legislative Decree n. 231/2001, aimed at the prevention of the crimes outlined by the same Decree.

During 2016, the model was updated on July 19<sup>th</sup>, September 22<sup>nd</sup> and November 10<sup>th</sup>. Those updates concerned a further definition of the behaviour principles to be followed by the recipient of the model for the prevention of “corporate crimes” as well as an adjustment of the section regarding “market abuse crimes”, following the entry into force of EU Regulation 596/2014 (MAR) and related enactments.

The model, adopted after a detailed analysis of the corporate activities and aimed at identifying potential risk areas, is a set of general principles, rules of conduct, monitoring tools, administrative procedures, training and information programmes and a disciplinary system, designed to prevent, as far as possible, any crimes from being committed.

On November 10<sup>th</sup> 2006, the board of directors, pursuant to the provisions of the Decree, established, within the same deliberation, the supervisory board, declaring it to be the internal control and risks committee, deeming it as the most suitable body for carrying out the required activities and in consideration of the requirements of autonomy, independence, professionalism and continuity of the actions necessary to perform such a function. Therefore, the Company has not considered it appropriate to assign supervisory board functions to the board of auditors.

The supervisory board is, therefore, a collegial body composed of three members, including two Independent directors and one non-executive director.

The board of directors is responsible for the appointing and possible revocation (for good cause) of the supervisory board as well as for determining its annual compensation.

Its term of office is the same as that of the internal control and risks committee.

The model is published on the Company website.

#### **11.4. AUDITING FIRM**

The auditing firm is PKF Italia S.p.A., appointed by CAD IT's shareholders' meeting on April 29<sup>th</sup> 2015 for financial years 2015-2023.

#### **11.5. MANAGER CHARGED WITH PREPARING THE COMPANY'S FINANCIAL REPORTS AND OTHER CORPORATE ROLES OR FUNCTIONS**

Article 25 of the by-laws foresees that the Company's board of directors, on prior mandatory opinion of the board of auditors, shall appoint the manager charged with preparing the Company's financial reports from among those employees or partners with a minimum of two years' experience in a suitable position at the administrative and/or finance department of the Company, or of other companies, determining his/her remuneration and granting him/her with adequate powers and resources to perform the duties assigned by law.

This manager can be revoked by the board of directors, on prior mandatory opinion of the board of auditors.

On August 27<sup>th</sup> 2014, the board of directors, upon proposal of the director Giampietro Magnani (responsible for the internal control and risk management system) and prior approval of the board of auditors and the nominating and remuneration committee, appointed Michele Miazzi as manager charged with preparing the Company's financial reports, with effect from October 1<sup>st</sup> 2014, taking into account the experience he had gained in the administrative-financial area of the Company thanks to his internal auditor



position as well as to his close relationship with the manager charged with preparing the Company's financial reports during the previous years.

This Manager has access to a budget of Euro 5,000/00 per semester and he/she is invested with all the appropriate powers to exercise his/her functions.

## **11.6 COORDINATION BETWEEN THE PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

The Company has laid down specific procedures for coordination between the various players involved in the internal control and risk management system.

The components of the Company's internal control and risk management system are, in fact, coordinated and interdependent and the system itself, as a whole, is integrated into the general organizational, administrative and accounting structure of the Company.

Specifically, the Company's internal control and risk management system involves various players, such as:

- the board of directors;
- the board of auditors;
- the executive director responsible for internal control and risk management;
- the internal control and risks committee;
- the head of internal audit function;
- the manager charged with preparing the Company's financial reports.

The internal audit function helps the above indicated subjects and bodies in performing their checks on the internal control and risk management system, with particular reference to checks on internal procedures and on the preparatory activities for the evaluation of the Group's internal control and risk management system.

Furthermore, the internal audit function assists the manager charged with preparing the Company's financial reports during his checks regarding respect of the administrative-accounting procedures defined by the internal control system, if necessary through specific in-depth analysis.

The Company has implemented coordinating activities and instruments aimed at aligning the actions of every player and body forming the Company's internal control system.

The results of the internal audit function's activities are periodically discussed and submitted to the internal control and risks committee, which forwards them to the board of directors, and are brought to the attention of the executive director responsible for internal control and risk management and the board of auditors.

## **12. DIRECTOR INTERESTS AND RELATED-PARTY TRANSACTIONS**

Following the provisions issued by Consob with resolution no. 17221 dated 12/03/2010 and with resolution no. 17389 dated 23/06/2010, on November 12<sup>th</sup> 2010, the board of directors adopted a new procedure regarding transactions with related parties which

substituted the previous version adopted by board of directors' deliberation on September 25<sup>th</sup> 2007.

The procedure for carrying out transactions with related parties was drafted with the aim of regulating the way in which Company transactions with related parties is executed, whether directly or through subsidiaries, in order to ensure the substantial or procedural transparency and accuracy of such transactions, in compliance with the corporate governance code and the law.

The procedure requires that, whatever their relevance, transactions with related parties are to be approved by the board of directors or by the executive director, who, depending on the case, has the competence to do so on the basis of the powers conferred to him/her by the board of directors.

It is understood that said executive director, if deemed necessary, can, in any case, submit the transactions of his/her competence for board of directors' approval.

Prior to the approval of a transaction, the board of directors or the executive director are required to ask a committee, which may even be set up for the purpose, for a reasoned and non-binding opinion. Said committee shall be composed exclusively of non-related and non-executive directors with a majority of independent directors.

The functions conferred to such committee may be carried out by the Company's internal control and risks committee, provided that the latter is formed in accordance with the requirements set forth in applicable laws and regulations.

The procedure is available in the investor relations section of the Company website at <http://www.caditgroup.com>.

With regard to related party transactions, it is hereby specified that on April 27<sup>th</sup> 2011, the Company shareholders' meeting introduced a new article in its by-laws entitled "Article 31 - Related party transactions", in order to enable the Company to adopt internal procedures that may provide for the exclusion, to this regard, of urgent transactions, within the limit of the law, even if said transactions are the competence of the shareholders' meeting.

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In the event that a director has a personal interest, even potential or indirect, in the object of a deliberation, he/she is required to inform the board of directors of the existence and the circumstances of such interest so that, if necessary, he/she does not take part in its deliberation.

There have been no such situations to date.

### **13. APPOINTMENT OF THE BOARD OF AUDITORS**

Article 24 of the Company's by-laws foresees that the board of auditors is composed of three standing members and two alternative members to be appointed by the shareholders' meeting *"by using lists of candidates submitted by the Shareholders, in which the candidates are listed in a sequential order"*.

*Lists are made up of two sections: one for candidates to the office of Standing Auditor and the other for candidates to the office of Alternative Auditor.*

*Lists introducing three or more candidates, shall include both genders, so that at least the minimum number of candidates belonging to the least represented gender, as prescribed by the applicable laws on balance between genders, is present.*

*Only the shareholders who, either alone or together with other Shareholders, are in possession of at least 2.5 % of shares with voting rights in the ordinary Shareholders' Meeting or any other maximum percentage required by law or regulation, have the right to submit lists<sup>7</sup>.*

*Any one Shareholder, as well as the Shareholders belonging to the same group, cannot submit, even through a third party or a trust company, more than one list or vote for different lists. Each candidate may appear on one list only, otherwise he/she will be considered as ineligible.*

*Candidates who hold Auditor positions in five other listed companies (the Company, its parent company and the subsidiaries excluded) or who do not meet the requirements of integrity and professionalism established by law, cannot be included on any list.*

*The limits that the law may provide for on the number of offices will, if necessary, be applied in their minimum dimension.*

*Auditors can be re-elected. The lists must be deposited at the registered office within the twenty-fifth day preceding the date of the Shareholders' Meeting that has been summoned to appoint them, either in a first or single session, and this will be reported in the notice of summons. The Company will make the lists available to the public at the registered office, on the website and in any other way prescribed by the laws in force, without delay and at least twenty one days before the date of the Shareholders' Meeting.*

*At the moment of depositing, the lists must be accompanied by:*

- *comprehensive information on the candidate's personal and professional qualifications, skills and experience, together with evidence of any management and control positions held in other companies;*
- *a statement in which each candidate accepts the nomination and attests, under his/her own responsibility, that there are no grounds for ineligibility or incompatibility and that he/she is in possession of the requirements set forth by the law or the By-laws with regard to the respective offices;*
- *a copy of certificates, issued by authorised brokers, stating the ownership - at the time of depositing the list at the Company - of the number of shares required to do so. Such broker certification testifying the ownership of the number of shares required to submit lists, can also be produced subsequent to filing provided that it is within the Company's deadline for list publication.*

*Any lists presented without observing all of the above provisions will be disregarded.*

*The lists, together with the information on the candidates, are promptly published on the Company website.*

*Auditor election shall proceed as follows:*

- *two standing members and one alternative member shall be elected from the*

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<sup>7</sup> For 2016, Consob has set this percentage at 4,5% of shares with voting rights.

*list that obtained the most votes on the basis of the sequential order in which they appear on the sections of such list;*

- *the remaining standing member, who will be the chairman of the Board of Auditors, and the other alternative member, shall be elected from any second list that obtained the highest number of votes at the Shareholders' Meeting, in the order in which they appear in sections of the list.*

*The Chairman of the Board of Auditors, if not reserved by law for Auditors elected by minority, will be appointed by the Shareholders' Meeting from among the standing members.*

*If, after the above mentioned election, the applicable laws on balance between genders are not respected, the candidate for the office of Standing Auditor belonging to the more represented gender last elected from the list that has obtained the highest number of votes will be substituted by the following candidate of the same list belonging to the other gender.*

*If such substitution does not guarantee compliance with the applicable laws on balance between genders, the missing Auditor will be appointed by the Shareholders' Meeting through the ordinary procedures, prior submission of candidates belonging to the least represented gender.*

*If an Auditor does not possess the requirements outlined by the law and in the By-laws, he or she shall forfeit office.*

*If the need to substitute an Auditor arises, he or she will be replaced by the alternate Auditor from the same list, in compliance with the applicable laws on balance between genders.*

*If such substitution does not guarantee compliance with the applicable laws on balance between genders the missing Auditor will be appointed by the Shareholders' Meeting through the ordinary procedures, prior submission of candidates belonging to the least represented gender.*

*The appointment of Auditors to be integrated into the Board of Auditors, pursuant to Civil Code article 2401, is a Shareholders' Meeting decision to be made in accordance with the majorities prescribed by law and in compliance with the applicable laws on balance between genders. The additional Auditor will be elected from the persons indicated by the same Shareholders who submitted the list that included the retiring Auditor. If this is not possible, the Shareholders' Meeting shall proceed to the substitution in accordance with the majority required by law and in compliance with the applicable laws on balance between genders”.*

## **14. COMPOSITION AND FUNCTIONING OF THE BOARD OF AUDITORS**

**(pursuant to TUF article 123-bis, § 2, letter d))**

The Company's board of auditors is composed as indicated in table 3 attached to the Report.

The current board of auditors will remain in office until the date of the shareholders' meeting summoned to approve the 2015 financial statements.

On April 29<sup>th</sup> 2015, the Company shareholders' meeting appointed the board of auditors as a result of the vote of two lists submitted by the Company shareholders, Giuseppe Dal Cortivo/Giampietro Magnani and Maurizio Rizzoli/Marina Righi. The list submitted by Giuseppe Dal Cortivo/Giampietro Magnani nominated Gian Paolo Ranocchi and Renato Tengattini for the office of standing auditor and Silvana Anti for the office of alternative auditor. The list submitted by Maurizio Rizzoli/Marina Righi nominated Chiara Benciolini for the office of standing auditor and Umberto Bagnara for the office of alternative auditor. Those elected were Chiara Benciolini, as chairman of the board of auditors and standing auditor, Gian Paolo Ranocchi and Renato Tengattini as standing auditors and Silvana Anti and Umberto Bagnara as alternative auditors. The first list has obtained 74.80% of the votes compared to the voting capital while the second list received the remaining 25.20%.

The board of auditors met ten times during financial year 2016 and there were no changes in its composition at the end of that financial year. The average duration of the Board of Auditors' meetings was about three hours.

The Company's board of directors, considering the number of meetings of the board of auditors during 2016 and the participation of the auditors in the meetings of the board of directors and of the internal control and risks committee, believes that the auditors have spent enough time for the appropriate performance of their tasks.

Specifically, during its activity, the board of auditors (i) has monitored the auditing firm's independence, has coordinated with the internal audit function and the internal control and risks committee through specific meetings and (iii) has acknowledged the auditing firm's reports, aimed at assessing the compliance of corporate accounts as well as the correct reporting of management events inside the accounts.

The board of auditors plans its meeting periodically throughout the year. The board has already met two times in the 2017 financial period.

The board of auditors has assessed the independence of its members following their appointment and, on November 16<sup>th</sup> 2016, it positively verified their continuous independence, giving notice of such outcome to the board of directors. Said assessment was made pursuant to TUF Article 148, paragraph 3 and to the criteria set out by the corporate governance code with reference to directors' independence, with the exception of the criterion related to the term of office being longer than nine years in the last twelve, in relation to auditors Gian Paolo Ranocchi and Renato Tengattini. Indeed, the Company believes there is not a familiarity risk for those auditors, since their relationships with the Company has concerned exclusively their professional tasks. Also, the Company believes that their continuous presence in the board not only does not affect their autonomy, but it allows them to acquire a specific knowledge and experience of the Company, enabling them to carry out their tasks with particular effectiveness and skill. The decision not to follow the above-mentioned criterion when evaluating those auditors' independence was made by the Company after a careful analysis within the board of directors on November 16<sup>th</sup> 2016.

The chairman of the board of directors has made sure that the auditors can participate, after the appointment and during their term, to initiatives aimed at providing them with adequate knowledge of the sector in which the Company operates, of the corporate dynamics and their evolution and of the regulatory framework. Specifically, the chairman of the board of directors has decided to carry out the 2016 auditors' induction sessions with reference to the auditors during the board of directors' meetings.

Should an Auditor demonstrate to have a personal interest, even potential or indirect, in a Company transaction, he/she is required to immediately and exhaustively inform the other auditors and the chairman of the board of directors of the nature, terms, origin and extent of his/her interest.

During 2016, no member of the board of directors has communicated the existence of direct or indirect stakes in the Company's operations.

The board of auditors is constantly in close contact with both the internal audit function, given that the person in charge is involved in the board's meetings, and the internal control and risks committee, whose meetings are attended by the chairman of the board of auditors.

As a result of Legislative Decree no. 39 of 27/01/2010, which implements EU Directive 2006/43/EC on statutory audits of annual and corporate accounts, the board of auditors was also granted the role of "internal control and auditing committee".

## **15. INVESTOR RELATIONS**

The Company endeavours to provide all relevant information and documentation to shareholders in good time. The documentation relating to corporate governance, institutional information and periodical and extraordinary economic and financial information are all available on the Company website ([www.caditgroup.com](http://www.caditgroup.com)).

In fact, the Company promptly informs shareholders and potential shareholders of any action or decision that may have a relevant impact on their investment and it publishes every press release and document related to the exercise of any right connected to issued securities, as well as any documents relating to shareholders' meetings or made available to the public on its website.

The aim of such is to inform shareholders and investors of every issue on which they are invited to comment.

The Company also arranges conference calls with financial analysts and institutional investors, allowing the press to attend such events.

On April 29<sup>th</sup> 2015, the board of directors appointed the executive director Paolo Dal Cortivo as the Company's representative for shareholder relations.

The Company has also established the investor relations function for managing relationships with shareholders.

## **16. SHAREHOLDERS' MEETINGS (pursuant to TUF article 123-bis, § 2, letter c))**

The articles in the Company by-laws that govern shareholders' meetings are reported below.

*Art. 6) The Shareholders' Meeting, regularly established according to law, represents all the shareholders, and its resolutions, taken in accordance with the law and these By-laws, are binding for all Shareholders even if absent or dissenting.*

*Art. 7) The Shareholders' Meeting is called by the Board of Directors, or by the Board of Auditors, if prescribed by law, within the terms established by current regulations. The Board of Directors summonses the Shareholders' Meeting at the request of Shareholders in accordance with the laws in force. The Meeting can also be summoned by the Board at the request of Shareholders representing at least one twentieth of the share capital, subject to the provisions of Civil Code article 2367, last paragraph, or by the Board of Auditors or by at least 2 (two) members of the latter.*

*The Shareholders' Meeting may be also summoned to meet anywhere in the Nation outside the registered office.*

*The ordinary Shareholders' Meeting must be called at least once a year within 120 days after the closing of the financial year or within 180 days after the aforementioned closure, whenever the Company is required to prepare the consolidated financial statements or whenever particular necessities concerning the structure and purpose of the company arise.*

*The Shareholders' Meeting is also summoned, in both ordinary and extraordinary sessions, whenever the Board of Directors deems it necessary and in all cases prescribed by law.*

*The summons notice may indicate a single call or it can include a first, second and, with regard to Extraordinary meetings, even a third call.*

*The meeting is called by means of a summons notice, stating the day, place and time of the meeting, the list of topics to be discussed and any other information required by the laws in force. The notice is to be published on the Company website as well as in all other ways provided for by the laws in force. The same summons notice will specify the date, place and time of any further call following the first one. The notice may specify a maximum of one further date for Extraordinary Meetings to be held after the second summons date.*

*Art. 8) Shareholders who, also jointly with other shareholders, represent at least one fortieth of the share capital, may request, in accordance with the regulations in force, the integration of an additional item on the agenda or submit deliberation proposals on item already on the agenda.*

*Requests to amend the agenda or the submission of deliberation proposals on item already on the agenda shall be described in a report to be deposited in accordance with the terms and modalities provided for by the laws in force.*

*Additions to the agenda or submissions of deliberation proposals on item already on the agenda are notified in the same manner prescribed for the publication of the summons notice and within the terms set forth by laws in force.*

*Everyone entitled to vote may ask questions about the items on the agenda even before the Shareholders' Meeting, within the terms and as set by the laws in force.*

*Art. 9) Every Shareholder is entitled to one vote per each share held.*

Article 10 of the by-laws foresees that only persons in possession of the right to vote who submit the appropriate certification issued by an authorised broker in accordance with the terms and modalities established by the laws in force, will be able to attend the shareholders' meeting.

To date, the Company has not provided for any specific measure to reduce the restrictions and requirements relating to shareholders' meeting participation and for Shareholders' rights to exercise their vote.

There have been no proposals by shareholders who are able to exercise significant influence on matters, which were not accompanied by a specific prior proposal by the board of directors.

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On June 29<sup>th</sup> 2000, the Company shareholders' meeting approved the rules for shareholders' meetings which were updated on April 27<sup>th</sup> 2011 and published in the investor relations section of the Company website at <http://www.caditgroup.com>.

Article 16 of the Company rules for shareholders' meetings foresees that: *“persons entitled to attend the meeting, the Directors and the Auditors have the right to speak on each of the topics under discussion and to make suggestions to their regard.*

*Those persons entitled to attend the Meeting and who intend to speak, must ask the Chairman after the related item on the agenda has been read and before the discussion on such item has been closed.*

*The request must be made by a show of hands, unless the Chairman has decided to proceed through written requests. In the case of a show of hands, the Chairman will give the floor to those who raised their hand first. Should this prove impossible to determine, the Chairman will give the floor in the order he himself unquestionably establishes. If the procedure is by written requests, the Chairman will give the floor following the alphabetical order of the applicants.”*

In the 2016 financial year, the shareholders' meeting took place on April 28<sup>th</sup>.

The meeting was attended by all of the Company's directors.

The board of directors reports to the shareholders' meeting about its activities and plans at least upon approval of the yearly financial statements and whenever it deems it appropriate. In order to enable the shareholders to make aware decisions, the board publishes detailed reports on each of the points on the agenda. These reports are available on the Company's website at [www.caditgroup.com](http://www.caditgroup.com).

The chairman of the nominating and remuneration committee has not informed the shareholders about the operating mode of the committee itself.



The items on the agenda were as follows:

- proposed approval of the 2015 financial statements and the distribution of the profits and consequent resolutions;
- remuneration report pursuant to article 123-ter of Legislative Decree 58/1998 and consequent resolutions;

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During the meeting, the board of directors reported on planned and undertaken activities and did its best to ensure that the shareholders received adequate information to allow them to take informed decisions at the shareholders' meeting.

In the 2015 financial year, the market capitalisation of company shares decreased by about 10%.

The Company's by-laws adopt the minimum percentages required by the laws in force to exercise rights and prerogatives set to protect minorities.

## **17. FURTHER CORPORATE GOVERNANCE PRACTICES (pursuant to TUF article 123-bis, § 2, letter a))**

As explained in section 11.3 of the Report, on November 10<sup>th</sup> 2006, the Company adopted the organisational and management model pursuant to Legislative Decree 231/2001, which has since been updated. The last update was on November 10<sup>th</sup> 2016.

## **18. CHANGES SINCE THE CLOSURE OF THE LAST FINANCIAL PERIOD**

No changes to the corporate governance structure have occurred since the closure of the last financial period.

**TABLE 1: OWNERSHIP STRUCTURE**

<b>SHARE CAPITAL STRUCTURE</b>				
Share type	No. of shares	% of the share cap.	Listed (which segment) / not listed	Rights and obligations
Ordinary shares	8,980,000	100	Listed market: Borsa Italiana MTA, STAR Sector	Shares are freely transferable and each share gives the right to one vote. The shareholders may exercise their social property rights assigned to them by law, respecting the legal limits set.
Shares with limited voting rights	///	///	///	///
Shares without voting rights	///	///	///	///

<b>OTHER FINANCIAL INSTRUMENTS</b> <i>(attributing the right to subscribe newly issued shares)</i>				
	Listed (which segment) / not listed	No. of issued instruments	Category of shares servicing the conversion /financial year	No. of shares servicing the conversion /financial year
Convertible bonds	///	///	///	///
Warrant	///	///	///	///

<b>RELEVANT SHAREHOLDINGS*</b>			
Shareholder	Direct shareholder	% of the ordinary share capital	% of the voting share capital
RIGHI MARINA	Yes	14.975	14.975
DAL CORTIVO GIUSEPPE	Yes	10.731	10.731
MAGNANI GIAMPIETRO	Yes	10.692	10.692
ZANELLA LUIGI	Yes	10.607	10.607
XCHANGING UK LTD	Yes	10.000	10.000

\* As at December 31<sup>st</sup> 2016

Board of Directors												Internal Control and Risks Committee		Nominating and Remuneration Committee	
Office	Members	First appointment*	In office since	In office until	List**	Exec.	Non exec.	Ind. For Code	Ind. For TUF	Number of other offices ***	(*)	(*)	(**)	(*)	(**)
<b>Chairman and Head of the Internal Control System</b>	Giampietro Magnani	27/02/1991	29-04-15 <sup>8</sup>	Close of 2017	M	X				///	9/9				
<b>Executive Director</b>	Luigi Zanella	27/02/1991	29-04-15	Close of 2017	M	X				///	9/9				
<b>Executive Director</b>	Paolo Dal Cortivo	29/04/2002	29-04-15	Close of 2017	M	X				///	9/9				
<b>Executive Director</b>	Giulia Dal Cortivo	29/04/2015	29-04-15	Close of 2017	M	X				///	9/9				
<b>Non-executive Director</b>	Thomas Burkhart	29/04/2014	29-04-15	Close of 2017	M		X			///	3/9				
<b>Non-executive Director</b>	Maurizio Rizzoli	27/02/1991	29-04-15	Close of 2017	m		X			///	9/9	7/7	M	5/5	C
<b>Non-executive Director</b>	Gianpaolo Tosoni	29/04/2016	29-04-15	Close of 2017	m			X	X	///	7/9				
<b>Non-executive Director</b>	Alessandra Pedrollo	29/04/2016	29-04-15	Close of 2017	M			X	X	///	9/9	7/7	M	5/5	M
<b>Lead Independent Director</b>	Lamberto Lambertini	30/04/2003	29-04-15	Close of 2017	M			X	X	///	9/9	7/7	C	5/5	M

<sup>8</sup> As explained in the Report, Giampietro Magnani was appointed as Chairman of the board on July 8<sup>th</sup> 2016.

<b>Non-executive Director</b>	Debora Cremasco	15/01/1968	19-10-16	Close of 2017	Co-option		X	X	X		1/1				
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<b>DIRECTORS LEAVING OFFICE DURING REFERENCE PERIOD</b>															
<b>Board of Directors</b>												<b>Internal Control and Risks Committee</b>		<b>Nominating and Remuneration Committee</b>	
Office	Members	First appointment	In office since	In office until	List**	Exec.	Non Exec.	Ind. For Code	Ind. For TUF	Number of other offices ***	(*)	(*)	(**)	(*)	(**)
<b>Non-executive Director</b>	Giuseppe Dal Cortivo	27/02/1991	29/04/2015	19/10/2016	M		X				3/8				M
<b>Quorum for presenting lists for last appointment: 1/40 of the share capital</b>															
<b>No. of meetings held in reference period</b>								BoD: 9		ICC: 7			NRC: 5		

#### NOTES

\* First Appointment means for each director the date he/she was appointed for the very first time.

\*\* Elected from Majority (M) or minority (m) list.

\*\*\*Number of directorships or auditorships held in other companies listed in regulated markets, included foreign markets, financial companies, banks or insurance companies or companies of relevant size.

(\*) Attendance at BoD and committee meetings (number of meetings actually attended out of the total number meetings held during the period in office).

(\*\*) "C" Chairman or "M" Member of the Committee

**TABLE 3: STRUCTURE OF THE BOARD OF AUDITORS**

Board of Auditors									
Office	Members	Date of birth	First Appointment*	In office since	In office until	List **	Independence as per Code	Meeting attendance***	Number of other offices ****
Chairman	Chiara Benciolini	09/08/1972	29/04/2015	29/04/2015	Close of 2017	m	X	10/10	///
Standing Auditor	Gian Paolo Ranocchi	07/04/1961	28/04/2006	29/04/2015	Close of 2017	M	X	10/10	///
Standing Auditor	Renato Tengattini	06/01/1956	28/04/2006	29/04/2015	Close of 2017	M	X	10/10	///
Alternative Auditor	Silvana Anti	02/11/1959	29/04/2015	29/04/2015	Close of 2017	M	X	///	///
Alternative Auditor	Umberto Bagnara	18/05/1956	29/04/2015	29/04/2015	Close of 2017	m	X	///	///
-----AUDITORS LEAVING OFFICE DURING REFERENCE PERIOD -----									
<b>Quorum for presenting lists for last appointment: 4.5% of the share capital</b>									
<b>No. of meetings held in reference period: 10</b>									

**NOTES**

\* First Appointment means for each auditor the date he/she was appointed for the very first time.

\*\* Elected from majority list (M) or minority list (m).

\*\*\* Attendance (%) at board of auditor meetings (number of meetings actually attended out of the total number of meetings held during the period in office).

\*\*\*\* Number of directorships or auditorships relevant pursuant to TUF article 148 bis. Pursuant to CONSOB Issuers Regulations article 144-quinquiesdecies, the complete list of such offices is published by CONSOB on its website.

## **ATTACHMENTS**

### **CURRICULUM VITAE: CAD IT S.p.A. DIRECTORS**

#### **GIUSEPPE DAL CORTIVO**

***Personal data***

Born in Verona on 25/07/1945, he graduated in economics and business studies in 1972 at Verona University.

***Professional position***

Chairman and executive director of CAD IT S.p.A. until July 8<sup>th</sup> 2016. On October 10<sup>th</sup> 2016 he resigned as non-executive director of CAD IT.

***Previously held positions/offices***

1967 – 1980: he worked for Cassa di Risparmio di Verona, where he specialised in information technology and finance.

***Other current positions/offices***

Executive Director of CESBE S.r.l. until July 25<sup>th</sup> 2016

Legal Representative, with all the powers of ordinary and extraordinary management, with the exception of those reserved to the BoD, of CAD S.r.l., until July 27<sup>th</sup> 2016

Director of Sicom Informatica S.r.l., until July 22<sup>nd</sup> 2016

#### **GIAMPIETRO MAGNANI**

***Personal Data***

Born in Caprino Veronese (VR) on 10/11/1944.

***Professional position***

In 1987 he founded CAD IT S.p.A. (former Proga S.r.l.) together with Luigi Zanella, Giuseppe Dal Cortivo and Maurizio Rizzoli and other partners, with the aim of extending the software activities traditionally addressed to company businesses into the credit sector.

Due to his technical and computing skills, gained through several years of working in the banking business (1970 - 1981 Cassa di Risparmio di Verona), he is now in charge of the technological evolution of CAD IT Group software products.

Together with the other members of the Board of Directors, he defines the corporate strategy.

He is currently in charge of the “Software for Services” department and of the “Integrated IT Systems for Banks” department. He manages the production, organisation, marketing and customer management functions of these departments and, together with another Executive Director, he also manages the internal research and development team.

Currently, he is the chairman of the Board of Directors of CAD IT S.p.A., besides being a member of the Board of Directors of some subsidiaries.

***Previously held positions/offices***

1967 – 1970: analyst programmer at “Associazione Nazionale Allevatori di Razza Bruna”.

***Other current positions/offices***

Chairman and Executive Director of Smart Line S.r.l.

Legal Representative, with all the powers of ordinary and extraordinary management, with the exception of those reserved to the board of directors, of CAD S.r.l.

Director of Datafox S.r.l.

#### **LUIGI ZANELLA**

***Personal data***

Born in Legnago (VR) on 19/01/1947.

***Professional position***

After specialising in the design of information systems for banks and industry, in 1982, he acquired a relevant shareholding in CAD S.r.l. becoming one of its key persons.

In 1987 he founded CAD IT S.p.A. (former Proga S.r.l.) together with Giampietro Magnani, Giuseppe Dal Cortivo and Maurizio Rizzoli and other partners, with the aim of extending the software activities traditionally addressed to company businesses into the credit sector.

Currently, besides being an Executive Director of CAD IT S.p.A. and of some subsidiaries as specified below, he manages the Group's internal organisation activities. In particular, he is in charge of the management and control function, the administration and finance department, the logistics department, the purchasing department and internal security.

***Previously held positions/offices***

1966 – 1969: analyst programmer at Milan and Bologna divisions of Consorzio Nazionale Esattori.

1969 – 1982: analyst programmer for the centro elettronico of the Cassa di Risparmio di Verona.

***Other current positions/offices***

Executive Director of CESBE S.r.l.

Legal Representative, with all the powers of ordinary and extraordinary management, with the exception of those reserved to the board of directors, of CAD S.r.l.

Director of Datafox S.r.l.

Director of Sicom Informatica S.r.l.

Director of Sofyl S.r.l.

**PAOLO DAL CORTIVO**

***Personal data***

Born in Verona on 06/12/1972,

***Education***

He graduated in economics and business in 1997 at the University of Trento.

Diploma in "Ragioneria" at the "Pindemonte" high school in Verona.

Excellent English language skills.

***Professional position***

He started working for CAD IT S.p.A. in 1997 becoming an executive director in 2002.

During the last 20 years he has developed a vast experience in commercial relationships with medium to large sized domestic and international companies.

Currently, besides being an Executive Director of CAD IT S.p.A., he also manages the Group's business development activities.

After the Company's listing on the Italian Stock Exchange on October 26<sup>th</sup> 2000, in the light of the skills he had developed before and during the listing process he is also the Company's "Investor Relations" Manager, with particular attention to institutional and non-institutional relationships, financial analysts and the press.

He is in charge of the "software for financial instrument back office" department and, in particular, he is the department's Production Manager.

He is also in charge of the Organisation Office, of the Sales Office and responsible for managing in "Banking" Division customers in relation to financial instruments and of customers in the industry, insurance and foreign divisions.

He is a member of the Board of Directors of some subsidiaries, as specified below.

***Previously held positions/offices***

1997 – 1999: collaboration with CAD IT S.p.A. for the development and design of a computer procedure for the management of SICAV "corresponding bank" and "dealing bank" problems, with reference to Italian banks.

In 1999 he was nominated as Chairman of 4 Emme Informatica S.r.l. in Lodi, a company that provides software development services and banking advice.

January 1999 – March 2000: collaboration with CAD IT S.p.A. for the design of the "complete IT system for banks (SIBAC)" with particular reference to the securities area.

During 2000 he oversaw, together with other members of the Board of Directors, CAD IT S.p.A.'s listing in the Italian Stock Exchange, following every phase of the process.

In January 2001 he was nominated Chairman of the Board of Directors of SGM S.r.l. in Padua, a software house specialised in the production of management systems for enterprises and software solutions integrating wireless technology to the network.

***Other current positions/offices***

Chairman and Executive Director of CAD S.r.l.

Executive director of CESBE S.r.l.

**GIULIA DAL CORTIVO**

***Personal Data***

Born in Verona on 04/05/1971, she graduated in law at Trento University and got the title "Avvocato" in 2000.

***Education***

She is an "Avvocato" since 2000.

She graduated in Law in 1996 at the University of Trento.

High school diploma at "Liceo Classico Sipione Maffei".

Excellent English language skills.

***Professional position***

1999 – present: executive director of CESBE Srl (CAD IT Group)



2001 – present: head of CAD IT Group Legal & Corporate Affairs Department, dealing with: domestic and international negotiations with banks and high-standing companies; software license, development, maintenance and application management agreements; assistance in preparing the documentation in response of calls for tender, corporate compliance to regulations in particular by taking part into the preparation of the Organizational Model pursuant to Leg. Decree 231/2001; compliance with privacy protection and safety on workplace regulations.

2007 – present: head of CAD IT's general secretary, dealing with corporate law and corporate governance, taking part in Board meetings and preparing the related documentation. Takes part in Board of Auditors' and Committees' meetings.

2015 – present: executive director of CAD IT S.p.A. with the role of managing CAD IT Group employees and internal organizational topics.

She is a member of the Board of Directors of some subsidiaries, as specified below.

#### ***Previous work experience***

1996 – 1998: legal practice in a Verona firm followed by an internship in Cassa di Risparmio di Verona, dealing with the impact of Euro on banking contracts.

Since 1998 minority shareholder of CESBE Srl, acting as a consultant on banking contracts review following the Euro introduction for Banca Popolare dell'Alto Adige and Banca Antonveneta.

#### ***Specialization courses***

Attended seminars about: listed companies disclosure requirements; remuneration of listed companies' directors; corporate governance; related parties; the role and responsibilities of the manager charged with preparing company's financial documents; shareholders meeting's resolutions in listed companies; Privacy compliance; safety on workplace; copyright/patent protection; banking contracts; IT contracts; Leg. Decree 231/2001 and the Organizational Model, public administration and MEPA.

#### ***Other current positions/offices***

Executive Director of CESBE S.r.l.

Director of Datafox S.r.l.

Director of Sicom Informatica S.r.l.

### **MAURIZIO RIZZOLI**

#### ***Personal data***

Born in Verona on 19/06/1946, he graduated in engineering at Padua University.

#### ***Professional position***

Since 1987 he has been a shareholder in CAD IT S.p.A. (former Proga S.r.l.) and he is currently a Member of the Board of Directors.

Since the origins of the Group, he has overseen the industry sector becoming a specialist in the design of solutions for the administrative and production management areas, with particular reference to engineering firms.

He has recently specialised in the creation of information systems for Public Administration.

#### ***Previously held positions/offices***

Before establishing CAD S.r.l., he operated in the banking sector as an analyst programmer, gaining vast experience with large-scale systems.

### **THOMAS BURKHART**

#### **Date of birth:**

July 16, 1964

#### **Language Skills:**

German (Mother tongue) English (Full Professional proficiency); Italian (Working proficiency)

#### **Education:**

01/91-01/92 American University, Washington, D.C., U.S.A. Master of Laws (LL.M.) Grade (GPA): 3.02

10/83-10/90 Faculty of Law, University Konstanz German Law Degree (J.D. equivalent) Grade: 6.41

#### **Work Experience**

*07/10-today Xchanging - Head of Legal Continental Europe*

Drafting and negotiating IT, BPO and M&A transactions and various other complex contracts in English and German for the countries Germany, Italy and South Africa

Advising and supporting management on questions of corporate compliance, labor and all other various aspects of law

Negotiating and supporting two M&A transactions in Italy in order to opening an Italian office for Xchanging including a second transaction acquiring another Italian entity

Regular legal support of the Italian legal entity, including negotiating BPO contracts

Managing external lawyers with a focus on cost optimizing

Leading the legal affairs unit including a staff of two

*01/03-04/10 EDS Deutschland GmbH - General Counsel EMEA Central Region*

Responsible for all legal affairs in Austria, Bulgaria, Czech Republic, Germany, Hungary, Lithuania, Romania, Russia, Slovakia, Switzerland, Ukraine and Poland

Drafting and negotiating IT, consulting and outsourcing contracts in English and German language, including also mergers and acquisitions and IT transactions with a TCV of up to EUR 1 billion in the aforementioned countries

- Supporting corporate IT, consulting and outsourcing contract negotiations in the countries of responsibility and supporting the EMEA headquarter in contract negotiations
- Leading a team of up to 5 direct and 5 dotted line reports
- Managing external lawyers across these jurisdictions with a focus on cost optimizing
- Counsel management on questions of corporate compliance, labor and all other various aspects of law
- Handling HR litigation as well as advising on collective and individual HR questions
- Participating and conducting investigations with respect to compliance and misconduct.
- Managing various commercial litigation cases and collaborating with outside counsel
- Reorganizing and re-positioning the legal department 03/01-12/02 IBM Central Holding GmbH, Stuttgart www.ibm.com Corporate Counsel
- Worldwide responsibility for the legal relationship between IBM and SAP
- Responsible for the legal relationship with IBM business partners and agents as well as the entire public customers in Germany
- Legal work on an RfP of the German Armed Forces with respect to the outsourcing of the entire IT-equipment.
- 06/96-03/99 University of cooperative education Saxony <http://www.ba-leipzig.de> Freelance teacher in the area of real estate law*
- Teaching students in the area of real estate and real estate agents law as well as corporate law
- 07/93-02/01 CMS Hasche, Sigle, Eschenlohr, Peltzer, Leipzig*
- Drafting contracts in English and German pertaining to M&A transactions as well as various areas of corporate and business including HR law
- Counseling, representing, assisting and advising corporations and other legal entities with projects involving acquisitions, joint ventures, labor and real estate law
- Leading various commercial and HR-related litigation
- 03/92-05/93 Gardner, Carton & Douglas, Chicago, IL, U.S.A. - Foreign Legal Consultant*
- Advising and assisting partners with projects involving U.S. and German acquisitions, real estate law and litigation.
- Participating in an American litigation case including deposition and pre-trial discovery
- Researching both U.S. and German law and drafting letters and memoranda

#### **LAMBERTO LAMBERTINI (Independent)**

##### ***Personal data***

Born in Bologna, on 03/06/1949.

##### ***Professional position***

Lawyer with experience in corporate and commercial law;

Enrolled in the "Lawyer's Bar" since 1977;

Enrolled in the "Albo dei patrocinanti in Cassazione ed abilitati al patrocinio dinanzi alle giurisdizioni superiori" since 1991;

Member of the Board of Directors of CAD IT S.p.A.

##### ***Previously held positions/offices***

Head editor of the "Rivista degli Avvocati Italiani" journal (1991-1996);

National Vice secretary of "Federavvocati" (1991-1992);

Chairman of the "Consiglio dell'Ordine degli Avvocati di Verona" (1996-1998 and 1998-2000);

Member of the Board of Directors of the "Fondazione Arena di Verona" (1999-2006);

Guarantor for Verona Municipality (2001-2005);

He collaborated in the teaching of business law at the Faculty of Law at Verona University;

Coordinator of civil law teaching and professor of business law at the legal professions specialization school set by Trento and Verona Universities (2001- 2007);

Chairman of the Supervisory Board of Aluminium Trevisan Cometel S.p.A. (2008-2009)

Chairman of the "District Commission" at the "Venice Court of Appeal" for the lawyer state exam (2009-2010);

Member of the editorial committee of the "Rivista di Giurisprudenza ed economia d'azienda" journal;

Chairman of the shareholders' meeting of the "Società Letteraria di Verona".

#### **ALESSANDRA PEDROLLO**

##### ***Personal data and education***

Born in Cologna Veneta (VR) on 04/12/1975

"Dottore Commercialista" and "Revisore Contabile" since 2003.

November 1999 – July 2001: Master "potenziamento imprenditoriale" at Politecnico di Milano

September 1999: Economics and Business Degree at Verona University with a thesis on Intellectual property protection.

June 1994: High school graduation at "Liceo Scientifico "A.M.Roveggio" in Cologna Veneta (VR)

##### ***Professional position***

Since 2013 Non-executive director of Gread Elettronica Srl

Since 2012 Executive director of Pedrollo S.p.A.

Since 2011 Sole director Pedrollo of Hungaria KFT

Since 2010 Sole director of Pedrollo Colombia Ltda

Since 2010 Sales manager at Pedrollo S.p.A.

Since 2010 Director Pedrollo Gulf FZE

Since 2009 Sole director of Pedrollo Mexico S.A. de C.V.

Since 2009 Sole director of Pedrollo France Sarl

Since 2001 Head of management control at Pedrollo S.p.A.  
Since 2001 Sole director of City Pumps S.r.l.  
Since 1999 Head of Marketing at Pedrollo S.p.A.

#### **GIAN PAOLO TOSONI (Independent)**

##### ***Personal Data and education***

Born in Roverbella (MN) on 15/08/1951, high school graduation in accounting and commerce specialist, specialization in agriculture tax matters.

##### ***Professional position***

15-year career at “Associazione Provinciale Agricoltori di Mantova”.

Currently working as a freelance accountant, teacher at Sole 24 Ore training center since 1992 and speaker at various seminars on fiscal matters.

Author of the book “Agricoltura e Fisco” printed by Sole 24 Ore.

Author of scientific monographs on tax matters and collaborator of the editorial group “Il Sole 24 Ore”.

Member of “Collegio dei Ragionieri della Provincia di Mantova” since 1980 and member of “Ordine dei Dottori Commercialisti ed Esperti Contabili di Mantova” since 2008.

Member of the list of “Revisori Contabili” (N.58357 D.M. 12/04/1995 – G.U. of 21/04/1995)

Member of the “Albo dei Consulenti Tecnici del Giudice” of Mantova Court.

Member of “Ordine dei Giornalisti – elenco pubblicitari”.

##### ***Previously held positions/offices***

Member of the “Commissione Tecnica per la Fiscalità in Agricoltura” set up at the “Ministero delle Politiche Agricole”.

Chairman of the “Tea Società Multiutility” in Mantova during 2007/2010 period.

#### **DEBORA CREMASCO (Independent)**

##### ***Personal data***

Born in Valdagno (VI) on 15/01/1968

##### ***Education***

She graduated in Economics and Business Venice University and in Law at Bologna University.

##### ***Professional position***

Since 1998 she is part of the Studio Lambertini & Associati law firm providing legal assistance in relation to corporate disputes, corporate crisis, governance and shareholders’ agreements.

She developed a vast experience in shares and companies acquisitions, leveraged buy-outs and structured finance, extraordinary operations and corporate restructuring.

Since 2001 she became a partner of Studio Lambertini & Associati

Since 2003 she is a business law lecturer at the legal professions specialisation school at University of Verona and Trento.

She is currently a member of the ASLA (Associazione degli Studi Legali Associati) board of directors and non-executive and independent director of CAD IT S.p.A.

##### ***Previously held positions/offices***

Director of the real estate company Minerva S.r.l. from 2004 to 2013.

Chairman of the board of directors of the company Azienda Speciale Farmacia Comunale di Romano d’Ezzelino.

Director of H.G.M. S.p.A., a company belonging to Gruppo Marchi, during 2014.

Independent director and member of the internal control and risks committee of Veneto Banca S.p.A., since May 2016 to August 2016.

##### ***Publications***

Below is a list of her main publications/contributions regarding corporate governance, shareholders’ agreements, corporate financing and corporate restructuring:

- *I finanziamenti alle imprese*, in “La disciplina dei rapporti bancari” by F. Fiorucci, Cedam 2012
- *Effetti di natura processuale*, in “Manuale delle Procedure concorsuali”, by S. Sanzo – A. Bianchi, Il Sole 24 Ore, 2007
- *La vendita del voto*, in “Compravendita e figure collegate”, by P. Cendon, Utet 2007
- *Governo delle Imprese e patti parasociali*, by D. Cremasco e L. Lambertini, Cedam, 2004
- *Finanziamenti in pool e Mezzanine financing*, in “Finanziamento alle imprese”, by P. Cendon, Utet, 2005
- *Le decisioni dei soci*, in “Manuale teorico pratico delle società a responsabilità limitata”, by Gruppo Euroconference Editore, 2003, A.A.V.V.
- *Le società per i servizi pubblici locali. Potere pubblico e autonomia privata*, by L. Lambertini, D. Cremasco and D. Maccarrone, Cierre Edizioni, 2002.

## **CURRICULUM VITAE: CAD IT S.p.A. AUDITORS**

### **CHIARA BENCIOLETTI**

#### ***Personal data***

Born in Negrar (VR) on 09/08/1972

#### ***Professional position***

Accountant and auditor

#### ***Positions as chairman of the Board of Auditors***

Consorzio Tutela Vino Bardolino DOC

#### ***Standing Auditor offices***

Cesarin spa  
Tecmarket Servizi spa  
Soalaghi  
Organismo di Attestazione spa  
Arena Broker srl  
Edulife spa  
Immobiliare Arena srl  
Fer-Gamma S.p.A.  
Salumificio Pedrazzoli spa  
Fabbrica Cooperativa Perfosfati Cerea Società Coopertiva  
Metal Group spa  
Consorzio per la Tutela dell'Olio Extravergine di Oliva Dop Garda  
La Redenta Società Agricola Cooperativa  
La Torre – Società Agricola Cooperativa Zootecnica  
Società Cooperativa Virginia Italia a r.l.  
Ityeris spa  
Cantina di Custoza Società Agricola Cooperativa

#### ***Offices as legal auditor***

Antolini Luigi e C spa  
Ambra Mangimi spa  
I.C.I.M. spa  
Consorzio Tutela Vino Bardolino doc  
Co.Ma.L. coop tra allevatori mantovani  
Cooperativa Agricola Viticoltori del Bardolino in liquidazione

### **GIAN PAOLO RANOCCHI**

#### ***Personal data***

Born in Verona on 07/04/1961

#### ***Professional position***

Member of the Order of Accountants and E.C. of Verona.  
Partner at “Studio Fermi Commercialisti Associati” in Verona.  
Financial auditor.  
Technical Consultant for the Court of Verona.  
Member of Veneto’s Order of Journalists.

#### ***Chairman of Board of Auditors offices***

Gemma S.P.A.  
Sat S.P.A.  
E.B.I Group S.R.L.  
H.B.S. Holding Bonomi S.P.A.

#### ***Standing Auditor offices***

CAD IT S.p.A.  
CAD S.r.l.  
Banca della Valpolicella Credito Cooperativo di Marano – soc. coop.  
Gamma Ufficio S.p.A.  
Rotomec S.p.A.  
Premium wine Selection P.W.S. S.r.l.  
Industrialtechnics S.r.l.  
Bignami S.p.A.  
Megius S.P.A.



Bonomi S.P.A.  
Cisalpina Finanziaria S.r.l.  
Mend S.P.A.

**Director offices**  
C.M.R. Service S.r.l.  
Van Paoluk S.r.l.

**Sole Directors offices**  
Fario S.r.l.

### **RENATO TENGATTINI**

**Personal data**  
Born in Paratico (BS) on 06/01/1956

**Professional position**  
Member of "Studio Associato Campedelli" in Verona.

**Standing Auditor offices**  
CAD IT S.p.A.  
Konus Italia Group S.p.A.  
Zucchelli Forni S.p.A.  
Ingessil S.r.l.  
Corte Giara S.r.l.  
Zanetti S.r.l.  
I.Var. Industry S.r.l.  
Gierrebi S.r.l.  
Car Due S.p.A.  
Mondial Forni S.p.A.  
Antica Bottega del Vino S.r.l.

**Chairman of Board of Director offices**  
Paluani S.p.A.

**Director offices**  
Immobiliare Berardi S.p.A.

**External auditor offices:**  
Accademia C.B. Cignaroli