



Be

SHAPING THE FUTURE  
OF FINANCIAL SERVICES

# Report on corporate governance and ownership structure

— At 31 December 2018



# **Report on corporate governance and ownership structure**

*At 31 December 2018*

Pursuant to art. 123-*bis* Consolidated Law on Finance  
(*traditional management and control model*)

Approved by the Board of Directors of Be Think Solve Execute S.p.A. on 12 March 2019 and available to the public on the website [www.be-tse.it](http://www.be-tse.it).

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## 1. Main definitions

The main definitions used in this Report, in addition to those contained in the body of the document, are illustrated below.

Director or Directors	a member or members of the Board of Directors of the Issuer.
Shareholders' Meeting	the meeting of the Issuer's shareholders.
Borsa Italiana	Borsa Italiana S.p.A.
Civil Code	Italian Royal Decree no. 262 of 16 March 1942, as amended from time to time.
Code of Self-Regulation	the most recent version of the code of self-regulation for listed companies approved in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria and available on the website <a href="http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice">http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice</a> , as amended from time to time.
Board of Statutory Auditors	the Board of Statutory Auditors of the Issuer.
Corporate Governance Committee	the Italian corporate governance committee established by Business associations (ABI, ANIA, Assonime, Confindustria) and professional investors (Assogestioni) as well as Borsa Italiana.
Board or Board in Office, or Board of Directors	the Issuer's board of directors.
Consob	means the National Commission for Companies and the Stock Exchange (Commissione Nazionale per le Società e la Borsa).
Date of Reference	31 December 2018.
Issuer, Be or the Company	Be Think Solve Execute S.p.A.
FY or FY 2018	the financial year which ended on 31 December 2018 to which this Report refers.
Group or Be Group	the group of companies established by Be and by the companies controlled directly and indirectly by the same pursuant to art. 93 of the Consolidated Law on Finance.
Stock Market Regulation Instructions	the Stock Market Regulation instructions, as amended and supplemented from time to time.
MAR	(EU) regulation no. 596/2014 of the European Parliament and Council of 16 April 2014 regarding market abuse (market abuse regulation).
Body or Supervisory Body	the supervisory body of the Issuer pursuant to Italian Legislative Decree 231/2001.
Be RPT Procedure	Be's internal procedure for related party transactions approved by the Board of Directors on 12 March 2010 (subsequently amended on 23 January 2014, 13 February 2014, 15 May 2014, 1 July 2014 and, lastly, 11 May 2017).
Stock Market Regulations	the regulations of the markets organised and managed by Borsa Italiana, as amended and supplemented from time to time.
Consob RPT Regulations	the regulations issued by Consob with resolution no. 17221 of 12 March 2010 (as subsequently amended) regarding related party transactions.
Issuers' Regulation	the implementing regulation of the Consolidated Law on Finance concerning the regulation of issuers, issued by Consob with resolution 11971 of 14 May 1999, as amended and supplemented from time to time.
Report	this report on corporate governance and ownership structure, prepared pursuant to art. 123- <i>bis</i> of the Consolidated Law on Finance.
Report on Remuneration	the report on remuneration prepared pursuant to art. 123- <i>ter</i> of the Consolidated Law on Finance and art. 84- <i>quater</i> of the Issuers' Regulation, available by law at the registered office and on the website of the Issuer at <a href="https://www.be-tse.it">https://www.be-tse.it</a> .
ICRMS	the internal control and risk management system adopted by the Company.
Statutory Auditor or Statutory Auditors	a member or members of the Board of Statutory Auditors.
Articles of Association	the articles of association of the Issuer.
Consolidated Law on Finance	Italian Legislative Decree no. 58 of 24 February 1998, as amended and supplemented from time to time.

## Profile of Be Group

The **Be Group** is one of the leading Italian players in the IT Consulting sector. The Group provides Business Consulting, Information Technology and Professional Services. A combination of specialist skills, advanced proprietary technologies and a wealth of experience enable the Group to work with leading financial and insurance institutions and Italian industry to improve their competitive capacity and their potential to create value. With around 1,100 employees and branches in Italy, Germany, United Kingdom, Switzerland, Austria, Poland, the Ukraine, Spain and Romania, in 2018 the Group recorded a total value of production of Euro 150.2 million.

**Be**, listed on the high performance (requirement) equities segment (STAR) of the electronic equity market (MTA) of Borsa Italiana, performs management and coordination activities for the Group companies pursuant to articles 2497 et seq. of the Italian Civil Code, through control and coordination of operating, strategic and financial decisions of the subsidiaries and through management and control of reporting flows in readiness for preparation of the annual and interim accounting documents.

### Business areas

The Be Group specialises in the IT Consulting segment of the Financial Services sector. The organisation is divided by design into different specialisations: Business Consulting, ICT Solutions and platforms, and ICT Professional Services.

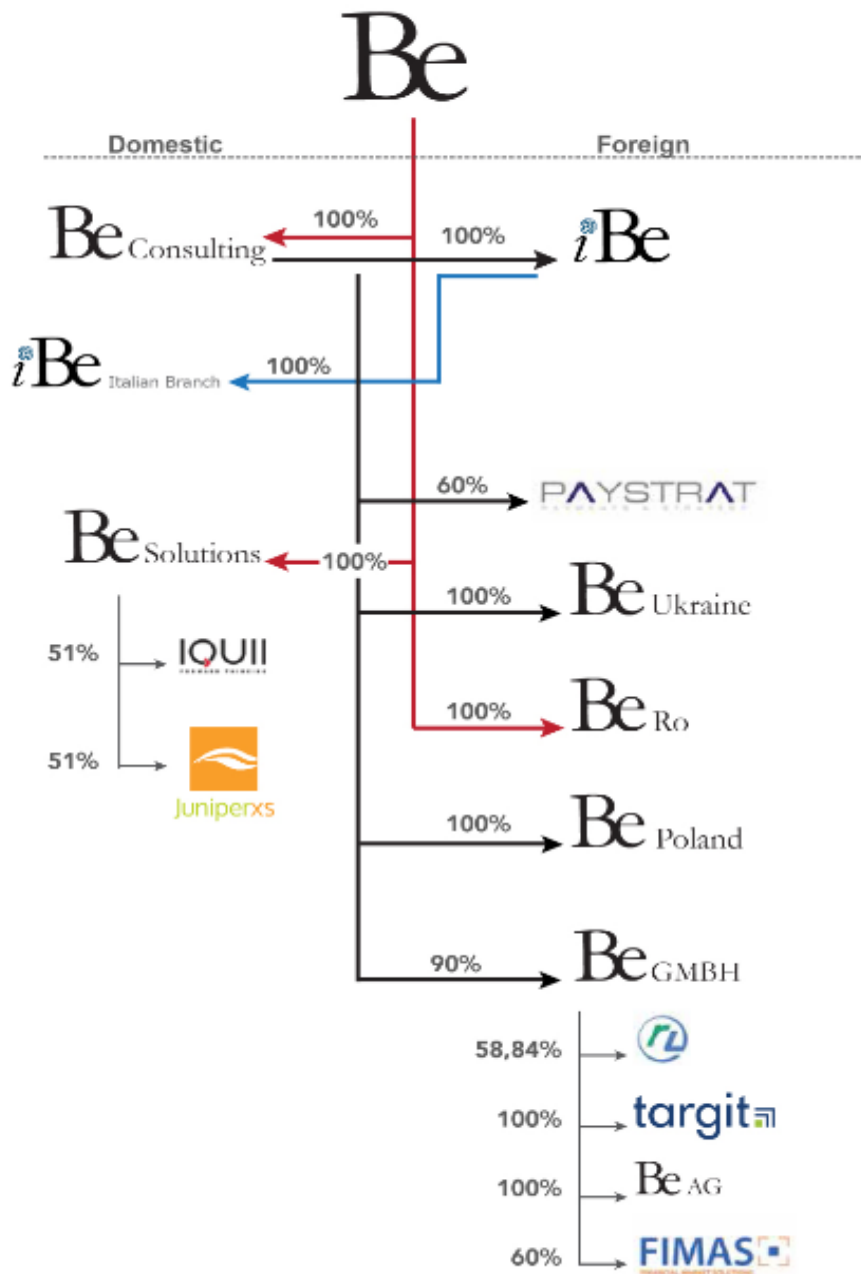
The model is that of a specialised company built around business, functional or process-related systems:

- **Business Consulting** focuses on the capacity to support the financial services industry in implementing business strategies and/or creating important plans for change. Its specialist skills are in constant development in the areas of payment systems, planning & control methods, regulatory compliance, information gathering and corporate governance systems for financial processes and asset management;
- **ICT Solutions**, i.e. the capacity to bring together business skills and technology solutions, products and platforms, creating theme-based business lines also as part of highly specialised segment-leading applications;

In FY 2018, the services provided by the Group were addressed to three main types of customer: 1) financial institutions, such as: i) banks and insurance companies (“Finance Area”); ii) operators belonging to the utilities sector and to industry (“Industry Area”); 2) to a lesser extent, central public administrations (“CPA”) and 3) other domestic public organisations and local public administrations (“LPA”).

The following chart shows the Group structure at the Date of Reference.

ILLUSTRATIVA



(\*) The chart above does not include Paystrat Solutions SL (Pyngo), 65.26% of which is held by Payments and Business Advisors S.L (Paystrat) and Confinity GmbH, 50% of which is held by Fimas GmbH.

## System of Governance

In compliance with that envisaged by art. 123-*bis* of the Consolidated Law on Finance, on the occasion of the Shareholders' Meeting convened to approve the financial statements, Be draws up an annual report on its system of governance, indicating the level of compliance with the principles and the recommendations contained in the Code of Self-Regulation and with international best practices.

In line with the Articles of Association, the Issuer is organised according to the traditional management and control model set forth in articles 2380-*bis* and foll. of the Italian Civil Code, with the presence of the following bodies and committees:

- Shareholders' Meeting;
- Board of Directors;
- Board of Statutory Auditors;
- Appointments and Remuneration Committee;
- Control and Risk Committee;
- Supervisory Body;
- Independent Auditors.

Information on the Company's governance structure and on the implementation of the recommendations of the Code of Self-Regulation is illustrated below.

### SME

The Company is classified as a "SME" as set forth in art. 1, paragraph 1, letter w-*quater*.1 of the Consolidated Law on Finance and art. 2-*ter* of the Issuers' Regulation. Based on the data available to the Company, at the Date of Reference, the value of consolidated revenues was Euro 150,223 million, of which Euro 145,282 for operating revenues and Euro 4,491 for other revenues and income; the Company's capitalisation value on the same date was Euro 118,844,496.63.

## 2. Information on ownership structure (pursuant to art. 123-*bis*, paragraph 1 of the Consolidated Law on Finance)

### Share capital structure (pursuant to art. 123-*bis*, paragraph 1, letter a) of the Consolidated Law on Finance)

At the Date of Reference, Be's issued and fully paid-up share capital totalled Euro 27,109,164.85 divided into 134,897,272 ordinary shares with no face value indicated pursuant to art. 2346, paragraph 3 of the Civil Code.

At the Date of Reference, the Company had not issued categories of further shares with respect to ordinary shares or other financial instruments that give the right to subscribe newly-issued shares.

At the Date of Reference, there were no share-based incentive plans that entailed even free share capital increases.

**b) Restrictions to the transfer of securities (pursuant to art. 123-*bis*, paragraph 1, letter b), of the Consolidated Law on Finance)**

At the Date of Reference, the Articles of Association did not envisage restrictions to the transfer, or limitations to the possession of the shares of the Issuer, or preference clauses.

**c) Significant shareholders (pursuant to art. 123-*bis*, paragraph 1, letter c), of the Consolidated Law on Finance)**

Significant shareholders of Be, with direct or indirect interests, according to the correspondence received from the Company pursuant to art. 120 of the Consolidated Law on Finance up until the Date of Reference are shown below:

SIGNIFICANT SHAREHOLDERS			
Declarant	Direct shareholder	% of ordinary share capital	% of voting share capital
Tamburi Investment Partners S.p.A.	Tamburi Investment Partners S.p.A.	23.412	23.412
Axxion SA	Axxion SA	9.999	9.999
Loys Investment S.A.	Loys Investment S.A.	5.11%	5.11%
	iFuture Power In Action S.r.l.	10.022	10.022
Stefano Achermann	Stefano Achermann	5.761	5.761
	Total Stefano Achermann	15.783	15.783

As at the date of approval of this Report, the Company holds 3,260,888 treasury shares, representing 2.417% of share capital.

**d) Securities that grant special rights (pursuant to art. 123-*bis*, paragraph 1, letter d), of the Consolidated Law on Finance)**

At the Date of Reference, the Company's shares are ordinary, named and freely transferrable, and each of the same grants one voting right in ordinary and extraordinary Shareholders' Meetings. Each share grants the same equity and administrative rights, in accordance with the applicable provisions of the Law and the Articles of Association.

The Company has not issued securities that grant special rights of control, there are no special powers, and the Articles of Association do not envisage premium shares or shares with multiple voting rights.



**e) Shares held by employees: mechanism to exercise voting rights (pursuant to art. 123-*bis*, paragraph 1, letter e), of the Consolidated Law on Finance)**

At the Date of Reference, there are no share-based arrangements in place with employees.

**f) Restrictions to voting rights (pursuant to art. 123-*bis*, paragraph 1, letter f), of the Consolidated Law on Finance)**

At the Date of Reference, there are not restrictions to voting rights.

**g) Shareholders' agreements (pursuant to art. 123-*bis*, paragraph 1, letter g), of the Consolidated Law on Finance)**

On 26 March 2018, Stefano Achermann, Carlo Achermann, iFuture Power in Action S.r.l. and Tamburi Investment Partners S.p.A. (**TIP** and the **Parties**) finalised a shareholders' agreement, considered relevant pursuant to art. 122 of the Consolidated Law on Finance, with a view to coordinating the possible exercise of the rights and the prerogatives of the Parties acting as shareholders of Be (the **Shareholders' Agreement**).

More specifically, pursuant to the Shareholders' Agreement:

- with a view to identifying the initiatives that are the most suitable and useful to enhance their investment in the Company, the Parties have decided to discuss this at meetings, which will be convened when deemed necessary, by one of the same, without prejudice to the opportunity for the Parties to meet whenever a Shareholders' Meeting has been planned;
- without prejudice to the Parties' right to purchase shares of Be, or to transfer all or part of the shares that are covered by the Shareholders' Agreement (the **Syndicated Shares**), each Party has undertaken (a) to advise the other Parties in writing of any purchase of Be shares or of any transfer of Syndicated Shares that the same makes, within and not exceeded 5 working days from the date on which said transaction was finalised; and (b) to advise of changes to the Shareholders' Agreement in accordance with the terms and the procedures envisaged by the law in force at the time;
- each Party has undertaken vis-à-vis the other Parties not to make purchases of additional Be shares with respect to the Syndicated Shares or other transactions or agreements of any nature or type, which would lead to a joint obligation of the Parties to make a public tender offer on Be's shares pursuant to the provisions of the law or regulations in force at the time.

The arrangements contained in the Shareholders' Agreement regarded 52,872,622 ordinary shares of the Company, corresponding to 39.195% of the Company's share capital.

The Shareholders' Agreement became effective on 26 March 2018 and binds the Parties for a period of 3 years from said date.

**h) Change of control clauses (pursuant to art. 123-*bis*, paragraph 1, letter h), of the Consolidated Law on Finance) and provisions of the Articles of Association regarding public tender offers (pursuant to articles 104, paragraph 1-*ter* and 104-*bis*, paragraph 1 of the Consolidated Law on Finance)**

At the Date of Reference, the Company and its subsidiaries have not entered into significant agreements that take effect, are amended or are terminated in the event of a change of control of the contracting company.

The provisions of the Articles of Association do not exempt the regulation of the passivity rule envisaged by art. 104, paragraphs 1 and 1-*bis*, of the Consolidated Law on Finance. Furthermore, the Articles of Association do not envisage the application of the neutralisation rules envisaged by art. 104-*bis*, paragraphs 2 and 3, of the Consolidated Law on Finance.

**i) Delegations to increase share capital and authorisation to purchase treasury shares (pursuant to art. 123-*bis*, paragraph 1, letter m), of the Consolidated Law on Finance)**

During the Financial Year, the Shareholders' Meeting has not delegated the Board of Directors to increase the Company's share capital.

Pursuant to article 7 of the Articles of Association, the Extraordinary Shareholders' Meeting - and therefore not the Board of Directors - may issue participatory financial instruments.

On 26 April 2018, the Shareholders' Meeting (i) revoked the resolution approving the purchase and disposal of treasury shares passed on 27 April 2017 and (ii) approved, on the proposal of the Board of Directors, and with the favourable opinion of the Board of Statutory Auditors, a plan for the purchase and sale, on one or more occasions, also on a rotating basis, of the Company's ordinary shares, up to the maximum number permitted by the Law (represented by a number of shares not exceeding 20% of share capital), also to be calculated on the basis of legislative and regulatory provisions in force at the time and the share capital existing at the time of each purchase, also considering the shares of Be that may be, on each occasion, held by the Company's subsidiaries and in any event within legal limits.

The authorisation was issued, as this is deemed to be a valid instrument, which will enable the Company to pursue the following objectives: (i) the sale and/or the exchange of treasury shares in view of and/or as part of agreements with strategic partners, which are part of the Company's growth plans; (ii) the performance of investment transactions consistent with the Company's strategic guidelines, also by means of the swap, exchange, contribution, transfer or any other deed of disposal relating to the treasury shares, for the acquisition of equity investments or share packages or other extraordinary transactions, including therein those relating to extraordinary funding, which imply the assignment or disposal of treasury shares (such as by way of example, mergers, spin-offs, issue of convertible bonds or warrants, etc.); (iii) the allocation (of all or part) of its treasury shares, at the discretion of the Board of Directors, to the implementation of incentive plans based on Be's shares for Directors and/or key employees of the Company or of the companies controlled by the same.

The authorisation was also issued to enable the Company - in the event that it is not necessary to use all of the treasury shares for which the purchase for the above-indicated purposes - to carry out measures to stabilise the Company's shares, in accordance with legislative and regulatory provisions in force, by facilitating trading of said securities at time of scarce market liquidity, and by encouraging regular trading.

The unit price for the purchase of the shares may not be lower than Euro 0.20 or higher than Euro 1.5 per share; the minimum price for the sale of the treasury shares purchased may not be lower than Euro 1.5 per share, it being hereby understood that (i) the power of the Board of Directors to establish, on each occasion, any further conditions, procedures and terms of the deed of disposal and that (ii) said price limit will not apply to disposal measures other than the sale, and specifically in the event of the swap, exchange,

contribution, transfer or other deed of disposal of the treasury shares made as part of the acquisition of equity investments or the implementation of industrial projects or other extraordinary funding transactions, which imply the assignment or the disposal of treasury shares (such as by way of example, mergers, spin-offs, issue of convertible bonds or warrants etc.) or in the event of the assignment of the shares to Directors and/or employees of the Company or of companies controlled by the same (for example, as part of incentive plans based on BE shares). In these cases, different criteria may be applied, in line with the objectives pursued and taking market practices, the instructions of Borsa Italiana and the recommendations of Consob into account.

The shares may be purchased up until the end of the eighteenth month from the date on which the Shareholders' Meeting resolved to approve the same.

The purchase transactions may be performed on the market, on one or more occasions, also on a rotating basis, in accordance with legal restrictions, on regulated markets in accordance with the *modus operandi* established in the regulations for the organisation and management of said markets and agreed with Borsa Italiana, which enable equal treatment of shareholders to be observed, pursuant to article 132 of the Consolidated Law on Finance and of art. 144-*bis*, paragraph 1, letter b), of the Issuers' Regulation, as well as in compliance with any other applicable legislation, or following a different procedure, where permitted by art. 132, paragraph 3, of the Consolidated Law on Finance, or by other legislative or regulatory provisions applicable at the time of the transaction. The purchase transactions may also be performed through the use of public tender offers or public exchange offers pursuant to art. 144-*bis*, paragraph 1, letter a) of the Issuers' Regulation, subject to a resolution of the Board of Directors in accordance with legislation in force.

Transactions to dispose of the treasury shares purchased and held in the portfolio on each occasion, within legal limits - with a view to pursuing the objectives illustrated above - even before the purchases, on the market, *en bloc* or through offers to shareholders and employees, to external staff and Directors have been exhausted, or as a consideration in the event of the swap, exchange, contribution, transfer or other deed of disposal of the treasury shares made as part of the acquisition of equity investments or the implementation of industrial projects or other extraordinary funding transactions, which imply the assignment or the disposal of treasury shares (such as by way of example, mergers, spin-offs, issue of convertible bonds or warrants etc.) or as part of share-based incentive plans. The Company may carry out measures to stabilise the Company's shares, as well as intervene on the performance of the securities with regard to contingent market situations, by facilitating the trading of said securities at times of scarce market liquidity, and by encouraging regular trading. The Shareholders' Meeting also authorised the Board of Directors to establish on each occasion, in accordance with legislative and regulatory provisions, any other term, procedure and condition of the arrangements for the shares that is deemed to be most suitable.

At the Date of Reference, the Company held 2,697,975 treasury shares in the portfolio, representing 2% of share capital.

At the date of approval of this Report, the Company held 2,927,975 treasury shares in the portfolio, representing 2.17% of share capital.

At a meeting on 12 March 2019, the Board of Directors resolved to submit a proposal to renew the authorisation to purchase and dispose of treasury shares to the Shareholders' Meeting, at the same terms and conditions as the previous resolution of the same.

#### **l) Management and coordination (pursuant to art. 2497 et seq. of the Civil Code)**

At the Date of Reference, the Issuer is not subject to the management and coordination of any company.

\* \* \*

Note that: (i) the information required by art. 123-*bis*, paragraph 1, letter i), of the Consolidated Law on Finance is illustrated in the Report on Remuneration published pursuant to art. 123-*ter* of the Consolidated Law on Finance; and that (ii) the information required by art. 123-*bis*, paragraph 1, letter l), of the Consolidated Law on Finance is illustrated in the chapter of the Report on the Board of Directors.

### **3. Compliance (pursuant to art. 123-*bis*, paragraph 2, letter a), of the Consolidated Law on Finance)**

The Company observes the Code of Self-Regulation accessible to the public on the web page of the Corporate Governance Committee on <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

In this Report, the recommendations which the Company has not, at present, decided to partially or fully implement, are justified - in accordance with the “comply or explain” principle, which underpins the Code of Self-Regulation and EU Recommendation no. 208/2014.

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Note that neither the Issuer nor its strategically relevant subsidiaries are subject to legislation that is not Italian, which influences the corporate governance structure of the Issuer.

## **4. Board of Directors**

#### **4.1 Appointment and replacement (pursuant to art. 123-*bis*, paragraph 1, letter l), of the Consolidated Law on Finance)**

The appointment and the replacement of Directors - as well as changes to the Articles of Association - are regulated by the law in force, as assimilated and integrated, to the extent permitted, by the provisions of the Articles of Association in accordance with legislative and regulatory provisions. The Issuer is not subject to any further rules with respect to the Consolidated Law on Finance as regards the composition of the Board of Directors.

Pursuant to art. 15 of the Articles of Association, the Company is managed by a Board of Directors comprised, alternatively, by 9 (nine), 11 (eleven) or 13 (thirteen) members, according to the resolution made by the Shareholders' Meeting at the time of appointment of the members of the Board of Directors. To this end, shareholders attending and eligible to vote at the Shareholders' Meeting will be given the opportunity to choose

between the three possible compositions of the Board of Directors and the composition that has been voted by the highest percentage of ordinary share capital will be considered approved.

All Directors must meet the requirements of eligibility, professionalism and honourability envisaged by the law and by other applicable provisions. Pursuant to art. 147-*ter*, paragraph 4, of the Consolidated Law on Finance, at least two Directors must meet the requirements of independence requested therein. The Articles of Association do not envisage requirements of independence in addition to those established for statutory auditors pursuant to art. 148 of the Consolidated Law on Finance, nor requirements of honourability and/or professionalism for appointment to the position.

The Directors appointed must immediately inform the Company if they no longer meet the above-cited requirements of independence or honourability, as well as in the event of their ineligibility or incompatibility. The failure to meet the requirements of independence as defined above by a Director does not lead to the dissolution of the Board, if said requirements are met by a minimum number of Directors, who must meet them in accordance with the law in force or according to the Code of Self-Regulation.

The Directors do not have to be shareholders and have a term of office of three financial years, ending on the date of the Shareholders' Meeting convened to approve the financial statements drawn up for the last financial year of their term of office. They may be re-elected.

The appointment of the Board of Directors is made by the Shareholders' Meeting on the basis of lists submitted by the shareholders, unless there are different and further provisions envisaged by mandatory laws or regulations.

A list for the appointment of Directors may be submitted by shareholders who, alone or jointly with others, at the time of registration of the lists at the registered office - which must be made at least twenty-five days before the date set for the Shareholders' Meeting convened to resolve on the appointment of the Directors - hold a shareholding corresponding to at least the minimum established by Consob pursuant to article 147-*ter*, paragraph 1, of the Consolidated Law on Finance.

Pursuant to art. 144-*quater* of the Issuers' Regulation, said shareholding is equal to:

- a) 0.5% of share capital for companies whose market capitalisation is greater than fifteen billion euro; b) 1% of share capital for companies whose market capitalisation is greater than one billion euro and less than or equal to fifteen billion euro; c) 2.5% of share capital for companies whose market capitalisation is less than or equal to one billion.
- 4.5% of share capital for companies whose market capitalisation is less than or equal to three hundred and seventy-five million euro if, on the reporting date for the year, the following conditions are met: a) the float is higher than 25%; b) no shareholder or shareholders belong to a shareholders' agreement envisaged by article 122 of the Consolidated Law which holds a majority of voting rights that may be exercised for resolutions of shareholders' meetings regarding the appointment of the members of management bodies.

The lists envisage a number of candidates that does not exceed 13 (thirteen), each of which corresponding to a consecutive number. Each list must contain and expressly indicate, with a consecutive number not exceeding nine, at least two Independent

Directors pursuant to art. 147-ter, paragraph 4, of the Consolidated Law on Finance. Each list must also expressly indicate, if relevant, all Directors that meet the requirements of independence envisaged by the codes of conduct drawn up by the company which manages regulated markets or by trade associations. If mandatory criteria regarding gender are applicable, each list that includes at least three candidates must contain a number of candidates of the less-represented gender that is at least equal to the minimum required by the rule in place on each occasion.

The lists must also contain, also as appendices: (i) information relating to the identity of the shareholders that submitted them; (ii) exhaustive information on the personal and professional characteristics of the candidates; (iii) a declaration of the candidates containing their acceptance of the candidature and a statement that they meet the requirements of independence, where indicated as Independent Directors pursuant to art. 147-ter of the Consolidated Law on Finance or as Independent Directors pursuant to the above-cited codes of conduct.

The ownership of the percentage of share capital required for the submission of the list is established on the basis of the shares that are registered in the name of the shareholder or, collectively of the shareholders, who has/have submitted the list on the day on which this is registered at the Company, with reference to the share capital subscribed at the same date. The relative statement may be sent to the Company also subsequent to the registration of the list as long as the Company receives it within the term envisaged for the publication of the lists by the Company.

The lists are made available to the public, by the Company, at the registered office, on the website and using other methods envisaged by the law and regulations in force, at least twenty-one days before the date of the Shareholders' Meeting on first and second call. The lack of one of the above-cited appendices or failure to submit the statement confirming ownership of the percentage of share capital required to submit the list will result in the inefficacy of the registration of the list, which will be considered as never having been submitted. In the event in which a number of lists are submitted, the same must not be related to one another in any way, even indirectly. Therefore, each shareholder may not submit or contribute to submitting more than one list, even through a third party or a trust company. Furthermore, shareholders that are considered as related pursuant to the applicable provisions of the law or of regulations in force at the time, may not submit or contribute to submitting more than one list. If these rules are infringed, the vote of the shareholder will not be taken into account for any of the lists submitted. A candidate may only appear on one list, otherwise he/she will be considered ineligible.

For the election of the members of the Board of Directors - also to ensure the election of the minimum number of Directors from the minority lists based on the requirements of art. 147-ter, paragraph 3, of the Consolidated Law on Finance - the procedure is as follows:

- (a) if only one list is submitted, the members of the Board of Directors will all be taken from said list;
- (b) if two or more lists are submitted:
  - from each of the lists (the **Other Lists**) that have obtained, respectively, the second, the third and the fourth highest number of votes, as long as not related in any way, even indirectly, between them and/or with the list that obtained the highest number of votes (the **Majority List**), the candidate indicated with the first

number of each of the Other Lists will be extracted, it being hereby understood that in this way a number of directors of between a minimum of one (if only two lists are submitted) and a maximum of three (if four or more lists are submitted) will be extracted; from

- the remaining members of the Board of Directors will be extracted from the Majority List, the number of which was previously established by the Shareholders' Meeting; within these numerical limits, the candidates indicated on the list in consecutive order will be elected.

In the case of equal votes between one or more lists, in order to establish the ranking of the same lists, the Shareholders' Meeting will vote again, voting only on said lists.

For the purpose of the above, the highest number of votes means the votes that represent the highest number of shares.

The Articles of Association therefore do not envisage (based on that permitted by art. 147-ter, paragraph 1 of the Consolidated Law on Finance that, as regards the distribution of the Directors to be elected, lists that have not achieved a percentage of votes corresponding to at least half of that required by the Articles of Association for the submission of the same, are not considered.

In order to ensure that the distribution of the Directors to be elected is made in accordance with gender requirements, the following mechanism is applied:

- (a) in place of the last candidate of the more-represented gender on the Majority List, the next candidate of the less-represented gender of the same list will be considered elected, or if this is not possible and in any event if this is not sufficient to ensure compliance with the minimum quorum of the less-represented gender;
- (b) in place of the candidate that belongs to the more-represented gender taken from the first of the Other Lists, the first candidate of the less-represented gender according to the consecutive order not elected from said Other List will be considered elected.

If said procedure does not guarantee the above-indicated result, the replacement will be made on a resolution of the Shareholders' Meeting by a majority vote, following the submission of candidates belonging to the less-represented gender.

To guarantee the election of the minimum number of independent Directors based on the requirements of art. 147-ter, paragraph 4, of the Consolidated Law on Finance, if one or more independent Directors are lacking, they will be elected as follows:

- (a) in place of the non-independent candidates taken from the Majority List as last in consecutive order, the first independent candidates that have not been elected from the same list will be elected, or if this is not possible and in any event if this is not sufficient to ensure the election of the required number of Independent Directors;
- (b) in place of the non-independent candidate taken from the first of the Other Lists, the first independent candidate according to the consecutive order not elected from said list will be considered elected.

This replacement procedure will continue until such time as Board of Directors is comprised by a number of Independent Directors corresponding at least to the minimum envisaged by the law, or by regulations, instructions or codes of conduct drawn up by the

company that manages the market in which the company's shares are admitted, to which the company is obliged or to which the company declares to observe. If said procedure does not guarantee the latter indicated result, the replacement will be made on a resolution of the Shareholders' Meeting by a majority vote, following the submission of candidates that meet the cited requirements.

With regard to the replacement of Directors, article 15 of the Articles of Association envisages that if during the year, one or more of the Directors leaves the Board, as long as the majority is comprised by Directors appointed by the Shareholders' Meeting, the provisions of art. 2386 of the Civil Code will be applied as follows:

- (a) the Board of Directors will proceed with the replacement based on those belonging to the same list as the departed Director and the Shareholders' Meeting will resolve, by the legal majority, respecting the same criteria;
- (b) if there are no unelected candidates remaining on the afore-mentioned lists or there are no candidates with the requirements requested, or in any event, if for some reason it is not possible to meet the provisions of letter (a), the Board of Directors will provide for the replacement, and the Shareholders' Meeting will subsequently resolve, on a legal majority, without list votes.

In any event, the Board of Directors and the Shareholders' Meeting will provide for the appointment in order to ensure the presence of a number of Independent Directors corresponding at least to the minimum envisaged by the law, or by regulations and relative pro tempore instructions in force or codes of conduct drawn up by the company that manages the market in which the company's shares are admitted, to which the company is obliged or to which the company declares to observe, without prejudice to the requirement for gender equality, as indicated above, where required by legislative or regulatory provisions in force at the time.

If there is no longer a majority of Directors, the entire Board of Directors will be considered dissolved, and will be re-established according to the procedure envisaged by article 15 of the Articles of Association.

The Board of Directors elects a Chairman from its members, which must be one of the members of the Board taken from the Majority List, pursuant to article 15 of the Articles of Association, and the terms of office of the same will be the full term of office as Director.

### **Succession plans**

During the meeting held on 12 March 2019, even though the self-assessment process indicated that, for some Directors only, it would be appropriate to adopt a succession plan, the Board of Directors unanimously acknowledged that at present, the replacement procedures adopted by the Company are suitable to ensure the continuity of business management, and therefore do not deem it necessary to adopt a succession plan for the Executive Directors; at the same meeting, the Board also unanimously acknowledged the existence of mechanisms within the Group, by virtue of which, with regard to particularly key resources within the Group, global growth bonuses are envisaged if certain results are achieved, with a view to developing said resources.



#### 4.2 Composition (pursuant to art. 123-*bis*, paragraph 2, letters d) and d-*bis*), of the Consolidated Law on Finance)

Following the expiry of the three-year mandate awarded to the Board of Directors, the Shareholders' Meeting held on 27 April 2017, appointed the current members of the Board of Directors - with the exception of that illustrated below as regards Claudio Roberto Calabi - on the basis of the two lists submitted, respectively:

- jointly by the shareholders TIP, iFuture Power in Action S.r.l. and Stefano Achermann, holders of a total of 52,870,064 ordinary shares of the Company, corresponding to 39.193% of Be's share capital (**List 1**)<sup>1</sup>; and
- by the shareholder Loys Investment S.A., at the time holder of 6,388,932 ordinary shares of the Company, corresponding to 4.74% of Be's share capital (**List 2**)<sup>2</sup>.

List 1 obtained the majority of votes, specifically, 53,005,272 votes; List 2 obtained the second-highest number of votes, specifically, 7,981,050 votes. The share capital present with voting rights at the time of said resolution corresponded to 45.21% of the entire share capital.

At the meeting held on 19 July 2017, the Board of Directors acknowledged the resignation for personal reasons of Umberto Quilici, an Independent Director of the Company and, on the basis of the waivers written for the potential position received by each of the "remaining" candidates on the list on which the candidature of Umberto Quilici was submitted, the Board therefore resolved on the appointment by co-option pursuant to art. 2386 of the Italian Civil Code, of Alberto Mocchi as Independent Director of the Company, who will remain in office until the Shareholders' Meeting convened to approve the financial statements for the year at 31 December 2017. On 26 April 2018, the Shareholders' Meeting resolved - pursuant to art. 2386 of the Italian Civil Code and art. 15 of the Articles of Association, without the application of list votes - the appointment of Claudio Roberto Calabi as Director.

The Board of Directors constituted in this way and in office on the Date of Reference, will remain in office until the date of the Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2019.

The number of Independent Directors, equal to 5, with relation to the total number of Board members, is in line with the provision set forth in Application Criterion 3.C.3 of the Code of Self-Regulation, as well as with articles 147-*ter*, paragraph 4 and 148, paragraph 3 of the Consolidated Law on Finance, and with art. 2.2.3, paragraph 3, letter k) of the Stock Market Regulations and with art. IA.2.10.6 of the Stock Market Regulation Instructions.

Note also that the composition of the Board of Directors is in line with the provisions contained in art. 147-*ter* of the Consolidated Law on Finance as regards the balance between genders in the composition of management bodies of listed companies.

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1 The candidates included on List 1 are as follows: Carlo Achermann; Stefano Achermann; Claudio Berretti; Paola Tagliavini; Cristina Spagna; Anna Lambiase; Umberto Quilici; Davide Dattoli; Gianluca A. Ferrari; Floriana Vitale; Claudio Cornini; Luca Savini; Manuela Mascarini; and Patrizio Sforza.

2 The candidates included on List 2 are as follows: Gianluca A. Ferrari; Suad Cehajic.

All of the members of the Board of Directors meet the requirements of honourability set forth in art. 2 of the Regulation of the Italian Ministry of Justice no. 162/2000, as referred to by art. 147-*quinquies* of the Consolidated Law on Finance, and there are no situations of ineligibility or disqualification envisaged by art. 2382 of the Civil Code or, depending on the case, by art. 148, paragraph 3, of the Consolidated Law on Finance, as referred to by art. 147-*ter*, paragraph 4 of the Consolidated Law on Finance.

On the closing date of the Financial Year, no changes had been made to the composition of the Board.

The table below contains the list of the members of the Board in Office and the list of the members who have left their office during the Financial Year, in accordance with the above.

BOARD OF DIRECTORS													CONTROL AND RISK COMMITTEE			APPOINTMENTS AND REMUNERATION COMMITTEE	
Position	Members	Year of birth	Date of first appointment*	In office since	In office until	List **	Executive	Non-Executive	Independent Code	Independent Consolidated Law on Finance	No. of other positions ***	(*)	(*)	(**)	(*)	(**)	
Chairman	Carlo Achermann	1944	24 April 2010	27 April 2017	Approval of Financial Statements 2019	M	X				6	10/10					
Chief Executive Officer	Stefano Achermann • ◊	1969	24 April 2010	27 April 2017	Approval of Financial Statements 2019	M	X				7	10/10					
Director	Claudio Berretti	1972	18 May 2007	27 April 2017	Approval of Financial Statements 2019	M		X			17	10/10			2/2	M	
Director	Claudio Roberto Calabi	1948	26 April 2018	26 April 2018	Approval of Financial Statements 2019	-		X	X	X	6	5/6	5/6	M			
Director	Davide Dattoli	1990	27 April 2017	27 April 2017	Approval of Financial Statements 2019	M		X	X	XX	2	6/10			2/2	M	
Director	Gianluca Antonio Ferrari	1991	27 April 2017	27 April 2017	Approval of Financial Statements 2019	M		X	X	X	1	9/10	10/10	M			
Director	Anna Lambiase	1967	12 June 2014	27 April 2017	Approval of Financial Statements 2019	M		X		X	2	9/10					
Director	Cristina Spagna	1971	12 June 2014	27 April 2017	Approval of Financial Statements 2019	M		X	X	X	1	8/10			2/2	P	
Director	Paola Tagliavini	1968	27 April 2017	27 April 2017	Approval of Financial Statements 2019	M		X	X	X	5	9/10	10/10	P			

**DIRECTORS WHO LEFT THE BOARD DURING THE FINANCIAL YEAR UNDER ANALYSIS**

Position	Members	Year of birth	Date of first appointment*	In office since	In office until	List **	Executive	Non-Executive	Independent Code	Independent Consolidated Law on Finance	No. of other positions ***	(*) <i>Note 2</i>	(*) <i>Note 2</i>	(**)	(*) <i>Note 2</i>	(**)
Director	Alberto Mocchi	1954	20 July 2017 <sup>3</sup>	20 July 2017	Approval of Financial Statements 2017			X	X	XX		4/4	3/4	M		

No. of meetings held during the Year: 10

Appointments and Remuneration Committee: 2

Control and Risk Committee: 10

Indicate the quorum required for the submission of the lists by minorities for the election of one or more members (pursuant to art. 147-ter Consolidated Law on Finance): 4.5%

**NOTES**

The symbols indicated below must be entered in the “Position” column:

• This symbol indicates the director in charge of the ICRMS

◊ This symbol indicates the main person in charge of the management of the issuer (Chief Executive Officer or CEO).

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

\* The date of first appointment of each director means the date on which the director was appointed for the first time (ever) to the Board of Directors of the issuer.

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

\*\*\* This column indicates the number of positions as director or statutory auditor held by the person in question in other companies listed on regulated markets, including those abroad, in financial, banking, insurance companies or in companies of a relevant size. In the Report on corporate governance, the positions are indicated in full.

(\*) (\*) This column indicates the attendance of the directors at meetings of the BoD and of committees respectively, (indicate the number of meetings attended with respect to the total number of meetings that the same could have attended; e.g. 6/8; 8/8 etc.).

(\*\*). This column indicates the position of the Board Member within the Committee: “C”: Chairman; “M”: Member.

<sup>3</sup> Alberto Mocchi was co-opted on 19 July 2017, following the resignation of Umberto Quilici.

The personal details and professional experience of the members of the Board of Directors currently in office are illustrated below:

### **Carlo Achermann**

Born in Rome on 1 February 1944, after studying Economics, he starting his working life with the IRI Group (Cementir S.p.A.). He then held the position of CEO of the Italian companies of the Onward Kashiyama Group, and later the position of CEO of a company of the Reply Group.

In 2007, he started working with the Be Group (formerly Dataservice) becoming the first Chairman of the subsidiary companies, a position which is still in place for Be Solutions S.p.A., IQUII S.r.l., Juniper Extensible Solutions S.r.l. and Tesla Consulting S.r.l.s., and is currently the Chairman of the Be Group. Mr. Carlo Achermann is also the CEO of Be Consulting S.r.l..

### **Stefano Achermann**

Born in Rome on 10 June 1969, he has a degree in economics and was in charge of Guidelines and Systems for the Capitalia Group and Chairman of Capitalia Informatica until 2007, as well as holding various posts in the same group. In the past, he was the co-founder and Chief Executive Officer of E-Finance Consulting Reply and between 1999 and 2001, he worked with McKinsey&Company. At the date of this Report, in addition to being the Chief Executive Officer of Be, Mr. Achermann is also the Chief Executive Officer of Be Consulting S.p.A. (of which he is also General Manager), Be Solutions S.p.A., IQUII S.r.l. and Juniper Extensible Solutions S.r.l.. Mr. Stefano Achermann is also a member of the Board of Directors of iBe Tse Ltd and Chief Executive Officer of Tesla Consulting S.r.l.s. Mr. Stefano Achermann has also received the honour award of Cavaliere Ordine al Merito (order of merit for labour) of the Republic of Italy.

### **Claudio Berretti**

Born in Florence on 23 August 1972, resident in Milan. He graduated in Business Economics. He won a study grant awarded by Banca Commerciale Italiana and a European Community study grant for work projects abroad. Prior to his current position, he worked with “Federtessile” in Milan, Fiat UK Ltd and Magneti Marelli UK, and from 1995 to date with TIP, a company that specialises in consultancy for extraordinary financial transactions and in investments in listed and unlisted companies. Since 2004, he has been the General Manager of TIP.

In addition to the position of Board Member of Be, he holds the following other positions: general manager and executive director of TIP; Board Member of Be Consulting S.p.A.; Board Member of Be Solutions S.p.A.; Board Member of Alpitour S.p.A., Board Member of Alpitour World Hotels & Resorts S.p.A., Board Member of Asset Italia S.p.A., Board Member of Betaclub S.r.l., Board Member of Chiorino S.p.A., Board Member of Clubitaly S.p.A., Board Member of Digital Magics S.p.A., Board Member of MyWoWo S.r.l., Board Member of Monrif S.p.A., Board Member of Neos S.p.A., Board Member of Talent Garden S.p.A., Board Member of Sant’Agata S.p.A., Board Member of TIP-Pre IPO S.p.A. and Board Member of Venice Shipping & Logistic S.p.A.

### **Davide Dattoli**

Founder and CEO of Talent Garden S.p.A., the place where technology and digital professionals can work, learn and connect. The Talent Garden network currently has 22 campuses in 7 European countries. Nominated by Wired, one of the TOP 5 innovators in Italy, he has participated as a speaker in national and international events such as the Wired Festival, TEDx and Ambrosetti Forum, to talk about topics such as innovation, technology and digital transformation. Before founding Talent Garden, he was a senior consultant with the Condè Nast Group, the Sole 24 Ore and the Giornale di Brescia.

### **Gianluca A. Ferrari**

Born in Pontiac (USA) in 1991, he graduated in Economics and Business from the LUISS Guido Carli university in Rome, and holds the position of Investment Director for Shareholder Value Management, an investment company based in Frankfurt (Germany) and one of the largest foreign investors in small and mid-cap Italian businesses. Gianluca is mainly responsible for operations in Southern Europe and the United Kingdom. Previously, he managed AlcoInvest, a start-up which he founded.

He is also a Director of the Retelit group, a telecommunications company listed on the Milan Stock Exchange.

In 2015, he published “Value Investing: the definitive guide to investing in shares” (Hoepli), the first book on value investing in Italian, for which he received the Italia Giovane Award.

### **Anna Lambiase**

Anna Lambiase, born in Busto Arsizio on 14 May 1967, chartered accountant, with a masters in finance from the University of Pavia, and a Masters from the MPI, Milan Polytechnic, after working in the world of merchant banking, gaining experience in Corporate Finance and listing processes, in 2001 founded IR Top, Partner Equity Markets of Borsa Italiana - London Stock Exchange Group, leader in Italy in consultancy on investor relations and financial communication for listed companies and SME. She has assisted over 50 companies in listing processes, working on strategic positioning, the preparation of business plans, financial analyses, evaluations for IPO, extraordinary transactions, share capital increases, acquisitions and tender offers. She is the founder and CEO of VedoGreen, which specialises in providing funding to green companies, she is the inventor and promoting partner of GreenItaly1, the first SPAC (Special Purpose Acquisition Company) focused on the green economy, listed on the Italian AIM market. She has written numerous publications and articles on IPOs, corporate governance, corporate disclosures, financial statements and company assessments and she is a teacher at the Academy, the training centre of Borsa Italiana LSE Group, for the main courses in financial communication, IR and corporate disclosure.

### **Claudio Roberto Calabi**

Born in Turin on 20 April 1948, he obtained a degree in Economics and Business from the University of Turin. Between 1972 and 2017 he held the position of Chief Executive Officer and/or General Manager in a number of important companies. At present, as well as being a Director of Be, he is the Chairman with delegation rights of Risanamento S.p.A., Chairman of Milano Santa Giulia S.p.A., Chairman with delegation rights of Capital Dev S.p.A., Deputy Chairman of GLF Grandi lavori Fincosit S.p.A., Chairman

of the Board of Receivers of Camuzzi S.p.A. in liquidation, Board Director of La Scuola S.p.A., Treasurer of the non-profit Association Convivio.

### **Cristina Spagna**

A graduate in Pedagogy from the University of Turin in 1994, between February 1996 and January 1999, she worked for a company that specialises in Personnel research and selection Start International Account HR, and, later between January 1999 and December 2001, she held the position of HR Manager at Fujitsu Siemens. At present, she is the managing director of Kilpatlick Group SA, where she is in charge of the following business areas: executive search headhunting; business development; new market development and supervision of foreign subsidiaries; executive coaching; and the organisation and definition of corporate strategies.

### **Paola Tagliavini**

Born in Milan in 1968, she graduated in Business Management from the Bocconi University in Milan, with top marks cum laude. She is an Independent Auditor. She is an adjunct professor at the Department of Accounting at Bocconi University, where she teaches “Business Auditing” (advanced course) in Specialist Degree Courses, Internal Audit, Business Risk and Compliance and Enterprise Risk Management in the Master in Accounting, Auditing and Control, “Financial & Enterprise Risk Management” in the Master in Corporate Finance. She is also Joint Director of the ERM Lab of SDA Bocconi and a lecturer in SDA courses for risk management topics. She taught and conducted research from 1993 to 2003 at the Bocconi University in the area of Business Protection and at the SPACE centre of the same University. She is the author of publications on Risk Management, she has been a Visiting Researcher at the department of Insurance & Risk Management of the Wharton School of the University of Pennsylvania. She has twenty years of experience in risk management consultancy, as she led a team of specialists at Marsh, Oliver Wyman, AON and is currently in DGPA & Co. She is the author of publications and speaker at numerous conventions on risk management. She is a member of Boards of Directors and of Boards of Statutory Auditors. She is the Chairman of Supervisory Bodies pursuant to Italian Legislative Decree 231/01.

\* \* \*

The management and control positions held as at the Date of Reference by each member of the Board in Office in other Group companies and in other companies listed on regulated markets, including those abroad, and in financial, banking, insurance companies or in companies of a relevant size, are shown in the table below.

Director	Position	Company	Listed
Carlo Achermann	Managing Director	Be Consulting S.p.A.	NO
	Chairman	Be Solutions S.p.A.	NO
	Chairman	IQUII S.r.l.	NO
	Executive Director	iBe Tse Ltd.	NO
	Chairman	Juniper Extensible Solutions S.r.l.	NO
	Chairman	Tesla Consulting S.r.l.s.	NO
Stefano Achermann	CEO and General Manager	Be Consulting S.p.A.	NO
	Chief Executive Officer	Be Solutions S.p.A.	NO
	Chief Executive Officer	IQUII S.r.l.	NO
	Executive Director	iBe Tse Ltd.	NO
	Chief Executive Officer	Juniper Extensible Solutions S.r.l.	NO
	Managing Director	Tesla Consulting S.r.l.s.	NO
	Chief Executive Officer	VNTR Advanced Entertainment S.r.l.	NO
Claudio Berretti	General Manager and Board Member	Tamburi Investment Partners S.p.A.	YES
	Board Member	TIP-Pre IPO S.p.A.	NO
	Board Member	Alpitour S.p.A.	NO
	Board Member	Alpitour World Hotels & Resorts S.p.A.	NO
	Board Member	Asset Italia S.p.A.	NO
	Board Member	Betaclub S.r.l.	NO
	Board Member	Chiorino S.p.A.	NO
	Board Member	Clubitaly S.p.A.	NO
	Board Member	Digital Magics S.p.A.	Shares traded on AIM Italia
	Board Member	Monrif S.p.A.	YES
	Board Member	My WoWo S.r.l.	NO
	Board Member	Neos S.p.A.	NO
	Board Member	Sant'Agata S.p.A.	NO
	Board Member	Talent Garden S.p.A.	NO
	Board Member	Venice Shipping & Logistic S.p.A.	NO
Board Member	Be Consulting S.p.A.	NO	
Board Member	Be Solutions S.p.A.	NO	
Claudio Roberto Calabi	Chairman with delegation rights	Risanamento S.p.A.	YES
	Chairman	Milano Santa Giulia S.p.A.	NO
	Chairman with delegation rights	Capital Dev S.p.A.	NO
	Deputy Chairman	GLF Grandi lavori Fincosit S.p.A.	NO
	Chairman of the Board of Receivers	Camuzzi S.p.A. in liquidation	NO
	Director	La Scuola S.p.A.	NO
Davide Dattoli	Chairman of the Board of Directors	Talent Garden S.p.A.	NO
	Director	Digital Magics S.p.A.	Shares traded on AIM Italia
Gianluca A. Ferrari	Director	Retelit S.p.A.	YES
Anna Lambiase	Chief Executive Officer	IR Top Consulting	NO
	Chief Executive Officer	VedoGreen	NO
Cristina Spagna	Managing Director	Kilpatrick Group SA	NO
Paola Tagliavini	Independent Director	Rai Way S.p.A.	YES
	Independent Director	Interpump Group S.p.A.	YES
	Independent Director	Eurizon Capital SGR	NO
	Independent Director	SAVE S.p.A.	NO
	Standing Auditor	RCS Mediagroup S.p.A.	YES



### **Diversity criteria and policies**

The Issuer applies diversity criteria to the Board of Directors regarding aspects such as age, gender and their educational and professional backgrounds.

More specifically, the Board is comprised of 2 executive Directors and 7 non-executive Directors, 5 of which are independent.

The less-represented gender represents 33% of the total number of Board members.

The average age of the Directors is as follows: 22.2% between 31 and 40, 33.4% between 41 and 50 and the remaining 44.4% over 50.

The diversity of the professional profiles and educational backgrounds of the Directors (illustrated above) ensure the Board the expertise needed to manage the Company.

At the Date of Reference, Be had not yet adopted a specific policy for diversity pursuant to art. 123-*bis*, paragraph 2, letter d-*bis* of the Consolidated Law on Finance, deeming that the processes to form the Company's management and control bodies already take important aspects such as age, gender, training and professional profile fully into account.

On 5 March 2019 - also with a view to the renewal of the corporate offices that will take place at the time of the approval of the financial statements for the current year - the Board of Directors, following the recommendations of the Code of Self-Regulation and the letter of the Chairman of the Corporate Governance Committee, adopted a policy on diversity for the composition of the management bodies that seeks to guarantee the smooth operation of the Board of Directors by regulating its composition and envisaging that the members of the same possess the personal and professional requirements that guarantee the highest level of diversity and expertise. This policy promotes corporate social responsibility to the extent to which inclusion, integration and non-discrimination may contribute to removing obstacles to economic and social order that restrict individual freedom, in application of the principle of equality.

The Be Group perceives diversity as a strength which enables it to establish corporate bodies that include different values, perspectives, expertise and ideas with a view to encouraging and enriching debate.

The aspects of diversity considered by the Be Group regard in particular gender, age and professional diversity.

The policy on diversity for the composition of the management bodies is available on the Company's website <https://www.be-tse.it>.

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

With regard to that envisaged by application criteria 1.C.3 of the Code of Self-Regulation, as regards the opinion of the Board of Directors as to the maximum number of positions as director or statutory auditor in listed, financial, banking or insurance companies, or in companies of a relevant size, note that the Board has not adopted any general criteria, but has made an assessment of the compatibility of the above-indicated positions with the assignments entrusted to the respective directors by Be and has issued a positive opinion, retaining that said positions are compatible with the efficient performance of the role

assigned to each individual Director, also taking into account their participation in the committees established within the Board.

### ***Induction Programme***

The Chairman of the Board of Directors has organised that, immediately after their appointment, Directors may take part in initiatives with a view to provide them with an adequate understanding of the business sector the Issuer operates in, of business dynamics and their evolution, of the principles of good risk management as well as of the legislative and self-regulatory framework of reference.

More specifically, an information session was organised for this purpose at the Company's Milan offices in July 2017. Furthermore, with a view to maintaining said knowledge and understanding, the Directors receive the necessary information and updates on the above-mentioned topics whenever necessary.

### **4.3 Role of the Board of Directors (pursuant to art. 123-bis, paragraph 2, letter d), of the Consolidated Law on Finance)**

The point of reference for the company's organisation is the Board of Directors, which is functionally responsible for strategic and organisational matters and for ensuring that the necessary controls are in place to monitor the Company's performance.

#### **Conduct of Board Meetings**

The Board of Directors is convened by the Chairman, or in the event of his absence or impediment, by the Managing Directors, where appointed, periodically or at any time it is considered appropriate or on the request of at least 2 Directors. The Board of Directors may also be convened, after notifying the Chairman of the Board of Directors, by at least 2 Statutory Auditors. The Board is convened by a notice that must be sent to Directors and Statutory Auditors at least 7 days before the meeting, containing a brief indication of the items to be discussed. For urgent matters, the term may be shorter, but never less than 2 days. Meetings are convened in accordance with the terms above, by sending a registered letter, telegram, fax or e-mail message to each Director and Standing Auditor, with confirmation of the receipt of the notice of call. If a notice of call is not sent, a Board meeting is legitimately held with the presence of the majority of its members and the majority of the members of the Board of Statutory Auditors, only on condition that all members of the Board of Directors and of the Board of Statutory Auditors with a right to attend have been informed of the meeting and of the items on the agenda and any absent members have communicated in writing, by letter, fax, e-mail message or other suitable means, that they will not oppose the discussion of the items on the agenda.

Meetings of the Board of Directors may be held also by video or tele-conference, on condition that this is noted in the notice of call and on condition that all attendees can be identified, are able to follow the discussion and to intervene in real time and that examining documents and passing resolutions is guaranteed to take place at the same time;

The organisation of the meeting is entrusted to the Chairman, who ensures that sufficient time is dedicated to the items on the agenda to enable constructive debate, encouraging, during the meetings, contributions by Directors.

The Chairman of the Board of Directors and the Chief Executive Officer work (i) to ensure that the documentation relating to the items on the agenda are made aware to the Directors and the Statutory Auditors a reasonable amount of time before the date of the meeting, so that the same can take part in an informed discussion on the items that have been submitted for their examination and approval, and adopting procedures to ensure the confidentiality of the data and the information provided and (ii) to take any need for confidentiality and price sensitivity relating to several topics into due consideration.

The completeness and timeliness of information provided prior to a meeting of the Board of Directors is guaranteed by (i) sending a notice of call containing a brief indication of the items to be discussed at least 7 days before the meeting, in the majority of cases, and at least 2 days before the meeting in urgent cases, in accordance with that envisaged by the Articles of Association; (ii) involving the relevant company offices that manage and coordinate the preparation of the documents relating to the items contained on the agenda, which is sent at least 2 days before the date of the meeting, except in urgent cases, in which case the Chairman ensures that adequate in-depth information is provided at the board meeting in question.

The Board of Directors decided not to set a specific term for the availability information prior to a Board Meeting, retaining that the procedures and the time periods recorded for the submission of said documentation during the FY were adequate and that the information provided prior to Board Meetings was, also considering that the same was supplemented during the same, adequate and exhaustive.

Board meetings are held with the participation of the Board secretary, as well as, where retained appropriate, corporate functional heads and external consultants involved in the items on the agenda, with a view to providing all Directors with the in-depth analysis needed to acquire adequate information on the Company's operations. Parties external to the Board may also attend Board meetings, if invited. In this regard, note that during the Financial Year, on the invitation of the Chairman, the Executive in charge of preparing the company's accounting documents, the Head of the Internal Audit function as well as other parties who have contributed to providing greater detail on the items on the agenda, as well as the Board of Statutory Auditors attended meetings of the Board.

### **Frequency of Board Meetings**

In the Financial Year, the Board held 10 meetings, regularly attended by the Directors. More specifically, given a total attendance percentage of 88% and an attendance of Independent Directors of 80.6%, the attendance percentage of each Director was as follows: (i) 100% for Carlo Achermann; (ii) 100% for Stefano Achermann; (iii) 100% for Claudio Berretti; (iv) 83% for Claudio Roberto Calabi; (v) 60% for Davide Dattoli; (vi) 90% for Gianluca A. Ferrari; (vii) 90% for Anna Lambiase; (viii) 80% for Cristina Spagna; and (ix) 90% for Paola Tagliavini.

All meetings were convened in accordance with the articles of association. The meetings held during the FY lasted an average of 1 hour and 15 minutes.

In the current financial year, 2019, at the date of this Report, 3 meetings of the Board in Office have already taken place and a further 4 meetings are planned.

### **Powers awarded**

To exercise the functions for which it is exclusively responsible for, and listed in art. 1 of the Code of Self-Regulation and for the ordinary and extraordinary management of the Company, the Board of Directors is awarded, under art. 17 of the Articles of Association, the widest and unlimited powers for the ordinary and extraordinary management of the Company, with the sole exclusion of resolutions which the law reserves to the Shareholders' Meeting.

As the matters set forth in art. 1.C.1 of the Code of Self-Regulation cannot be delegated to the Chief Executive Officer, they are considered to be reserved to the scope of the Board of Directors. By way of example, the following are considered to be reserved to the Board of Directors:

- the examination and approval of the strategic, business and financial plans of the Issuer, as well as the periodic monitoring of their implementation;
- the examination and approval of the strategic, business and financial plans of the Group, as well as the periodic monitoring of their implementation;
- the definition of the system of corporate governance of the Issuer;
- the definition of the structure of the Group.

Pursuant to art. 17 of the Articles of Association, the Board of Directors also has the following faculties:

- the decision to merger in the cases set forth in articles 2505 and 2505-*bis* of the Civil Code;
- the opening and the closing of secondary offices;
- the reduction of the share capital if a shareholder withdraws;
- the amendment of the Articles of Association to legislative provisions;
- the transfer of the registered office within the Province;
- policy-making and periodically checking the adequacy and the effective functioning of the internal control system, ensuring that the main company risks have been identified and are adequately managed;
- examining and approving related party transactions, as defined by IAS 24 and by Attachment 1 to the Consob RPT Regulations.

In accordance with the resolution of the Board at a meeting held on 27 April 2017, and pursuant to art. 2381 of the Civil Code, without prejudice to the power awarded to the Chairman and to the CEO, on joint signature, to take measures that are the responsibility of the Board of Directors, if the same are urgent, in the Company's interest, with the obligation to report back to the Board of Directors at the next meeting of the same, the Board of Directors has exclusive powers relating to the following:

- the approval of strategic and organisational policies for the company (including therein plans, programmes and budgets);

- agreements with operators in the same business, other domestic or foreign companies or groups, of strategic relevance beyond standard operations;
- share capital increases, incorporation, transformation, requests for the Company's shares to be admitted to trading in specific stock market segments, mergers, spin-offs, liquidations, entering into shareholder agreements, relating to direct subsidiaries;
- the purchase, exchange and sale of real estate, as well as leases for a term exceeding nine years;
- financial sale or purchase transactions, medium and long term, exceeding Euro 5,000,000 per transaction;
- issue of guarantees for amounts exceeding Euro 5,000,000 per transaction;
- acquisition and disposal, also through the exercise or waiver of option rights, assignment, usufruct, pledges and any other conveyance, also as regards joint ventures, relating to equity investments in companies or subjecting the same investments to restrictions;
- sale, assignment, rental, usufruct and any other conveyance, also as regards joint ventures, or subjecting the company or divisions of the same to restrictions;
- concluding, amending, settling, permitting novation, renewing, extending (also tacitly), reaching agreement on any dispute regarding payables exceeding Euro 1,500,000;
- hiring, transferring, suspending and dismissing executives whose annual gross salary exceeds Euro 400,000.00, establishing the conditions, qualifications, category and level, determining remuneration, fees and awards.

The validity of the resolutions of the Board of Directors are subject to the provisions of art. 2388 of the Civil Code, without prejudice to the fact that resolutions on the following topics:

- any matter regarding investments and/or disinvestments for an amount exceeding Euro 10,000,000 or, if lower, to an amount corresponding to 20% of the Company's Statement of Financial Position assets, as stated on the last approved financial statements;
- approval of the Company's budget and business plan (which must include the plan of investments and the financial plan);
- proposals for amendments to the Articles of Association, to be submitted to the Shareholders' Meeting, will be adopted as valid with the favourable vote of a number of Directors corresponding to the number of Directors in attendance minus 1 (one) person.

### **Activities performed**

The following paragraphs illustrate the activities performed by the Board during the FY, in accordance with that envisaged by the applicable legislative and regulatory provisions, including those of the Code of Self-Regulation:

- examined the overall performance of the Group's operations, the quarterly results, the general policies relating to human resource management, significant transactions, related party transactions, taking into consideration the information received from delegated bodies and comparing the results recorded with those planned;
- received continuous information on the process of the preparation of the non-financial statement set forth in Italian Legislative Decree 254/2016, and made the appropriate decisions in this regard;
- examined and approved transactions - considered significant from a strategic, economic or equity perspective for the Issuer - of the Issuer and its subsidiaries, unless a decision has been taken that gives the Board of Directors of the Issuer sole power to resolve upon transactions of the Issuer or of its subsidiaries considered significant from a strategic, economic, equity or financial perspective for the Company.

The Issuer decided not to establish specific criteria to identify transactions that are considered significant from a strategic, economic, equity or financial perspective for the Company itself, as said criteria are established individually for each of the transactions at the time the same are approved. If the Company intends to perform significant transactions, the CEO presents a summary of the analyses conducted in terms of strategic coherence, economic feasibility and expected return for the company to the Board of Directors.

At the meeting held on 12 March 2019, it positively assessed the substantial adequacy of the organisational, administrative and accounting structure of the Group with specific reference to the ICRMS after obtaining the opinion of the Control and Risk Committee, and also on the basis of assessment made by the Company's Head of the Internal Audit function.

At the cited meeting, the Board also conducted a self-assessment of the functioning of the Board itself and of its Committees pursuant to Application Criterion 1.C.1 letter g) of the Code of Self-Regulation. This assessment process was conducted in March 2019, regarded Financial Year 2018 and was made by means of a questionnaire distributed to all Directors, with the assistance of the Law Firm Orsingher Ortu Avvocati Associati, which provided support to the Issuer for the performance of the corporate governance activities of the same.

The self-assessment questionnaire was organised into different sections (i.e.: (i) the size, composition and functioning of the Board; (ii) the size, composition and functioning of committees within the Board; (iii) communication between the Board and top management - induction programme; (iv) corporate governance and risk governance) with regard to which Directors were asked to make evaluations regarding, inter alia, (a) the efficacy of functioning of the Board, considering, in particular the contribution of the Board of Directors to drawing up strategic plans and monitoring the performance of operations, on the adequacy of the ICRMS and, in general (b) topics with relation to which the Corporate Governance Committee - in a letter sent by its Chairman to all listed companies - requested that issuers better implement the recommendations contained in the Code of Self-Regulation. More specifically, these topics regarded (a) pre-meeting information; (b) the application of the independence criteria recommended by the Code of Self-Regulation; (c) board reviews; (d) the remuneration of executive Directors.

Said questionnaire also gave the opportunity to make suggestions and comments, and once completed by all Directors, the Board shared the results in the aforementioned

meeting on 12 March 2019. The responses to the questionnaire showed that a large majority of the Directors described a positive framework, and, in limited cases, offered suggestions for improvements.

More specifically, from the results of the self-assessment process, the following should be noted:

- the size and composition of the Board was assessed as positive, as well as the quantitative and qualitative profile of the same; in this regard, the composition of the Board in terms of the weighting of the different components (executive, non-executive and independent) and professionalism was assessed as particularly positive; the diversity aspect (with reference to gender, age and managerial expertise of the Directors) was also considered positive;
- the functioning of the Board was considered positive, with reference in particular to the frequency, level of attendance and duration of meetings; nevertheless the main area for improvement was found to be pre-meeting information and specifically it was suggested that the documentation for meetings of the Board of Directors should be made available sufficiently in advance so as to allow the Directors to make a careful assessment of the topics on the agenda, also with regard to transactions of greater importance;
- with information flows between the Board of Statutory Auditors and Company functions were considered to be satisfactory;
- the duration of the meetings of the Board and of the Board committees was considered fully adequate; with specific regard to Board meetings, the same were also considered as balanced between management presentations and board debate;
- the organisation of the currently-envisaged board committees (Control and Risk Committee and Appointments and Remuneration Committee) is retained very satisfactory, and the composition of the same was assessed as positive in terms of the skills and professional experience represented, which enables the contribution made in specific areas of expertise to be appreciated, and ensures the prompt and correct performance of the tasks asked of the same;
- the functioning of the committees was assessed as positive with regard to its operation and the information provided to the Board;
- the induction programme promoted by the Company was considered to be good, and the information provided by the Chief Executive Officer to the Board of Directors was considered adequate, as well as the efforts made by the Chairman to encourage significant discussion within the board;
- the Board also appreciated the initiatives taken to encourage the widest attendance possible of shareholders at Shareholders' Meetings and to facilitate the exercise of shareholders' rights and the role of the Board in drawing up strategic plans and in monitoring the performance of the Company's operations.

The opinions of all Directors (including those of independent Directors) were aligned to one another.

At the date of this Report, the Shareholders' Meeting has not authorised departures from the non-competition clause envisaged by art. 2390 of the Italian Civil Code.

#### 4.4 Delegated bodies

##### Chief Executive Officer

By a resolution of the Board of Directors on 27 June 2017, the Chief Executive Officer, Stefano Achermann, was invested with the following powers:

- to manage, direct and administer the operations of the Company by providing guidance, coordination and control of the activities of subsidiaries, each of which involved in the production of goods and services, consistent with its corporate purpose;
- to establish the strategic guidelines of the Company and of the Group as regards its policy on alliances, acquisitions/disposals of new business activities, measures to develop the current perimeter to be submitted to the Board of Directors, ensuring - once approved - the necessary coordination and control activities as regards the actions of subsidiaries, associates or investee companies with a view to achieving the Group's objectives;
- to define the Company's organisation through the company areas and functions reporting to the same. In particular, inter alia: human resources and trade union relations, quality control and customer satisfaction, strategic planning and investor relations, legal and corporate affairs, administration and the financial statements, financial and treasury activities and control and management;
- to implement the resolutions of the Board of Directors by taking the measures, also as regards extraordinary administration, resolved upon by the Board;
- to resolve upon and to take all measures that are included in the ordinary management of the Company;
- to draw up, circulate and monitor compliance, by all subsidiaries, of Group regulations that establish the matters that require the prior authorisation of the Issuer;
- to exercise the responsibility of the employer (set forth in Italian Legislative Decree 81/08 et seq.), of data controller (set forth in Italian Legislative Decree 196/03) as well as executive in charge of security.

The assignments and the powers awarded above are also expressly intended to include, by way of example, but not limited to such, the following powers, which may be exercised by the Chief Executive Officer, with a single signature, unless otherwise envisaged in point 29 below and with the faculty to sub-delegate, and in any event without prejudice to the powers reserved to the Board of Directors:

- to represent the Company before any ordinary or special judicial or administrative authority, in any proceeding and at any level or jurisdiction, also on the occasion of



revocation or cessation, with the power to decide, propose and sign any declaration, application, exception, appeal, opposition, defence and any document of any nature; to file and to re-file lawsuits and to waive the same, to submit claims, to bring civil action in criminal proceedings, to represent Group companies in criminal proceedings as the injured party, to refer any disputes that may arise to arbitration or amicable composition for settlement, either on the basis of a clause in the contract itself or a separate submission agreement, appointing the arbitrators and seeing to all the formalities also relating to the consequent decision of the arbiters; to represent the Company in insolvency proceedings; to conciliate or settle disputes in a court of law; to submit or refer oaths; to submit and respond to questions and enquires also as regards civil fraud; to make and demand legal deposits giving receipt and discharge thereof; to perform all of the above all through special proxies, with the power to appoint lawyers and proxies, issuing the relative general or special powers of attorney for litigation on behalf of Group companies and to elect domicile, as well as to appoint special proxies to represent the Company;

- to perform any transaction at the department of motor vehicles and/or the relative public motor vehicle register relating, inter alia, to the transfer of ownership of motor vehicles, to update certificates and to sign the relative contracts and documents on behalf of the Company;
- opening and closing current bank and post office accounts and making transactions on the same; drawing bank cheques, requesting bankers' drafts, payment orders or credit orders, within the limits of the sums that are available, making payments of company debts of any amount or nature, in any form; issuing, signing and endorsing drafts agreed with Italian and foreign customers to cover the Company's supplies; in general performing any transaction relating to amounts, securities, receivables, commercial bills, currency etc.;
- signing Company correspondence;
- guiding, controlling and monitoring the performance of the companies directly or indirectly controlled, reporting to the Board of Directors on activities and on transactions considered important from an economic, financial or equity perspective performed by the same;
- making proposals to the Company's Board of Directors regarding any changes to the organisational structure of the Group, also by means of extraordinary transactions on share capital, with a view to assuring the Group's operational unity, as well as technical and administrative policies;
- to handle relations and represent the Company before the Bank of Italy as regards all financial, currency and other type of transaction;
- to handle relations with - and to represent the Company before - Consob and Borsa Italiana and any other public or independent authority;
- to handle relations with banks and/or investment firms;
- to represent the Company in Italy and abroad before any body and/or office of the European Union, the state administration, territorial and non-territorial bodies,

public and private offices, trade and trade union organisations, customs offices, post and telegraph offices;

- to represent the Company, by submitting applications, petitions, appeals and claims to the judicial and administrative authorities, and to any other public and/or independent authority, such as by way of example, the antitrust authorities, the authority for the protection of personal data, the Italian communications authority, the electricity and gas authorities, with the power to take legal action and appear before the court, also appointing lawyers and proxies for litigation;
- to represent the Company before Chambers of commerce and the offices of company registers, requesting, depositing and/or collecting any certificate, declaration, document, deed in general, as well as letters, registered letters, insured letters, parcels, valuables, securities, goods etc. at/from the same, as well as from other public or private administrative, financial and postal offices; to enter into any contract with public and/or private entities to obtain the utilities needed to attain the corporate purpose;
- to represent the Company before the general management, the registry office, the technical tax offices, the district tax offices, VAT offices, municipal offices, including those responsible for local taxes and, in general, before central and local financial administrations and public territorial entities, to sign and submit appeals, income tax returns of the Company, substitute tax declarations and any other declaration envisaged by tax legislation; to submit appeals against any deed and/or order issued by the above-cited financial administrations before the tax commissions and any other competent judging body, to submit appeals and counter-appeals, to accept and sign the relative settlements, agreeing on all of the terms, including economic terms; to sign statistical reporting forms, and any other document required for transactions related to international trade, exports, imports and the transit of goods;
- to submit applications and to file any paperwork with a view to obtaining financial and/or tax benefits, from community, primary and secondary national legislation and/or from legal provisions issued by territorial public bodies and/or by other public bodies;
- as regards bank transactions and financial transactions in general, negotiating and obtaining, from banks and credit institutions, loans and credit facilities in Euro or in a foreign currency, that may be used in any form up to a maximum of Euro 5,000,000, with express power to sign the relative annexed and ancillary contracts and agreements; opening and closing current bank and post office accounts and making transactions on the same; organising the approval and the use of credit lines; negotiating and defining funding and borrowing conditions and means also in the interests of subsidiaries controlled directly or indirectly; obtaining (bank or insurance) sureties, endorsements, guarantees in general for the obligations undertaken by the Company with third parties and in the interests of the former; issuing or arranging the issue of unsecured guarantees from banks and financial companies in the Company's interest, or in the interest or, in any event, in favour of and to the benefit of companies directly or indirectly controlled by the same, for the continuation of its operations; drawing bank cheques, requesting bankers' drafts, payment orders or credit orders, within the limits of the sums that are available; endorsing, negotiating and issuing receipts for cheques and money orders originated by the Company or endorsed to the same; obtaining the relative amounts of the

same, challenging the same; cashing and discounting bills and drafts originated by the company or endorsed to the same, and issuing receipts; obtaining the return on the same, challenging the same; opening and closing bank and post office accounts, making payments into and withdrawals from the same, issuing receipts; cashing amounts, as well as money orders, cheques, bills and securities at banks, collecting receivables and valuables from any party and for any reason due to the Company; making payments of company debts of any amount or nature, in any form; issuing, signing and endorsing drafts agreed with Italian and foreign customers to cover the Company's supplies; in general performing any transaction relating to amounts, securities, receivables, commercial bills, currency etc.; to make transfers of funds and perform other intragroup financial transactions with subsidiary companies, without any limit to the amount;

- again with regard to financial transactions, signing finance lease contracts, on condition that the lease of the goods relates to the corporate purpose, with a term not exceeding nine years and a maximum amount of Euro 5,000,000; performing factoring transactions, signing the relative contracts, establishing the receivables to be assigned, the price of the assignments, establishing the conditions of the factoring arrangement, agreeing on pacts and clauses, as a real or binding right;
- representing the Company vis-à-vis insurance and reinsurance companies, submitting claims for damages, overseeing appraisals, accepting settlements, agreeing on all of the terms, including economic terms;
- participating and competing in public tenders in general, announced by any public and/or private, international, Community, national and/or local entity, and in judicial auctions, representing the Company at each stage of the relative proceedings, signing applications, petitions and correspondence;
- finalising, amending, resolving and allowing novation, renewals, extensions (including tacit renewals), settling all disputes relating to the following purchase agreements: a) purchase agreements regarding the Company's movable assets and property, directly or indirectly related to the company business (excluding the equity investments that would be registered as long-term investments for which a specific resolution of the Board is required), including the equipment for the Company's plant, office furniture, raw materials, motor vehicles and any other type of movable asset subject to registration; b) lease contracts with a term not exceeding nine years, for the lease, loan for use, of movable assets and real estate; c) service provision agreements, sub-agreements and any type of supply agreement; shipment agreements for the transport of people and/or items by land, air or sea; d) insurance and reinsurance contracts for any risk and any amount; e) mandate, commission or agency agreements (with or without representation), distribution, brokerage, deposit and/or consignment stock, advertising, sponsorship, general consulting agreements; f) contracts relating to software and/or hardware; g) contracts relating to intangible assets relating to intellectual property; h) any other purchase contract. The power set forth in point 19) above, may be exercised with a single signature for contracts with amounts equal to but not exceeding Euro 1,500,000;
- as regards safety in the workplace, accident prevention and environmental protection (also of the work environment), performing all that is necessary, including allocating tasks and appointing delegates responsible for this area, which also act as proxies, to ensure full compliance with health and safety legislation in the workplace and the

protection and safeguarding of the environment and the health of workers; representing the company in relations with third parties, including consultants, and with the administrative and judicial authorities, within the powers awarded in this point; organising and overseeing the provision of the utmost information to workers (dependent, auxiliary and/or external) on any general or specific risks they may be exposed to during the performance of their work, informing the same of the essential rules of prevention, safety and hygiene by means of posters containing extracts of the same displayed in the workplace and in any event using any suitable means that may promote and ensure immediate awareness; drawing up and implementing adequate internal rules on protection, safety and hygiene for the workplace, in compliance with legislative provisions; ensuring, checking and demanding, also in application of regulations and the law, that everyone complies with legislative and internal provisions regarding safety, protection and environmental and food hygiene, but using everything made available to the same; ensuring and overseeing that all safety devices and means of personal protection are always used and are in a good state of repair, using specific personnel to check this, who must report any non-fulfilments as necessary; continuously checking that all plant, equipment and other articles meet legal requirements, updating the same to new technologies in safety, hygiene and ecology and to that required by fire prevention laws; handling compliance of an administrative nature relating to ecology and to health and safety in the workplace;

- representing the Company with regard to labour inspection agencies, trade unions, labour offices, social security and/or national insurance entities; ensuring that the compulsory ledgers and the documents required by labour and social security laws and regulations are properly kept; signing and submitting declarations, communications, certifications for legal purposes as regards social security and/or welfare, as well as relating to insurance against accidents in the workplace, handling and/or settling disputes agreeing on all terms, including economic ones;
- hiring, transferring, suspending and dismissing personnel of any category or level, with the exclusion of executives whose annual gross salary exceeds Euro 400,000.00, establishing the conditions, qualifications, category and level, determining remuneration, fees and assignments; drawing up work training contracts and consulting contracts; appointing and dismissing agents, sub-agents, commissioners, door-to-door salespeople, representatives and in general commercial staff for the sale of the Company's products and services in Italy and abroad;
- requesting sole ownership certificates in general (with no exceptions or exclusions) and certificates for patents, industrial inventions and utility models, extensions and addendums, in Italy or abroad, and protecting the Company's intellectual property rights; requesting the registration of trademarks, however constituted, in Italy and abroad, fulfilling any consequent requirement;
- participating in public auctions, tenders and private invitations also for supplies to public administrations, making commitments and acting in the name of the company when guaranteeing the relative documents and/or any agreements related to the same;
- participating in all public sessions of awarding commissions for public auctions, tenders and private invitations, negotiated procedures announced by central and local public administrations, and by any public or private body or entity. Performing

all actions and transactions that are instrumental, supplemental or in any event consequential to those indicated in the points above;

- appointing and dismissing general and special proxies, establishing their powers within the scope of his own and any fee due; assigning, changing and withdrawing consulting and professional collaboration assignments;
- representing the Company in the ordinary and extraordinary shareholders' meetings of investee companies and/or entities, with all relevant powers of representation and authorisation, and, to this end, establish assignees or delegates in accordance with the law;
- opening or closing branches, offices, deposits, agencies and representation offices in Italy and abroad that are not secondary offices;
- taking any measures, with the joint signature of the Chairman, that are the responsibility of the Board of Directors, if the same are urgent, in the Company's interest, with the obligation to report back to the Board at the next meeting of the same.

By virtue of the powers awarded by the Board of Directors, the Chief Executive Officer, Mr. Stefano Achermann, is considered the person in charge of company management. It should also be noted that there are no interlocking directorate situations relating to Mr. Stefano Achermann.

Pursuant to art. 18 of the Articles of Association, the Chairman of the Board of Directors has the power to sign on behalf of the Company and to legally represent the same before third parties and the courts. To the extent of the delegation, Mr. Stefano Achermann, Chief Executive Officer, also has the power to sign on behalf of the Company and to represent the same.

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

By a resolution of the Board of Directors on 27 April 2017, the Chairman, Carlo Achermann, was invested with the following powers:

- to represent the Company before any ordinary or special judicial or administrative authority, in any proceeding and at any level or jurisdiction, also on the occasion of revocation or cessation, with the power to decide, propose and sign any declaration, application, exception, appeal, opposition, defence and any document of any nature; to file and to re-file lawsuits and to waive the same, to submit claims, to bring civil action in criminal proceedings, to represent Group companies in criminal proceedings as the injured party, to refer any disputes that may arise to arbitration or amicable composition for settlement, either on the basis of a clause in the contract itself or a separate submission agreement, appointing the arbitrators and seeing to all the formalities also relating to the consequent decision of the arbiters; to represent the Company in insolvency proceedings; to conciliate or settle disputes in a court of law; to submit or refer oaths; to submit and respond to questions and enquires also as regards civil fraud; to make and demand legal deposits giving receipt and discharge thereof; to perform all of the above all through special proxies, with the power to appoint lawyers and proxies, issuing the relative general or special powers of attorney for litigation on behalf of Group companies and to elect domicile, as well as to appoint special proxies to represent the Company;

- to perform any transaction at the department of motor vehicles and/or the relative public motor vehicle register relating, inter alia, to the transfer of ownership of motor vehicles, to update certificates and to sign the relative contracts and documents on behalf of the Company;
- opening and closing current bank and post office accounts and making transactions on the same; drawing bank cheques, requesting bankers' drafts, payment orders or credit orders, within the limits of the sums that are available, making payments of company debts of any amount or nature, in any form; issuing, signing and endorsing drafts agreed with Italian and foreign customers to cover the Company's supplies; in general performing any transaction relating to amounts, securities, receivables, commercial bills, currency etc.;
- signing Company correspondence;
- guiding, controlling and monitoring the activities of the companies directly or indirectly controlled, wherever located, reporting to the Board of Directors on their business activities and on transactions considered important from an economic, financial or equity perspective;
- defining the management and development activities and any portfolio restructuring of the investee companies, also through acquisitions, extraordinary capital transactions or sales of companies and/or of business divisions;
- to handle relations with banks and/or investment firms;
- to represent the Company in Italy and abroad before any body and/or office of the European Union, the state administration, territorial and non-territorial bodies, public and private offices, trade and trade union organisations, customs offices, post and telegraph offices;
- to represent the Company, by submitting applications, petitions, appeals and claims to the judicial and administrative authorities, and to any other public and/or independent authority, such as by way of example, the antitrust authorities, the authority for the protection of personal data, the Italian communications authority, the electricity and gas authorities, with the power to take legal action and appear before the court, also appointing lawyers and proxies for litigation;
- to represent the Company before Chambers of commerce and the offices of company registers, requesting, depositing and/or collecting any certificate, declaration, document, deed in general, as well as letters, registered letters, insured letters, parcels, valuables, securities, goods etc. at/from the same, as well as from other public or private administrative, financial and postal offices; to enter into any contract with public and/or private entities to obtain the utilities needed to attain the corporate purpose;
- to represent the Company before the general management, the registry office, the technical tax offices, the district tax offices, VAT offices, municipal offices, including those responsible for local taxes and, in general, before central and local financial administrations and public territorial entities, to sign and submit appeals, income tax returns of the Company, substitute tax declarations and any other declaration envisaged by tax legislation; to submit appeals against any deed and/or order issued

by the above-cited financial administrations before the tax commissions and any other competent judging body, to submit appeals and counter-appeals, to accept and sign the relative settlements, agreeing on all of the terms, including economic terms; to sign statistical reporting forms, and any other document required for transactions related to international trade, exports, imports and the transit of goods;

- to submit applications and to file any paperwork with a view to obtaining financial and/or tax benefits, from community, primary and secondary national legislation and/or from legal provisions issued by territorial public bodies and/or by other public bodies;
- as regards bank transactions and financial transactions in general, negotiating and obtaining, from banks and credit institutions, loans and credit facilities in Euro or in a foreign currency, that may be used in any form up to a maximum of Euro 5,000,000, with express power to sign the relative annexed and ancillary contracts and agreements; opening and closing current bank and post office accounts and making transactions on the same; organising the approval and the use of credit lines; negotiating and defining funding and borrowing conditions and means also in the interests of subsidiaries controlled directly or indirectly; obtaining (bank or insurance) sureties, endorsements, guarantees in general for the obligations undertaken by the Company with third parties and in the interests of the former; issuing or arranging the issue of unsecured guarantees from banks and financial companies in the Company's interest, or in the interest or, in any event, in favour of and to the benefit of companies directly or indirectly controlled by the same, for the continuation of its operations; drawing bank cheques, requesting bankers' drafts, payment orders or credit orders, within the limits of the sums that are available; endorsing, negotiating and issuing receipts for cheques and money orders originated by the Company or endorsed to the same; obtaining the relative amounts of the same, challenging the same; cashing and discounting bills and drafts originated by the company or endorsed to the same, and issuing receipts; obtaining the return on the same, challenging the same; opening and closing bank and post office accounts, making payments into and withdrawals from the same, issuing receipts; cashing amounts, as well as money orders, cheques, bills and securities at banks, collecting receivables and valuables from any party and for any reason due to the Company; making payments of company debts of any amount or nature, in any form; issuing, signing and endorsing drafts agreed with Italian and foreign customers to cover the Company's supplies; in general performing any transaction relating to amounts, securities, receivables, commercial bills, currency etc.; to make transfers of funds and perform other intragroup financial transactions with subsidiary companies, without any limit to the amount;
- again with regard to financial transactions, signing finance lease contracts, on condition that the lease of the goods relates to the corporate purpose, with a term not exceeding nine years and a maximum amount of Euro 5,000,000; performing factoring transactions, signing the relative contracts, establishing the receivables to be assigned, the price of the assignments, establishing the conditions of the factoring arrangement, agreeing on pacts and clauses, as a real or binding right;
- representing the Company vis-à-vis insurance and reinsurance companies, submitting claims for damages, overseeing appraisals, accepting settlements, agreeing on all of the terms, including economic terms;

- appointing and dismissing general and special proxies, establishing their powers within the scope of his own and any fee due; assigning, changing and withdrawing consulting and professional collaboration assignments;
- representing the Company in the ordinary and extraordinary shareholders' meetings of investee companies and/or entities, with all relevant powers of representation and authorisation, and, to this end, establish assignees or delegates in accordance with the law;
- opening or closing branches, offices, deposits, agencies and representation offices in Italy and abroad that are not secondary offices;
- to take any measures, with the joint signature of the CEO, that are the responsibility of the Board of Directors, if the same are urgent, in the Company's interest, with the obligation to report back to the Board at the next meeting of the same.

The Board of Directors decided to award the Chairman proxies for the more efficient and smooth running of the Company's business operations.

The Chairman is not the main party responsible for the Issuer's management, nor is he a majority shareholder of the Issuer.

#### **Information to the Board**

At least every quarter, the Chief Executive Officer provided adequate information to the Board of Directors on the general performance of operations and on its foreseeable outlook, as well as on significant transactions, in terms of size or characteristics performed by the Company and its subsidiaries.

At meetings of the Board of Directors, the Directors reported to the Board of Statutory Auditors promptly, and at least every quarter, on the activities performed and on transactions considered significant from an economic, financial and equity perspective, performed by the Company and by subsidiaries, with a view to enabling the Board of Statutory Auditors to assess whether the transactions approved and set in place are compliant with the law and with the Articles of Association and are not manifestly imprudent or go against the resolutions passed by the Shareholders' Meeting, or are such that they compromise the integrity of shareholders' equity.

More specifically, the Directors report on transactions in which they have an interest, on their own behalf or on behalf of third parties and on any atypical, unusual or related party transactions.

#### **4.5 Other Executive Directors**

At the Date of Reference, in addition to the CEO and the Chairman, no other Directors have been awarded powers.



## 4.6 Independent Directors

Pursuant to the combined provisions of articles 147-*ter*, paragraph 4 and 148, paragraph 3 of the Consolidated Law on Finance, and with that envisaged by art. 2.2.3, paragraph 3, letter k) of the Stock Market Regulations and by art. IA.2.10.6 of the Stock Market Regulation Instructions, as well as in compliance with the recommendations of the Code of Self-Regulation, the Board of Directors currently has 5 Independent Directors, namely Davide Dattoli, Gianluca A. Ferrari, Claudio Roberto Calabi, Cristina Spagna and Paola Tagliavini.

On their appointment, the Independent Directors stated that they meet the requirements of independence envisaged by art. 148, paragraph 3 of the Consolidated Law on Finance, and by article 3 of the Code of Self-Regulation. The elected Directors have stated their suitability to be considered independent and have undertaken to maintain said independence for the duration of their term in office and, if they no longer meet said requirements, to resign. At the time of approval of this Report, the Board of Directors renewed its request to the Directors in question to confirm that they meet the requirements envisaged by the Consolidated Law on Finance and by the Code of Self-Regulation. The Board of Directors and the Board of Statutory Auditors then respectively check the content of these statements and the correct application of the requirements and of the aforementioned procedures.

The procedure followed by the Board to verify independence envisages that the Director states that said requirement is met at the time his/her candidature is submitted, as well as at the time the appointment is accepted, and that it is subsequently confirmed by the Board of Directors. The Board decided that the information aspects requested of the Independent Directors at the time of their acceptance of office, through the completion of a specific form at the time of the signature of the statement of independence (which must be updated at least once a year), were sufficiently analytical to enable the Board to make the appropriate assessments as to the fulfilment or otherwise of the requirement. For the purpose of said assessments, the Board of Directors looks at the business, financial and professional relation held directly and indirectly by the Director with the Company, evaluating its significance both in absolute terms and with regard to the economic-financial situation of the interested party. To this end, relations which, although not significant from an economic perspective, are of particular importance for the prestige of the interested party, were also taken into consideration.

The Board of Directors and the Board of Statutory Auditors verified whether the independence requirements of the cited Directors had been fulfilled, as soon as possible after their appointment, also on the basis of the statements released by the same pursuant to art. 148 of the Consolidated Law on Finance, applying, *inter alia*, all of the criteria envisaged by the Code of Self-Regulation.

More specifically, at a meeting held on 12 March 2019, the Board of Directors provided for the appropriate checks to be made regarding the independence requirements of each Independent Director, also based on the information provided by the interested party. The outcome of said assessments was announced to the market in a press release dated 12 March 2019, available on the Issuer's website <https://www.be-tse.it>.

On this occasion, the Board of Statutory Auditors confirmed that it had conducted all of the necessary checks regarding the correct application of the assessment procedures adopted by Board of Directors to assess the independence of its members. The results of these checks were included in the report of the Board of Statutory Auditors to the

Shareholders' Meeting pursuant to art. 153 of the Consolidated Law on Finance, to which the reader should refer.

The Independent Directors met during the year in the absence of the other Directors, at meetings of the Control and Risk Committee and of the Appointments and Remuneration Committee, of which the same are members, as well as at a meeting convened ad hoc, separate and different to the meetings of the Board committees, in line with that envisaged by Application Criterion 3.C.6, during which several areas for improvement were noted, related, for example, to greater knowledge of the business areas in which the Issuer and the Be Group companies operate.

#### 4.7 Lead Independent Director

Pursuant to Application Criterion 2.C.3 of the Code of Self-Regulation, the Board of Directors appoints an independent director as lead independent director, in the following cases: (i) if the chairman of the board of directors is the chief executive officer; (ii) if the post of chairman is held by a person who controls the issuer.

As the requirements set forth in the Application Criterion of the Code of Self-Regulation 2.C.3 are not met, and considering that the Chairman of the Board of Directors is not the chief executive officer, nor does he hold a controlling interest in the Company, the Board did not appoint a Lead Independent Director.

## 5. Treatment of company information

The Company has adopted procedures for the internal management and external communication of documents and information regarding the Issuer, with particular reference to the privileged information set forth in the MAR.

More specifically, the Issuer has adopted:

- the procedure for the internal management and communication to the public of privileged information (the **Privileged Information Procedure**), in compliance with the provisions set forth, inter alia, in the MAR, in Implementing Regulation (EU) 347/2016 of the Commission regarding lists of persons with access to the privileged information set forth in art. 18 of Regulation 596/2014 and in Commission Implementing Regulation (EU) 1055/2016, which establishes the technical standards for implementation as regards the technical tools for the adequate communication to the public of privileged information and to delay the communication to the public of privileged information and the provisions set forth in the Commission Implementing Regulation (EU) 347/2016, approved by the Board of Directors of Be at a meeting held on 7 July 2016, and later amended on 10 November 2016;

- the internal procedure for internal dealing (the **Internal Dealing Procedure**), in compliance with art. 114, paragraph 7 of the Consolidated Law on Finance and the relative regulatory implementing provisions, which reflect the provisions regarding transactions performed by persons who exercise management, control and supervisory functions of the Company set forth in art. 19 of the MAR, Delegated Regulation (EU) 522/2016 of 17 December 2015, Implementing Regulation (EU) 523/2016 and Consob Communication no. 0061330 of 1 July 2016, approved by the Board of Directors of Be, held on 7 July 2016 and later amended on 10 November 2016 and 11 May 2017.

The Privileged Information Procedure seeks to regulate: (a) the management and the treatment of privileged information regarding the Company and its subsidiaries; as well as (b) the procedures to follow for the communication of this information internally and externally to the company. The Privileged Information Procedure establishes the tasks and the responsibilities of the functions involved, identifies criteria, procedures and the timing of the different procedural stages, established the appropriate levels of decision-making for the circulation of announcements and of information, dictates to this end provisions addressed to providing an exhaustive and timely flow of information within the companies that are part of the Group, as well as between the same and the Issuer, with a view to complying with disclosure obligations, regarding price sensitive matters, vis-à-vis the market and the bodies that control the market.

The Internal Dealing Procedure envisages that a series of relevant parties are subject to a market disclosure obligation as regards transactions performed on the listed financial instruments issued by the Company. The Internal Dealing Procedure envisages thresholds and terms for communication to the market and relative penalties in line with that established by applicable legislative provisions on the matter, and therefore also contains a provision regarding the so-called black-out periods.

A copy of the Privileged Information Procedure and of the Internal Dealing Procedure is published on the Company's website in the Investor Relations/Corporate Governance section (<https://www.be-tse.it/it/investors/sistema-di-governance>).

## **6. Board Committees (pursuant to art. 123-*bis*, paragraph 2, letter d), of the Consolidated Law on Finance)**

In compliance with that envisaged by the Code of Self-Regulation, the Board of Directors has established two internal committees: the Control and Risk Committee and the Appointments and Remuneration Committee.

The Appointments and Remuneration Committee performs both the committee functions for appointment set forth in principle 5 of the Code of Self-Regulation, and the committee functions for remuneration set forth in principle 6 of the same code and was established in accordance with the conditions envisaged therein. This decision was taken on the basis of the Company's organisational requirements, the functioning and the size of the Board of Directors.

There are no Committees with less than 3 members and the work of the same is coordinated by a Chairman. The tasks and the rules of functioning of each Committee are contained in a regulation approved by the Board of Directors. Each Committee may hold its meetings also in audio/video conferences, and its organisation is assisted by a specific corporate function. Minutes of the meetings of the individual Committees are drawn up by the secretary of the Committee. Each Committee reports periodically to the Board of Directors on the activities performed by the same.

The Committees represent a part of the Board of Directors, whose objective is to offer advice and make proposals, with a view to improving the functioning and the policy-making ability of the Board of Directors.

On the Date of Reference, there were no additional committees to those recommended by the Code of Self-Regulation.

## 7. Appointments and Remuneration Committee

### Composition and functioning

In accordance with the provisions of art. 2.2.3, paragraph 3, letter n) of the Stock Market Regulations, applicable to issuers with shares traded on the MTA (electronic stock market), STAR Segment, as well as in compliance with the provisions of art. 6 of the Code of Self-Regulation, the Board of Directors has established an internal Appointments and Remuneration Committee, which performs both the committee functions for appointment set forth in Principle 5 of the Code of Self-Regulation, and the committee functions for remuneration set forth in Principle 6 of the same code<sup>4</sup> and was established in accordance with the conditions envisaged by the Code of Self-Regulation.

Following the appointment of the Board of Directors approved by the Shareholders' Meeting on 27 April 2017, on 27 April 2017 the Board of Directors renewed the composition of the Appointments and Remuneration Committee, appointing the independent Director Cristina Spagna (who acts as the chairperson of the Committee), the non-executive Director Claudio Berretti and the independent Director Davide Dattoli as members of the same. Therefore, during the Financial Year, the Committee was comprised by at least 3 members, with a majority of independent Directors.

Given the professional expertise and experience of the Committee members, the recommendation set forth in art. 6.P.3 of the Code of Self-Regulation is fulfilled, regarding adequate knowledge and experience in financial matters and remuneration policies.

In a resolution dated 9 May 2013, the Board of Directors in office at that time, established that the Committee:

- (i) was to be convened on the initiative of the Chairperson of the Committee:

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<sup>4</sup> The Board of Directors decided not to establish an internal committee for proposals of appointment alone, as to date it has not encountered the need for this, and believes that combining the functions of appointing and remunerating Directors in a single committee is more efficient.

- when the same retained it necessary or when the other two members requested a meeting;
  - with notice to be sent, also by fax or e-mail, to the individual members of the Committee, to the Chairman of the Board of Statutory Auditors, or to another Auditor designated by the same, and to the Chairman of the Board of Directors, at least 5 days before the meeting, containing a summary of the items to be discussed, it being understood however, that even if not sent notice, the Committee would be considered legally constituted with the presence of all of its members and of the Chairman of the Board of Statutory Auditors, or by the other Auditor designated by the same;
- (ii) was to meet at the registered office or elsewhere, as long as in a European Union country, specifying that Committee meetings could be held also by video or teleconference, on condition that all attendees can be identified, are able to follow the discussion and to intervene in real time in the debate on the items on the agenda, and to receive, transmit and see documents, and that examining documents and passing resolutions is guaranteed to take place at the same time;
- (iii) would be validly constituted with the presence of the majority of members in office and resolve on the basis of an absolute majority, but in any event, with the favourable vote of the Independent Director, if only one independent member has been appointed to the Committee;
- (iv) draw up minutes on its activities and resolutions, signed by the Chairperson of the Committee and by another member in attendance;
- (v) would approve on the basis of an absolute majority, but in any event, with the favourable vote of the Independent Director, if only one independent member has been appointed to the Committee, any further rules needed for its functioning.

These rules also apply to the current Appointments and Remuneration Committee, the work of which is coordinated by the Chairperson of the Committee.

During the Financial Year, the Appointments and Remuneration Committee met twice. The meetings lasted an average of 38 minutes and the attendance level was 100%. More specifically, the attendance level of Cristina Spagna was 100%, that of Claudio Berretti was 100% and that of Davide Dattoli was 100%. During said meetings, the Committee, *inter alia*, (a) established whether the objectives relating to the payment of the variable part of remuneration of executive Directors for 2018 had been achieved; (b) assessed the adequacy, the overall coherence and the effective implementation of the remuneration policy adopted by the Company; (c) expressed its opinion on the Report on remuneration pursuant to art. 123-*ter* of the Consolidated Law on Finance and on the Annual report on corporate governance and ownership structure pursuant to art. 123-*bis* of the Consolidated Law on Finance; (d) assessed the activities performed in Financial Year 2018 and those planned for 2019 and lastly e) acknowledged the recommendations for corporate governance of the Corporate Governance Committee for 2018.

In the current year, 2019, on the date of this Report, one meeting of the Committee in Office has already taken place and a further two are planned.

Minutes were regularly drawn up of Committee meetings.

The Committee Chairperson informed the Board of Directors, at the first possible meeting, on the meetings of said committee and on the matters that were discussed, in accordance with the provisions of the implementing criteria 4.C.1, lett. d) of the Code of Self-Regulation.

Non-members also attended Committee meetings, without voting rights, on the invitation of the committee and with regard to specific items on the agenda. The Statutory Auditors also attended these meetings, again without voting rights.

Directors must refrain from attending Committee meetings in which proposals are made to the Board regarding their remuneration.

### **Functions of the Appointments and Remuneration Committee**

As resolved by the Board of Directors at the meeting held on 27 April 2017, following the recommendations set forth in Principle 5 of the Code of Self-Regulation, as regards appointments, this Committee has the following functions:

- to provide opinions to the Board of Directors regarding the size and composition of the same;
- to make recommendations regarding the professional figures whose presence within the Board is retained necessary, as well as on the topics set forth in Principles 1.C.3 and 1.C.4 of the Code of Self-Regulation. In the latter regard, note that (i) pursuant to Principle 1.C.3, the Board provides its own guidelines as to the maximum number of positions as director or statutory auditor held in other companies listed on regulated markets (also abroad), in financial, banking, insurance companies, or of a significant size, which may be considered compatible with the effective performance of the position as Director of the Issuer, taking the participation of the Directors in Committee established with the Board. To this end, the Board identifies general criteria, differentiated on the basis of the commitment of each position (of Executive, Non-Executive or Independent Director), also in relation to the nature and the size of the companies in which said positions are held, as well as whether they belong to the group of the Issuer; (ii) pursuant to Principle 1.C.4, if to meet needs of an organisational nature, the Shareholders' Meeting authorises on a general and preventive basis, exceptions to the prohibition to compete envisaged by art. 2390 of the Italian Civil Code, the Board of Directors assesses the merit of each problematic case and reports on the same at the next Shareholders' Meeting. To this end, each Director informs the Board at the time of their acceptance of the appointment, of any activities performed in competition with the issuers and subsequently, any significant changes;
- to propose candidates to the Board of Directors for the post of Director in the event of co-option, or when an Independent Director needs to be replaced;
- to provide support to the Board of Directors when the latter, in accordance with legislative provisions in force, submits a list for the renewal of said Committee.

In the performance of its functions, the Committee was able to access the information and liaise with the company functions required to fulfil its assignment, and did not seek the services of external consultants.

Given the type of activity the Appointments and Remuneration Committee is engaged in, the Company decided not to allocate this Committee with a set spending budget, preferring to consider spending requirements at the time the same arise.

With regard to remuneration, in line with that envisaged by Principle 6 of the Code of Self-Regulation, the Committee:

- periodically assesses the adequacy, the overall coherence and the effective implementation of the Remuneration Policy for Directors and Executives with strategic responsibilities, using, for the latter, information provided by CEOs; makes proposals to the Board of Directors on these matters;
- submits proposals or provides opinions to the Board of Directors on the remuneration of the Executive Directors, of other Directors in specific positions and of executives with strategic responsibilities, as well as on setting performance objectives correlated to the variable component of said remuneration; monitors the application of the decisions adopted by the Board, checking in particular whether performance objectives have actually been achieved.

The Committee did not use the services of an external consultant to obtain information on market practices regarding remuneration policies.

For further information on the functions of the Appointments and Remuneration Committee, please refer to the relevant sections of the Report on Remuneration published pursuant to art. 123-ter of the Consolidated Law on Finance.

## 8. Remuneration of Directors

As regards remuneration, the Articles of Association envisage that the Shareholders' Meeting awards the Board of Directors, for the term of its mandate, an emolument, which may be formed by a fixed part and a variable part, the latter proportional to the achievement of certain objectives and/or to the economic results recorded by the Company.

With regard to the policy for the remuneration of Directors and of executives with strategic responsibilities, please refer to the content of the Report on Remuneration published pursuant to art. 123-ter of the Consolidated Law on Finance.

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**Indemnity for Directors in the event of their resignation, dismissal without just cause or the termination of the employment contract following a takeover bid (pursuant to art. 123-bis, paragraph 1, letter i), of the Consolidated Law on Finance)**

At the date of this Report if the employment contract with the Chief Executive Officer, Mr. Stefano Achermann, is terminated, the Company will pay the same an indemnity corresponding to one year of fixed salary.

## 9. Control and Risk Committee

### Composition and functioning

The Board of Directors has established an internal Control and Risk Committee envisaged by Principles 7.P.3., lett. a) no. (ii) and 7.P.4. of the Code of Self-Regulation - which also performs the functions of Committee for Related Party Transactions of the Company - in order to ensure that its decisions relating to the ICRMS, and to the approval of periodic financial reports, as well as those relating to related party transactions, are supported by adequate preparatory work.

In FY 2018, the composition of the Committee underwent some changes, given the replacement on the Board of Directors of Director Alberto Mocchi with Director Claudio Roberto Calabi.

The Control and Risk Committee in office is comprised by Paola Tagliavini (Independent Director and Chairperson of the Committee), Gianluca A. Ferrari (Independent Director) - appointed by a resolution of the Board of Directors on 27 April 2017 - and by Claudio Roberto Calabi (Independent Director), appointed by a resolution of the Board of Directors on 3 May 2018.

Therefore, during the Financial Year, the Committee was comprised by at least 3 independent members. The qualification of independence was assessed by the Board of Directors at the meeting held on 27 April 2017. As regards Mr. Calabi, the fulfilment of the independence requirement was verified at the meeting held on 3 May 2018.

Given the professional expertise and experience of the Committee members, the recommendation set forth in art. 7.P.4 of the Code of Self-Regulation is fulfilled, regarding adequate knowledge and experience in financial, accounting and risk management areas.

In a resolution dated 9 May 2013, the Board of Directors in office at that time, established that the Committee:

- (i) was to be convened on the initiative of the Chairperson of the Committee:
  - when the same retained it necessary or when another 2 members requested a meeting;
  - with notice to be sent, also by fax or e-mail, to the individual members of the Committee and to the Chairman of the Board of Statutory Auditors, or to another Auditor designated by the same, and to the Chairman of the Board of Directors, at least 5 days before the meeting, it being understood however, that even if not notified, the Committee would be considered legally constituted with the presence of all of its members and of the Chairman of the Board of Statutory Auditors, or by the other Auditor designated by the same;
- (ii) was to meet at the registered office of the Company or elsewhere, as long as in a European Union country, specifying that meetings of the Control and Risk Committee could be held also by video or teleconference, on condition that all attendees can be identified, are able to follow the discussion and to intervene in real time in the debate on the items on the agenda, and to receive, transmit and see documents, and that examining documents and passing resolutions is guaranteed to take place at the same time;



- (iii) would be validly constituted with the presence of the majority of members in office and resolve on the basis of an absolute majority, but in any event, with the favourable vote of the Chairperson;
- (iv) draw up minutes on its activities and resolutions, signed by the Chairperson of the Committee and by another member in attendance;
- (v) would approve on the basis of an absolute majority, but in any event, with the favourable vote of the Chairperson, any further rules needed for its functioning.

On a proposal of the Committee in office at the time, formulated at the meeting held on 23 October 2013, in a resolution passed on 24 October 2013, the Board of Directors added to the rules for the functioning of the Committee with reference to the previous point (iv) in the following terms: *“shall record the minutes of its discussions and resolutions signed by the Chairperson of the Committee and by another member in attendance or invited to the meeting. It is hereby understood that the other member or attendee who, jointly with the Chairperson, draws up and signs the minutes of each meeting, may attend the meeting from a venue other than that in which the Chairperson of the Committee is present, as long as at least one other member of the Committee is present in the same place or another person invited to attend the activities of the Committee”*.

These rules also apply to the Committee in office, whose work is coordinated by the Chairperson of the Committee.

The Committee in Office met 10 times, with meetings lasting an average of 68 minutes and attendance of 94%. More specifically, the overall attendance of Ms. Tagliavini was 100%, the overall attendance of Mr. Gianluca A. Ferrari was 100% and the overall attendance of Mr. Claudio Roberto Calabi was 83%.

In the current year, on the date of this Report, 4 meetings of the Committee have already taken place and a further 3 are planned.

Minutes were regularly drawn up of meetings of the Committee in office.

The Committee Chairperson informed the Board of Directors, at the first possible meeting, on the meetings of said committee and on the matters that were discussed, in accordance with the provisions of the implementing criteria 4.C.1, lett. d) of the Code of Self-Regulation.

In order to fulfil the tasks assigned to it, the Committee:

- (i) is assisted by the Internal Audit function;
- (ii) accesses the information needed and involves the relative company functions to fulfil its tasks;
- (iii) may request the assistance of external professionals, within the limits of the budget established by the Board of Directors, in particular for the advance assessment of related party transactions, which are then submitted to the approval of the Board of Directors.

At its meetings, the Committee, in particular:

- (i) examined the procedures followed to collect financial information;

- (ii) received a continuous information flow as regards the preparation of an internal policy as regards data collection and the safeguarding of privacy, also in intragroup processes;
- (iii) examined the situation of relationships and transactions with related parties to assess the significance of the same for the purposes of the application of the provisions of the Consob RPT Regulations and the procedure adopted by the Company in this regard;
- (iv) examined the status of Internal Audit activities and the relative results;
- (v) made assessments on the adequacy of the ICRMS, in accordance with that envisaged by application criteria 7.C.2, lett. f) of the Code of Self-Regulation;
- (vi) analysed the work to update the organisation and management model pursuant to Italian Legislative Decree 231/2001, with specific reference to anti-money laundering procedures, also taking into account the specific nature of the Group's various businesses;
- (vii) analysed the work to update the data collection needed in order to prepare the annual declaration set forth in Italian Legislative Decree no. 254 of 30 December 2016;
- (viii) requested the Internal Audit function to conduct audits on specific areas of operation;
- (ix) assessed the adequacy of the resources available to the Head of the Internal Audit function in order to carry out his duties, as well as the remuneration of the Head of the Internal Audit function with respect to company policy.

Non-members also attended Control and Risk Committee meetings, without voting rights, on the invitation of the committee and with regard to specific items on the agenda. The Statutory Auditors also attended these meetings, again without voting rights.

### **Functions assigned to the Control and Risk Committee**

In a resolution passed on 27 April 2017, the Board of Directors decided that the Committee, in line with that envisaged by Principle 7 of the Code of Self-Regulation, with regard to identifying and assessing risks, should substantially provide advice and make proposals to the Board. The task of the Committee is to provide support, by means of adequate prior analysis, to the assessments and decisions of the Board of Directors regarding the ICRMS, as well as those relating to the approval of periodic financial reports.

In particular, the Board has expressly resolved that the Committee, in assisting the Board of Directors:

- should assess, together with the Executive in charge of preparing the company's accounting documents and following consultation with the Board of Statutory Auditors, the correct use of accounting standards and, in the case of groups, their coherence for the preparation of the consolidated financial statements;
- should provide opinions on specific aspects relating to identifying the company's main risks;
- should examine the periodic reports regarding the assessment of the ICRMS, and in particular those drawn up by the Internal Audit function;

- should monitor the autonomy, adequacy, effectiveness and efficiency of the internal audit function;
- may request the Internal Audit function to conduct audits on specific areas of operation, promptly also informing the Chairman of the Board of Statutory Auditors;
- should report to the Board, at least every six months, at the time of the approval of the annual and interim financial statements, on the work performed as well as on the adequacy of the ICRMS;
- should provide support, through adequate preliminary activities, to the assessments and decisions of the Board regarding the management of risks resulting from prejudicial events that the Board has become aware of.

Furthermore, the Control and Risk Committee gives its prior non-binding opinion to the Board of Directors regarding decisions concerning:

- establishing the guidelines of the ICRMS, so that the main risks to which the Company and its subsidiaries are exposed are correctly identified, as well as adequately measured, managed and monitored, also establishing to what extent said risks permit the business to be managed in accordance with the strategic objectives identified;
- assessing, at least annually, the adequacy of the ICRMS with respect to business characteristics and to the risk profile undertaken, as well as its effectiveness;
- approving, at least annually, the work plan drawn up by the Head of the Internal Audit function, following consultation with the Board of Statutory Auditors and the Director in charge of the ICRMS;
- illustrating, in the report on corporate governance, the main characteristics of the ICRMS and the procedures implemented for the coordination the parties involved in the same, stating its assessment on the adequacy of the same;
- assessing, following consultation with the Board of Statutory Auditors, the results reported by the Independent Auditors in any letter containing suggestions and in the report on any fundamental matters that emerged at the time of external auditing;
- appointing and revoking the Head of the Internal Audit function, assessing the adequacy of the resources available to the Head of the Internal Audit function in order to carry out his duties, as well as establishing the remuneration of the Head of the Internal Audit function consistent with company policy.

In the performance of its functions, the Committee was able to access the information and liaise with the company functions required to fulfil its assignment, as well as use the services of external consultants.

Given the type of activity the Committee is engaged in, the Company decided not to allocate this Committee with a set spending budget, preferring to consider spending requirements at the time the same arise.

As already mentioned, the Committee has also been assigned the tasks, functions and powers envisaged by Consob RPT Regulations, in line with that envisaged by the same regulation and as confirmed by the procedure adopted by the Company regarding related party transactions.

## 10. Risk management and internal control system

### Key principles

When drawing up strategic, business and financial plans, the Board of Directors establishes the nature and the level of risk that is compatible with the strategic objectives of the Issuer, including in its assessment, all of the risks that may be important in terms of the medium-long term sustainability of the Issuer's business activities.

With the assistance of the Control and Risk Committee, the Board of Directors established the guidelines of the internal control system, so that the main risks to which the Company and its subsidiaries are exposed may be correctly identified, as well as adequately measured, managed and monitored, also establishing to what extent said risks permit the business to be managed in accordance with the strategic objectives identified.

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### Main characteristics of the ICRMS

#### Introduction

The ICRMS complies with the principles of the Code of Self-Regulation. The ICRMS is comprised by a set of rules, procedures and organisational structures which seek to make a proactive contribution - through an adequate process to identify, measure, manage and monitor the main risks - to safeguarding the Be Group's assets, to running the Group in an efficient and effective manner in line with the business strategies established by the Board of Directors, to the reliability, accuracy and timeliness of financial (and other) information and, more generally, to complying with legislative and regulatory provisions in force. This system, as an integral part of business activities, involves and applies to the entire organisational structure of the Be Group: from the Board of Directors of Be and of the companies controlled by the same, to Group management and employees.

More specifically, the Be Group has an internal control system to oversee the process through which financial disclosures are prepared, which is part of the wider ICRMS. The aim of this system is to guarantee that administrative-accounting processes are adequately managed and to ensure, with reasonable certainty, the reliability of financial disclosures and the ability of the financial statement preparation process to produce timely and reliable accounting and financial information, according to the accounting standards adopted.

The risk management system must not be considered separately from the internal control system with regard to the financial disclosure process; both are elements of the same system.

## **Description**

The structure and operating procedures of the internal control system for financial disclosure adopted by the Issuer are briefly illustrated below, with specific reference to its structure and to the roles and functions involved.

The internal control system for financial disclosure is defined as the set of activities that seek to identify and assess the actions or the events, the presence or absence of which could partially or totally compromise achieving the objectives of dependability, accuracy, reliability and timeliness of financial disclosures.

As part of a wider process to update the company's framework of provisions, the Company continued work to rationalise the accounting and administrative procedures which support the financial statement formation process. The procedures were revised on the basis of:

- a mapping of the administrative and accounting processes of all Group companies, identifying the supervisory mechanisms/relative organisational responsibilities able to meet the need for transparency in financial statements and of operations in general, both as regards Italian Law 262/2005 and with reference to other legislative provisions relating to Corporate Governance (Italian Legislative Decree 231/2001, Italian Legislative Decree 196/03 etc.);
- a risk analysis (made for each company/business process) to complete, add to/update that already conducted in previous years, based on international best practices in order to identify and assess the areas of risk in which events could occur, which would compromise the reliability of financial disclosures;
- the auditing of the main business processes to check the effective implementation of existing controls.

The assessment model envisages the following macro-steps:

- risk identification and assessment;
- assessment of the adequacy of control activities;
- check the functioning of the control system;
- monitoring and development of the control system.

The responsibilities for the implementation, application and maintenance of the ICRMS are identified and circulated within the organisation. More specifically, the Be Group's control model currently envisages the involvement, in addition to the Board of Directors, the Chief Executive Officer and the Control and Risk Committee, of the following:

- the Director in charge of the ICRMS, delegated to check the correct functioning and the overall adequacy of the ICRMS;
- the Executive in charge of preparing the company's accounting documents, tasked with implementing the administrative-accounting procedures that discipline the formation of periodic financial disclosures;
- the Board of Statutory Auditors, whose task is to supervise compliance with the principles of correct management and the adequacy of the ICRMS;

- the Supervisory Body, whose task is to supervise the adequacy of the organisational solutions adopted to implement the ICRMS and in particular with regard to the organisational model pursuant to Italian Legislative Decree 231/01;
- the Head of the Internal Audit function, whose task is to check the implementation and suitability of the ICRMS.

With reference to this latter position, the Board resolved to envisage that, within the above-described department, the Head of the Internal Audit function should directly report to the Chairperson of the Control and Risk Committee, to ensure better efficiency of the ICRMS.

At least once a year, the Board approved the work plan drawn up by the Head of the Internal Audit functions, following consultation with the Board of Statutory Auditors and the Director in charge of the ICRMS;

During the Financial Year, the Board assessed the adequacy of the ICRMS with respect to business characteristics and to the risk profile undertaken, as well as its effectiveness. Said assessment is also assisted by information flows activated during the course of the Financial Year between the Control and Risk Committee, the Supervisory Body, the Board of Statutory Auditors, the Internal Audit function and the Director in charge of the ICRMS.

### **10.1 Director in charge of the Internal Control and Risk Management System**

At the meeting held on 27 April 2017, the Board of Directors resolved to appoint the Director in charge of the ICRMS as Mr. Stefano Achermann, Chief Executive Officer, to oversee the functioning of the internal control system, as well as coordinate all parties involved in the ICRMS.

More specifically, by virtue of the above resolution, Mr. Stefano Achermann was awarded the following powers with regard to the above-cited functions:

- to provide for the identification of the main company risks, taking into account the characteristics of the businesses performed by the Company and its subsidiaries, and to periodically submit them to the Board of Directors for examination;
- to implement the guidelines defined by the Board of Directors, providing for the design, creation and management of the ICRMS, continuously checking the overall adequacy and effectiveness of the same;
- to ensure that the system has been adapted to meet changing operating conditions and the legislative and regulatory framework;
- to request the internal audit function to conduct audits on specific areas of operation and on compliance with the internal rules and procedures for company operations, promptly also informing the Board of Directors, the Chairperson of the Control and Risk Committee and the Chairman of the Board of Statutory Auditors;
- to promptly report to the Control and Risk Committee (or to the Board of Directors) with regard to any problem or critical issue that emerged as part of his work or which

he became aware of, so that the Committee (or the Board) could take the necessary measures.

The CEO has ensured that the ICRMS has been adapted to meet changing operating conditions and the legislative and regulatory framework, to implement the guidelines defined by the Board of Directors, providing for the design, creation and management of the ICRMS, continuously checking the overall adequacy and effectiveness of the same. For this task, Mr. Stefano Achermann is assisted by the Control and Risk Committee and by the Head of the Internal Audit function.

The risk analysis exercise conducted in 2018 and in previous years, enabled the main risks relating to the Group's main business processes to be identified, with specific reference to legislative compliance and to strategic, operational, financial and reporting risks, taking the characteristics of the business the Company is engaged in into account. These risks were brought to the attention of the Board by means of the periodic reports of the Head of the Internal Audit function.

Based on the results of the risk analysis exercise, the procedural framework was updated and the internal control system was adapted, checking overall adequacy in terms of the legislative and regulatory framework and its efficiency and effectiveness with a view to changing operating conditions.

The Director in charge of the ICRMS reported promptly to the Control and Risk Committee and to the Board of Directors with regard to any issues and problems that arose as part of his work or which he became aware of, as well as areas for improvement, so that the Committee and the Board could take the necessary measures.

## 10.2 Head of the Internal Audit Function

Pursuant to Application Criterion 7.C.6 of the Code of Self-Regulation, Internal Audit activities have been partly outsourced to a professional with proven experience and who is highly reliable, Simona Pastorino, appointed on 25 September 2014 by the Board of Directors in office at the time (following the favourable opinion of the Control and Risk Committee and after consultation with the Board of Statutory Auditors) as a consultant to Be, who, effective 30 September 2014, holds the position of Head of the Internal Audit function with a view to implementing the guidelines of the ICRMS. The Head of the Internal Audit function - who meets requirements of professionalism, independence and organisation - is assisted by the Group's internal resources who are professionally suitable to be able to provide support to Ms. Pastorino in performing her duties. The Company's decision to partly outsource the Internal Audit function was taken in consideration of the greater expertise and efficiency that an external consultant specialised in internal control can guarantee, also given the size of Be.

The remuneration of the Internal Audit function was established in line with company policy. The Board has ensured that the Head of the Internal Audit function has been provided with adequate resources to perform its duties.

To ensure greater efficiency of the ICRMS, the Head of the Internal Audit function reports directly to the Chairperson of the Control and Risk Committee, is independent to operational heads, including that of the Administration and Finance area, has direct access to all information needed to fulfil her assignment and reports periodically on her

activities to the Chairs of the Board of Statutory Auditors, of the Control and Risk Committee, of the Board of Directors and of the Supervisory Body.

The Head of the Internal Audit function:

- verifies, both on a continuous basis and based on specific requirements and in compliance with international standards, the implementation and the suitability of the ICRMS, through an audit plan, once a year, approved by the Board of Directors, based on a structured process to analyse and prioritise the main risks;
- had direct access to all information needed to perform his/her tasks;
- prepared periodic reports containing adequate information on his/her activities, on the manner in which risk management is conducted as well as on the plans drawn up and their containment, in addition to an assessment of the suitability of the ICRMS and transmits this report to the Chairmen of the Board of Statutory Auditors, of the Control and Risk Committee, of the Board of Directors as well as to the director in charge of the ICRM system;
- prepared timely reports on events of particular importance and transmits them to the Chairpersons of the Board of Statutory Auditors, of the Control and Risk Committee as well as to the director in charge of the ICRMS;
- verifies, within the audit plan, the reliability of the information systems, including the accounting systems.

As part of the audit plan, on the mandate of the Control and Risk Committee, the independent assessment of the operations of the internal control system for financial disclosure has been allocated to the Internal Audit function. On the basis of the activities performed (second level compliance tests) by the Executive in charge of preparing the company's accounting documents, the Internal Audit function conducts assessments (third level compliance tests) on the effective application of the administrative-accounting processes of the Parent Company and of Group companies and, by means of a specific plan of operations, organises the activities of these companies, establishing the procedures to check the effectiveness of the controls.

The control method adopted is based on international best practices and the extent of the controls depends on an assessment of the level of risk of administrative-accounting and management processes.

The Internal Audit function seeks to verify the effective application of existing processes and to share the results of testing any improvement measures identified with the Manager/Person in charge of accounting and corporate disclosure for each Group company, in order to enable timely and adequate plans of action to be drawn up.

The overall results of testing are summarised in a report drawn up by the Internal Audit function to enable the Executive in charge of preparing the company's accounting documents and the CEO and the Director in charge of the internal control system to assess the adequacy of the administrative-accounting processes adopted to prepare the financial statements for the year, the half-year condensed financial statements and the consolidated financial statements.



Furthermore, in line with the audit plan approved by the Board of Directors, in FY 2018, the following activities were performed for the Parent Company and/or for the main subsidiaries:

- a) in the first half of 2018:
  - audit: auditing of the process of reconciling intercompany operating entries of the Be Group;
  - audit: auditing of the iBe Tse Ltd financial statement formation process;
- b) in the second half of 2018:
  - auditing process of the revenue cycle of Be Solutions S.p.A. and of the status of implementation of the order management process of the new business system (GGS);
  - follow-up: auditing of the Revenues process of Be TSE GmbH;
  - follow-up: auditing of the “Third Parties” process of Be TSE GmbH;
  - audit: analysis of the financial resource management process of Targit GmbH;
  - audit: analysis of the financial resource management process of iBe TSE Limited;
  - audit: auditing of the process to evaluate work in progress of Targit GmbH;
  - audit: analysis of the financial resource management process of R&L AG;
  - audit: analysis of the financial resource management process of Be GmbH.

Note that for the Financial Year, these activities were carried out by the Head of Internal Audit function, with the assistance of internal consultants and for the audits requested by the Supervisory Body, with the assistance of Studio Carnà & Partners.

Furthermore, in line with the audit plan approved by the Board of Directors, in FY 2018, the following activities were performed for the Issuer and/or for the main subsidiaries:

- auditing activities relating to management/operational processes and legislative compliance envisaged by the audit plan;
- checking and monitoring activities required by the Supervisory Body set forth in Italian Legislative Decree 231/01;
- checks pursuant to Italian Law 262/05 regarding the application of second level controls performed by the Executive in charge of preparing the company's accounting documents, relating to administrative and accounting processes for the formation of the financial statements;

- monitoring plans of action - shared with top management - for auditing activities conducted in previous periods.

More specifically, the Head of the Internal Audit function conducted the following audits for the Supervisory Body.

The audits conducted in the first half of 2018 regarded:

- for follow-ups on Be:
  - auditing of compliance with the Internal Dealing Procedure;
  - auditing of compliance with the Privileged Information Procedure;
- for testing activities on Be:
  - auditing of the “Personnel selection and recruitment” procedure;
  - auditing of the “Consultant Management” procedure;
  - occupational health and safety: auditing of compliance with obligations regarding the management of service tenders (audit conducted also with regard to the subsidiaries of Be Consulting S.p.A. and Be Solutions S.p.A.);
  - waste management: auditing of compliance with obligations regarding the management of service tenders.

The audits conducted in the second half of 2018 regarded:

- follow-ups/audits on Be:
  - follow-up: auditing of compliance with the procedure for Related Party transactions;
  - auditing of the management of travel and entertainment expenses (audit also conducted with reference to Be Consulting S.p.A. and Be Solutions S.p.A.);
  - follow-up audit of compliance with the procedure for the management and protection of work stations (access configuration, correct use of laptops etc.) (audit also conducted with reference to Be Consulting S.p.A. and Be Solutions S.p.A.);
  - auditing of the tender and/or process of negotiation with the Public Administration and similar entities (audit also conducted with reference to Be Consulting S.p.A. and Be Solutions S.p.A.);
  - Auditing of procedures to protect the intellectual property of the Be Group (audit conducted only with reference to Be Consulting S.p.A. and Be Solutions S.p.A.);
- testing activities:
  - auditing of the “Management of gifts, charity donations, donations and sponsorships” procedure.

For FY 2018, a budget of Euro 35,000 has been made available to the Head of the Internal Audit function in order to perform his duties.

### 10.3 Organisational Model pursuant to Italian Legislative Decree 231/2001 and Supervisory Body

The Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 (**Decree 231**) of Be (the **231 Model** or the **Model**) was adopted, in the version currently in force, on 20 December 2018 and is comprised of the following:

- a) General part, which mainly covers the following aspects:
  - general principles of Italian Decree 231;
  - description of the profile of the Group, of the Company and of the business areas;
  - Supervisory Body;
  - formation and circulation of the 231 Model (internal and external);
  - penalty system.
- b) Special Part A: business areas in which the offences envisaged by articles 24, 25 and 25-*decies* of Italian Decree 231 could be committed;
- c) Special Part B: business areas in which the offences relating to organised crime (art. 24-*ter* of Italian Decree 231) and the transnational offences set forth in art. 10 of Italian Law 146/06 could be committed;
- d) Special Part C: business areas in which the offences set forth in art. 25-*ter* of Italian Decree 231 and the administrative offences and unlawful acts of the abuse of privileged information and market manipulation set forth in the Consolidated Law on Finance and in art. 25-*sexies* of Italian Decree 231 could be committed;
- e) Special Part D: business areas in which the offences set forth in art. 25-*septies* of Italian Decree 231 and regarding the crimes of manslaughter or serious or very serious personal injury committed as a violation of the laws on the protection of health and safety in the workplace could be committed;
- f) Special Part E: business areas in which the offences set forth in art. 25-*octies* of Italian Decree 231 regarding the offences of receipt, laundering and use of money, assets or benefits of illegal origin, as well as self-money laundering could be committed;
- g) Special Part F: business areas in which the offences set forth in art. 24-*novies* of Italian Decree 231 regarding the offences relating to infringement of copyright and in art. 24-*bis* regarding IT offences could be committed;
- h) Special Part G: business areas in which the environmental offences envisaged by articles 25-*undecies* of Italian Decree 231 could be committed;
- i) Special part H: business areas in which the offence of employing citizens of third countries without regular residence permits set forth in art. 25-*duodecies* of Decree 231 could be committed.

The reporting flows to the Supervisory Body and from the Supervisory Body to the corporate bodies are an integral part of the Model.

On 20 December 2018, the Board of Directors also approved the current Code of Ethics.

Be's Model and the Code of Ethics, most recently approved by the Board of Directors, are available on the Company's website (<http://www.be-tse.it>) in the Investor Relations/Corporate Governance section.

At a session held on 28 April 2011, the Shareholders' Meeting delegated the Board of Directors:

- the right to revoke the mandate of one (or all) members of the Supervisory Body in the requirements that must be met for the exercise of this function are no longer met, or when cases of incompatibility for members of the Body in question arise, or, also when the work performed points to the need to do so;
- at the end of each term in office of the Supervisory Body, to organise its renewal by verifying, before any new appointments, that the requirements expressly requested by the Decree for each member of the Supervisory Body are met.

In a resolution passed on 27 April 2017, the Board of Directors resolved to renew the members of the Supervisory Body, with the term of office ending on the date of approval of the 2019 Financial Statements, and namely Iole Anna Savini (Chairperson), Andrea Celi and Simona Pastorino. The latter is the Head of the Company's Internal Audit Function.

The Supervisory Body has its own internal regulations, and works on the basis of a specific Activity Plan, which - for 2018 - was drawn up according to the following main areas of intervention:

- audits on the most sensitive areas;
- monitoring of company operations;
- monitoring the planned updating of the Model;
- analysis of relevant audits in terms of Italian Decree 231;
- analysis of periodic information flows;
- monitoring the main legislative changes pursuant to Italian Decree 231.

In FY 2018, the Supervisory Body met regularly to perform the planned activities as well as to discuss the results of the audits.

The Body also conducted periodic interviews with the functional heads of the most sensitive areas and continuously monitored the planned updating of the Model. The edition of the Model, which is currently in force and was approved in 2018, also includes the recent changes introduced for whistleblowing: in this regard, the Company has set dedicated information channels in place, continuously monitored by the Supervisory Body.

Furthermore, with a view to fruitful collaboration, the Body held meetings with the Control and Risk Committee, with the Board of Statutory Auditors and the independent auditors, as well as with the supervisory bodies of subsidiaries.

The content of the meetings of the Supervisory Body is reported in minutes held in the files of the same Body.

During the Financial Year, the Supervisory Body reported to the Board of Directors by means of six-monthly reports.

The subsidiaries Be Solutions S.p.A. and Be Consulting S.p.A. have adopted the organisation, management and control model pursuant to Italian Legislative Decree 231/2001 and the group's code of ethics.

#### 10.4 Independent Auditors

The independent auditors are tasked with auditing the accounts, assessing the reliability of the financial statements and expressing an opinion on the compliance of said financial statements with the relevant legislative framework.

On 10 May 2012, the Shareholders' Meeting resolved to assign the legal auditing of the accounts for 2012-2020 to independent auditors Deloitte & Touche S.p.A..

#### 10.5 Executive in charge of preparing the company's accounting documents

The main task of the Executive in charge of preparing the Be Group's accounting documents, is to implement the administrative-accounting procedures that discipline the formation of periodic company financial disclosures, monitoring the application of the same and, jointly with the CEO, issuing a statement confirming fulfilment of the above and the "reliability" of the financial documentation circulated.

Pursuant to art. 16 of the Articles of Association, the Board of Directors of the Issuer, following the mandatory opinion of the Board of Statutory Auditors, appoints an executive in charge of preparing the company's accounting documents, as set forth in art. 154-*bis* of the Consolidated Law on Finance. The executive in charge of preparing the company's accounting documents must be chosen on the basis of criteria of professionalism and expertise, from executives who have a total of at least three years' experience in administrative functions with companies, or with consultancy or professional firms.

After checking the above-cited requirements of honourability and professionalism, by means of a resolution made on 27 April 2017, the Board of Directors confirmed the appointment of Manuela Mascarini, Head of the Be Group's Administration and Finance function, as Executive in charge of preparing the company's accounting documents, with a term of office until the date of the Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2019, when the term of office of entire Board of Directors of the Company will expire.

At the above-mentioned meeting, Manuela Mascarini was formally awarded all the powers required to correctly perform the tasks required by law. More specifically, for the entire duration of the office of Executive in charge of preparing the company's accounting documents, Manuela Mascarini was awarded the following powers:

- to ensure compliance, directly and/or through co-workers, with all legislation and/or obligations relating to tax and fiscal matters in general;

- to access any type of information and/or document regarding the Company and/or group companies, retained relevant and/or necessary to perform the tasks required by law;
- to take any necessary and/or appropriate action to perform her tasks, with a view to pursuing the objectives envisaged by the law.

The Board of Directors also resolved to grant the Executive in question an annual expenditure budget of euro 20,000.00 to perform all of the activities entailed by the position of Executive in charge of preparing the company's accounting documents.

#### **10.6 Coordination between parties involved in the Internal Control and Risk Management System**

At the Date of Reference, the Issuer had not yet assessed the adoption of procedures for the coordination of the various parties involved in the ICRMS, as it retained the bodies and the various functions to be sufficiently and efficiently integrated, with no overlaps of tasks.

## **11. Directors' interests and related party transactions**

In a meeting held on 11 November 2010, in order to implement Consob RPT Regulations, the Board of Directors established guidelines, specifying the (quantitative and/or qualitative) criteria to be used to identify transactions which, given their specific importance in economic, equity or financial terms, or for reasons of opportunity, must be examined and approved by the Board.

In compliance with that envisaged by the Consob RPT Regulations, the Board of Directors therefore (i) following the approval of the Control and Risk Committee (in its role as Committee for Related Party Transactions) adopted the Be RPT Procedure approved by the Board of Directors on 12 March 2010 (later amended on 23 January 2014, 13 February 2014, 15 May 2014, 1 July 2014 and, lastly, to change the reference to art. 114, paragraph 1 of the Consolidated Law on Finance with the reference to art. 17 of the MAR, on 11 May 2017), which seeks to establish the rules and the principles to be observed in order to ensure the transparency and substantial and procedural correctness of the related party transactions performed by Be, directly or through companies directly and/or indirectly controlled by the same, and (ii) as illustrated earlier in this Report, assigned the Control and Risk Committee the functions and the tasks of the Committee for Related Party Transactions.

The most important aspects of the procedure are as follows:

- the classification of "Related Party Transactions" as Transactions of Greater Importance (meaning those in which the relevance index of the counter value or of the asset or of the liabilities surpasses the threshold of 5%), Transactions for Smaller Amounts (meaning related party transactions for amounts not exceeding Euro 50,000.00 (fifty thousand) if

the related party is a natural person, or transactions for amounts not exceeding Euro 100,000.00 (one hundred thousand) if the related party is a legal person), and Transactions of Lesser Importance (a residual category which encompasses related party transactions that are not Transactions of Greater Importance or Transactions for Smaller Amounts);

- the rules for transparency and market disclosure, in the case of Transactions of Greater Importance, requiring the publication of a specific disclosure document;
- the particularly important role played by the Control and Risk Committee (in its capacity as Committee for Related Party Transactions) in the procedure to assess and approve related party transactions.

This Committee is assigned the task of guaranteeing the substantial correctness of transactions with related parties, by issuing an opinion on the interest of the Company in performing a specific transaction as well as on the reasonableness and correctness of the relative conditions. In the case of transactions classified as Transactions of Lesser Importance, the Company may proceed with the transaction in any event, even if the opinion of the Committee is negative. In this case, within fifteen days of the closure of each quarter of the year, a disclosure must be made to the public of the transactions approved in the relative quarter, despite said negative opinion, with an indication of the reasons for the disagreement with the opinion of the Committee for Related Party Transactions.

In the case of transactions classified as Transactions of Greater Importance, the approval of which is reserved exclusively to the Board of Directors, the Committee plays an even wider role insofar as it is required to intervene during negotiations relating to the transaction, and to this end must receive a complete and timely flow of information from the delegated bodies and the parties in charge of conducting the negotiations, and is able to request additional information of the same and to make observations. Furthermore, if the opinion of the Committee is negative, the Board of Directors may: (i) approve the Transaction of Greater Importance taking the findings reported by the Committee into full consideration, or, alternatively (ii) approve the Transaction of Greater Importance despite the advice against it, or in any event, without considering the findings of the Committee, on condition that the performance of the transaction is authorised by the Shareholders' Meeting pursuant to that envisaged by art. 6.8 of the procedure; or, lastly (iii) not to approve the Transaction of Greater Importance and therefore not to execute the same.

Without prejudice to price sensitive disclosures and to the periodic disclosures required by art. 154-ter of the Consolidated Law on Finance, the Procedure requires market disclosure for Transactions of Greater Importance, within 7 days of the approval of the transaction or from the signature of the contract, and within 15 days in the case of a number of combined transactions with the same related party.

The announcement to the market must be made by means of the publication of a disclosure document, drawn up in compliance with Appendix 4 of the Issuers' Regulation.

Pursuant to art. 150 of the Consolidated Law on Finance, the Directors report on a quarterly basis to the Board of Statutory Auditors on related party transactions performed in the quarter (including therein delegated transactions), as well as - on the end-date of the quarter - on the current status of transactions, whose execution, due to their characteristics, is time-delayed or periodic.

More specifically, the Board of Directors, represented by the Chief Executive Officer or by another person specifically delegated, illustrates relevant information regarding individual transactions they are aware of to the Board of Statutory Auditors.

As indicated above, the Committee examined the situation of relationships and transactions with related parties. Minutes were taken of the same.

The above procedure for related party transactions is available on the Company's website [https://www.be-tse.it/wp-content/uploads/2017/05/Be\\_Procedure-for-Related-Parties-Transactions\\_11052017-2.pdf](https://www.be-tse.it/wp-content/uploads/2017/05/Be_Procedure-for-Related-Parties-Transactions_11052017-2.pdf).

To ensure the proper functioning of the procedure for related party transactions, the Board of Directors decided that it was not necessary to adopt further operating solutions to identify and manage situations in which a Director has an interest, on his/her own behalf or on behalf of third parties.

## 12. Appointment of statutory auditors

In addition to the supervisory and control functions envisaged by art. 149 of the Consolidated Law on Finance, the Board of Statutory Auditors oversees the process of financial disclosure and the effectiveness of the ICRMS, also in the role of "Committee for internal control and auditing" pursuant to Italian Legislative Decree 39/2010.

In performing its functions, the Board of Statutory Auditors is assisted by Company structures, specifically by the internal audit function and by the Administration and Finance function.

The Articles of Association (art. 19) envisage that, without prejudice to situations of ineligibility and/or incompatibility envisaged by law, persons who already hold the position of statutory auditor in more than five companies whose shares are listed on regulated markets, with the sole exclusion of companies that directly or indirectly control the Company, or are controlled by the same, may not be elected Statutory Auditors, equally those who do not meet the requirements of honourability and professionalism required by the laws in force may not be elected statutory auditors.

If the same no longer meet said requirements, the Statutory Auditor loses his/her position.

The Board of Statutory Auditors is elected by the Shareholders' Assembly, which votes on a list basis, according to the following procedure.

Only shareholders who alone or together with other shareholders, represent at least 2.5% of shares with voting rights in the Ordinary Shareholders' Meeting or, if lower, a different percentage established by Consob in its regulations, may submit a list.

Each shareholder, as well as shareholders belonging to the same group (meaning the controlling party, even if not an enterprise pursuant to art. 2359 of the Civil Code and the subsidiaries of the same party), or who are part of a shareholders' agreement pursuant to art. 122 of the Consolidated Law on Finance, may not submit, either directly or through a third



party or a trust company, more than one list, as this will result in the inadmissibility of all of the lists submitted in infringement of this paragraph, regardless of the order of submission.

The list is comprised of two sections, one for candidates to the office of standing auditor, the other for candidates to the office of alternate auditor; candidates are listed in each section by means of consecutive numbers.

Each candidate may appear on one list only, otherwise he/she will be considered ineligible.

Where, with reference to the mandate in question on each occasion, mandatory criteria regarding the division between genders (male and female) are applicable, each list that includes at least three candidates must contain a number of candidates of the less-represented gender that is at least equal to the minimum quota applicable on each occasion (both as regards the position of Standing Auditor and that of Alternate Auditor).

The lists must be registered pursuant to articles 148, paragraph 2, and 147-ter of the Consolidated Law on Finance.

Lists for which the above provisions have not been observed, will be considered as not having been presented.

Statements of each candidate, accepting the candidature and confirming, under their own responsibility, subject to forfeiture, the non-existence of causes for ineligibility and incompatibility, as well as the fulfilment of the requirements envisaged by law, must be registered with each list submitted.

All those with voting rights may only vote for one list.

Two Standing Auditors and one Alternate Auditor will be appointed from the list that obtains the highest number of votes, according to the consecutive number with which the candidates are listed on the same, in the respective sections.

One Standing Auditor and one Alternate Auditor will be taken from the list that obtains the highest number of votes, from the lists submitted and voted by minority shareholders, as long as not related, pursuant to the law and regulations, to shareholders that have submitted or voted for the list illustrated in the previous paragraph, and in the consecutive order with which they appear on the list, in the respective sections.

If, due to the application of that envisaged above, any minimum quota of the less-represented gender applicable on each occasion to members of this body is not respected (both as regards the position of Standing Auditor and that of Alternate Auditor) in place of the last candidate of the more-represented gender on the Majority List, the next candidate of the less-represented gender of the same list will be considered elected.

The Chairman of the Board of Statutory Auditors is appointed by the Shareholders' Meeting from the Statutory Auditors elected by minority shareholders.

In the case of equal votes between the lists, the entire Shareholders' Meeting will vote again on the lists that obtained the same number of votes.

If a single list is submitted for voting, or if a single list is admitted for voting, or if lists are not submitted by minority shareholders, prompt notice will be given of this circumstance, according to the procedures envisaged by the law in force, in order for lists to be submitted

up until the fifth day after the term envisaged for their registration at the Company's registered office.

In this case, the percentage of voting rights required to submit a list is half the original one.

In the event that a Statutory Auditor leaves, until the end of the term of office of the other Statutory Auditors, where possible, the first Alternate Auditor on the same list as the one leaving will take over, unless, to respect any minimum gender quotas that may be applicable, a different Alternate Auditor on the same list may be necessary.

If in neither case, the minimum gender quota that may be applicable is not respected, a Shareholders' Meeting must be convened to appoint a Statutory Auditor of the less-represented gender.

If it is not possible to appoint one or more Statutory Auditors using the method of voting for lists, the Shareholders' Meeting will resolve according to the legal majority.

### **13. Composition and functioning of the Board of Statutory Auditors (pursuant to art. 123-*bis*, paragraph 2, lett. d), of the Consolidated Law on Finance)**

The Board of Statutory Auditors oversees compliance with the law and with the deed of incorporation, as well as respect of the principles of correct management in the performance of business activities; it checks the adequacy of the organisational structure of the internal control system and of the Company's administrative-accounting system.

Furthermore, pursuant to article 19 of Italian Legislative Decree 39/2010, the Board of Statutory Auditors performs the functions assigned to it in its capacity as "Committee for internal control and auditing". In this capacity, the Board of Statutory Auditors oversees:

- the financial disclosure process;
- the effectiveness of the internal control system, the internal auditing system and if applicable, the risk management system;
- the independent auditing of annual accounts and of consolidated accounts;
- the independence of the independent auditor or the independent auditing firm, specifically with regard to the provision of non-auditing services to the entity subject to independent auditing.

As already envisaged by the Consolidated Law on Finance and currently regulated by art. 13 of Italian Legislative Decree no. 39/2010, the Board of Statutory Auditors makes a justified proposal to the Shareholders' Meeting regarding the assignment of the independent auditors and the fee to be paid to the same. Furthermore, pursuant to art. 19, paragraph 1, letter c) and d), of the cited decree, the Board of Statutory Auditors oversees the independent auditing of

the accounts, verifying that legislative provisions regarding the nature and the entity of services other than auditing provided to the Group directly and through companies belonging to its network are respected. The outcome of supervisory activities is stated in a Report prepared in accordance with art. 153 of the Consolidated Law on Finance.

Meetings of the Board of Statutory Auditors may be held by video or teleconference, on condition that all attendees can be identified with certainty, are able to follow the discussion and to intervene in real time in the debate on the items on the agenda, and to transmit and see documents. Once said requirements are fulfilled, the meeting of the Board of Statutory Auditors is considered to be held in the place in which the member chairing the meeting and the person taking the minutes are located, in order to enable the minutes to be transcribed to the relevant register and signed.

The Board of Statutory Auditors is formed by a Chairperson, two Standing Auditors and two Alternate Auditors, which remain in office for three years and may be re-elected.

The Shareholders' Meeting held on 26 April 2018 appointed the Board of Statutory Auditors in office on the Date of Reference on the basis of a single list, submitted by the shareholder iFuture Power In Action S.r.l. - holder, at the time of submission of said list, of 13,519,265 shares, representing 10.022% of share capital.

This list indicated the following candidates: Giuseppe Leoni (Chairman), Stefano De Angelis (Standing Auditor), Rosita Francesca Natta (Standing Auditor), Bionis Ferrari (Alternate Auditor) and Roberta Pirola (Alternate Auditor), previously members of the Board of Statutory Auditors whose term of office terminated with the approval of the financial statements at 31 December 2017, made at the Shareholders' Meeting of 26 April 2018.

This Board of Statutory Auditors - following the favourable vote of 48,323,523 shares, representing 99.56% of voting capital - will remain in office until the date of the Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2020.

The share capital present with voting rights at the time of said resolution corresponded to 35.98% of the entire share capital. The table below shows the list of members of the Board of Statutory Auditors currently in office.

BOARD OF STATUTORY AUDITORS									
Position	Members	Year of birth	Date of first appointment*	In office since	In office until	List **	Independent Code	Attendance of Board meetings *** Note 1	No. of other positions ****
Chairman	Giuseppe Leoni	02/10/53	23/04/2015	26/04/18	Approval of Financial Statements 2020	Only one list submitted	yes	100%	13
Standing Auditor	Stefano De Angelis	27/07/60	10/05/2012	26/04/18	Approval of Financial Statements 2020	Only one list submitted	yes	100%	4
Standing Auditor	Rosita Natta	14/06/72	23/04/2015	26/04/18	Approval of Financial Statements 2020	Only one list submitted	yes	100%	20
Alternate Auditor	Biones Ferrari	04/01/59	23/04/2015	26/04/18	Approval of Financial Statements 2020	Only one list submitted	yes	-	-
Alternate Auditor	Roberta Pirola	29/05/71	23/04/2015	26/04/18	Approval of Financial Statements 2020	Only one list submitted	yes	-	-

**STATUTORY AUDITORS WHO LEFT THE BOARD DURING THE FINANCIAL YEAR UNDER ANALYSIS: ALL STATUTORY AUDITORS, WHO LEFT THE BOARD DURING THE FINANCIAL YEAR DUE TO THE NATURAL EXPIRY OF THE MANDATE, WERE REAPPOINTED BY THE SHAREHOLDERS' ASSEMBLY ON 26 APRIL 2018**

Number of meetings held during the year under analysis: 10

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

#### NOTES

\* The date of first appointment of each statutory auditor means the date on which the auditor was appointed for the first time (ever) to the Board of Statutory Auditors of the issuer.

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

\*\*\* This column indicates the attendance of the statutory auditors at meetings of the Board of Statutory Auditors (indicate the number of meetings attended with respect to the total number of meetings that the same could have attended; e.g. 6/8; 8/8 etc.).

\*\*\*\* This column indicates the number of positions as director or statutory auditor held by the person in question pursuant to art. 148-*bis* of the Consolidated Law on Finance and the relating implementing provisions contained in the Issuers' Regulation. The full list of positions is published by Consob on its website pursuant to art. 144-*quinquiesdecies* of the Issuers' Regulation.

*Note 1: the total number of meetings refers to those held between 1 January 2018 and the Date of Reference.*

The main personal and professional characteristics of each Statutory Auditor pursuant to art. 144-*decies* of the Issuers' Regulation are illustrated below:

### **Giuseppe Leoni**

He is a member of the Association of Certified Accountants of Milan and enrolled on the Register of Legal Auditors. He holds the position of Chairman of the Board of Statutory Auditors or Standing Auditor and Non-Executive Director in various companies, also listed on regulated markets.

His office is in Milan, where he works as a Chartered Accountant with specific regard to legal, fiscal and economic matters, related to extraordinary management transactions (mergers, concentrations, transformations and spin-offs), contractual matters (licensing agreements, acquisitions and sales of shareholdings and of industrial complexes, sales of going concerns in general) and tax planning.

He started working as a statutory auditor for Reconta Ernst Young S.p.A..

The educational and professional training conducted in Studio Guasti, comprised by numerous professionals (notaries, lawyers and accountants) who work together and who have different areas of expertise, targets their consulting and advisory work to the area of extraordinary business transactions as well as business assessment processes.

He participates as a lecturer in professional training seminars organised by the SDA Bocconi in Milan, regarding tax matters, with specific reference to the aspects relating to extraordinary business transactions.

### **Stefano De Angelis**

Born in Rome on 27 July 1960, after obtaining a degree in economics and business studies with the highest mark, he worked as a chartered accountant for "Studio Vaglio Dottori Commercialisti" in Rome, where he was mainly involved in insolvency proceedings and tax and accounting matters. In 1990, he founded "Studio De Angelis Dottori Commercialisti"; he has been a partner of "Coccia De Angelis & Associati Studio Legale e Tributario" since 2000 (from 2017 "Coccia De Angelis Vecchio & Associati Studio Legale e Tributario"). He has been registered as a Chartered Accountant and Accounting Expert in Rome since 1988. He has been enrolled on the Register of Legal Auditors since 1995.

He is an expert in tax law - specialising in particular in the area of sports, entertainment, international conventions against double taxation - corporate law, administrative and accounting reviews, tax planning and extraordinary operations such as mergers, spin-offs, transformations and conferrals. He has acquired significant experience as a receiver, auditor, statutory auditor and member of supervisory bodies pursuant to Italian Legislative Decree 231/2001 of companies also listed on regulated markets, belonging to corporate Groups of domestic and international importance.

He has been a court-appointed expert in Rome since 1993 relating to accounting and financial statement matters. Between 2003 and 2017, he was a member of the Technical Control Commission (COM.TE.C.) for the Italian Basketball Federation (F.I.P.), as regards the accounts and financial statements of professional Companies in League Series A.

### **Rosita Natta**

Born in Milan on 14 June 1972, after gaining a degree in business and economics with full marks (specialising in economic policy) from the Business University Luigi Bocconi in Milan,

she became a member of the Association of Certified Accountants of Milan and enrolled on the Register of Legal Auditors.

She is a partner of Studio Pirola Pennuti Zei & Associati, where she is mostly involved in tax, organisational and contractual consultancy and advice, M&A for medium-large sized companies mainly operating in the industrial, commercial and financial sectors, also auditing the same.

She also works in the area of public law as well as lecturing in tax and legal matters at courses run by the firm.

Over the years, she has acquired significant experience in extraordinary finance transactions, in transfer pricing studies, in disputes with the tax authorities, in tax planning and corporate restructuring.

She has gained significant experience as a director or member of control bodies in companies belonging to leading Italian or foreign groups.

She is also a member of the Corporate Law Commission of the Association of Chartered Accountants of Milan, contributing to the preparation of publications and studies.

### **Roberta Pirola**

Born in Milan on 29 May 1971, after gaining a degree in business and economics from the Business University Luigi Bocconi in Milan, she became a member of the Association of Certified Accountants of Milan and enrolled on the Register of Legal Auditors.

Since January 1997, she has worked with Studio Pirola Pennuto Zei & Associati, which she became a partner of in 2006.

She specialises in tax and corporate consultancy, also relating to the reorganisation of domestic and foreign companies. Over the years, she has gained significant experience in relations with the tax authorities, in the pre-dispute area. She assists leading customers in important tax disputes. She also has experience in due diligence and assistance for acquisitions.

She is a Statutory Auditor for a number of important companies of domestic and international groups (in the sectors of large-scale retail distribution, fashion, the food industry and insurance). She has considerable experience as a member of the Supervisory Body of an important industrial group.

### **Biones Ferrari**

Born in Castelnovo né Monti (Reggio Emilia) on 4 January 1959. He graduated in 1983/1984 from the Business University Luigi Bocconi in Milan with a mark of 110/110 cum laude.

He then worked for five years for Studio del Prof. Angelo Provasoli as a chartered accountant, in the areas of accounting audits, financial statement consultancy and company assessments.

He has worked for many years for Studio Guasti, where he focuses on tax consultancy (both ordinary and extraordinary transactions), as well as corporate and economic assistance for company reorganisations (mergers, business conferment and spin-offs) and purchase and sale transactions (acquisitions and sales of shareholdings and going concerns).

He is a consultant for medium/large sized industrial and financial companies, with specific regard to tax, corporate and financial statement areas within the scope of extraordinary

management transactions (purchase and sale of shareholdings, sales and conferment of businesses, mergers and spin-offs), as well as in the area of company assessment processes.

The training within a Law Office with numerous professionals who work together and who have different areas of expertise and international connections, as well as lecturing work at the L. Bocconi University and the SDA Bocconi, targets their consulting and advisory work to the area of extraordinary business transactions.

He is a member of the Association of Certified Accountants of Milan and enrolled on the Register of Legal Auditors. He holds the position of Chairman of the Board of Statutory Auditors or Standing Auditor in groups and companies also listed on regulated markets. The management and control positions held as at the Date of Reference by each Standing Auditor of Be currently in office in other companies are shown in the table below.

**Table of positions held in FY 2018 in addition to those held in Be at the Date of Reference**

<b>Standing Auditor</b>	<b>Position</b>	<b>Company</b>	<b>Listed</b>
<b>Giuseppe Leoni</b>	Standing Auditor	SOGEFI S.p.A.	YES
	Standing Auditor	Sogefi Filtration Italy S.p.A.	NO
	Chairman of the Board of Statutory Auditors	Starwood Italia S.r.l.	NO
	Chairman of the Board of Statutory Auditors	Quartieri Durini S.p.A.	NO
	Standing Auditor	Reda S.p.A.	NO
	Chairman of the Board of Statutory Auditors	Posa S.p.A.	NO
	Standing Auditor	Trasporti Agricoli S.r.l.	NO
	Standing Auditor	Consel S.p.A.	NO
	Non-Executive Director	Gefin S.p.A.	NO
	Non-Executive Director	Confezioni & Facon S.r.l.	NO
	Chairman of the Board of Statutory Auditors	CAF S.p.A.	NO
	Chairman of the Board of Statutory Auditors	GEXTRA S.r.l.	NO
	Standing Auditor	Intrum Italy S.p.A.	NO
	<b>Stefano De Angelis</b>	Chairman of the Board of Statutory Auditors	Be Consulting S.p.A.
Standing Auditor		Be Solutions, Solve, Realize & Control S.p.A.	NO
Chairman of the Board of Statutory Auditors appointed to audit the accounts		H.D. Health Defence S.p.A.	NO
Standing Auditor		RCS Sport. S.p.A.	NO
<b>Rosita Natta</b>	Standing Auditor	Citroen Italia S.p.A.	NO
	Standing Auditor	Compagnia Italia Sali S.p.A.	NO
	Standing Auditor	Opel Italia S.r.l.	NO
	Standing Auditor	Peugeot Automobili Italia S.p.A.	NO
	Standing Auditor	Tauw Italia S.r.l.	NO
	Standing Auditor	Peugeot Citroen Retail Italia S.p.A.	NO
	Standing Auditor	PSA Renting Italia S.p.A.	NO
	Standing Auditor	Solidpower S.p.A.	NO
	Partner Director	Villarasca Neorurale Società Agricola S.S.	NO
	Chairman of the Board of Statutory Auditors	Dexxon Italia S.p.A.	NO
	Chairman of the Board of Statutory Auditors	Milexia Italia S.p.A.	NO
	Chairman of the Board of Statutory Auditors	Gravotech Italia S.r.l.	NO
	Chairman of the Board of Statutory Auditors	Pi Greco Servicing S.p.A.	NO
	Chairman of the Board of Statutory Auditors	Tate & Lyle Italia S.p.A.	NO
	Board Member	Jacob Cohen Company S.p.A.	NO
	Board Member	San Rocco S.r.l. Società Agricola	NO
	Board Member	Falstone S.r.l.	NO
	Director	Neorurale S.p.A.	NO
	Director	Solidarietà & Finanza – Società di intermediazione mobiliare Spa or “Sol & Fin Sim S.p.A.”	NO
	Chairman of the Board of Directors	Neoruralehub S.r.l.	NO



Note that no member of the Board of Statutory Auditors has family ties to the members of the Board of Directors or other Company executives.

During the year, 10 meetings of the Board of Statutory Auditors were held, with an average duration of 2 hours each. The percentage of overall attendance was 100% for all Standing Auditors. For the current year, at least 6 meetings of the Board of Statutory Auditors are planned, of which 2 have already been held in 2019.

The Chairman of the Board of Directors ensures that the Statutory Auditors obtain an adequate understanding of the business sector in which the Issuer operates, of business dynamics and their evolution, of the principles of correct risk management as well as the relative legislative and self-regulatory framework of reference. In particular, during meetings of the Board which are held at the Company's registered office during the FY, the Statutory Auditors have received continuous information on each specific sector in which the Issuer conducts its business activities in order to better understand the underlying business dynamics and the relative developments that occurred during the FY.

At the time of their appointment, the members of the Board of Statutory Auditors have stated, under their own responsibility, to meet the requirements of independence envisaged by the applicable legislative and regulatory standards. The Board of Statutory Auditors assessed the independence of its members as soon as possible after their appointment, and subsequently, annually, at its meetings and, most recently, at the meeting held on 4 March 2019. At the last meeting, all of the criteria envisaged by the Consolidated Law on Finance, the Issuers' Regulation and the Code of Self-Regulation were materially applied.

Also note that at said meeting of the Board of Statutory Auditors, it was found that, with regard to Standing Auditor Rosita Natta, the same is an associate of Studio Pirola Pennuto Zei & Associati, to which the Company and several group companies have commissioned to perform several assistance activities. The Board of Statutory Auditors, considering that (i) Ms. Natta does not provide any professional services to the Group on behalf of Studio Pirola Pennuto Zei & Associati and (ii) the contained and insignificant economic amount of said professional services, based on the assumption that the high level of professionalism of Ms. Natta and the absence of situations or circumstances that compromise her independence guarantee, in any event, compliance with art. 3 of the Code of Self-Regulation, confirmed that the above cited requirements continue to be fulfilled for Ms. Natta as well, privileging for the same a profile of substance (over form) in the assessment of the composition of the Board of Statutory Auditors. The results of said assessment were sent to the Board of Directors and communicated to the market in a press release dated 12 March 2019.

The remuneration of the Statutory Auditors is proportional to the commitment required of the same, to the importance of the position held as well as the size of the company and the industry it operates in.

Pursuant to point 8.C.3 of the Code of Self-Regulation, it is envisaged that a Statutory Auditor who, on his own behalf, or on behalf of third parties, has an interest in a specific transaction of the Issuer, must promptly and exhaustively inform the other Statutory Auditors and the Chairman of the Board of Directors of the nature, terms, origin and extent of his interest.

The Board of Statutory Auditors has overseen the independence of the independent auditors, verifying compliance with the relevant legislative provisions, and has also confirmed the absence of services other than auditing provided to the Issuer and to its subsidiaries by the same independent auditors and by entities belonging to the network of the same, with the exception of the assignment regarding the issue of a statement stating the compliance of the consolidated non-financial statement set forth in Italian legislative Decree 254/2016 for the

period 2017-2020, with regard to which, the Board of Statutory Auditors expressed a favourable opinion.

In conducting its activities, the Board of Statutory Auditors has coordinated with the Control and Risk Committee, the Supervisory Body and with the Internal Audit function by attending all meetings held by said Committee and by organising periodic meetings with the Supervisory Body and the Internal Audit function.

### **Diversity criteria and policies**

The characteristics of the members of the Board of Statutory Auditors are suitable to ensure an adequate level of diversity regarding aspects such as age, the breakdown of gender and their educational and professional backgrounds. More specifically, the Board of Statutory Auditors is comprised by 3 standing members and 2 alternate members; the less-represented gender accounts for 40% of the members of the Board, whose average age is for 40% between 41 and 50, and for the remaining 60% above 50. The diversity of the professional backgrounds and education of the Statutory Auditors (illustrated above) ensure that the Board of Statutory Auditors has the necessary and appropriate expertise needed to perform its functions.

At the Date of Reference, Be had not yet adopted a specific policy for diversity pursuant to art. 123-*bis*, paragraph 2, letter d-*bis* of the Consolidated Law on Finance, deeming that the processes to form the Company's management and control bodies already take important aspects such as age, gender, training and professional profile fully into account.

On 4 March 2019, the Board of Statutory Auditors, following the recommendations of the Code of Self-Regulation and the letter of the Chairman of the Corporate Governance Committee, adopted a policy on diversity for the composition of the control body, which seeks to guarantee the good functioning of the same, regulating the composition of the same and envisaging that its members meet all of the personal and professional requirements that ensure the highest level of diversity and expertise. This policy promotes corporate social responsibility to the extent to which inclusion, integration and non-discrimination may contribute to removing obstacles to economic and social order that restrict individual freedom, in application of the principle of equality.

The Be Group perceives diversity as a strength that enables corporate bodies to be formed that have different values, points of view, expertise and ideas so as to encourage and enrich debate.

The aspects of diversity considered by the Be Group regard in particular gender, age and professional diversity.

The policy on diversity for the composition of the control body is available on the Issuer's website <https://www.be-tse.it>.

## **14. Relations with Shareholders**

The Company has an institutional website, [www.be-tse.it](http://www.be-tse.it) and a specific section relating to financial information (Investors), which is easy to find and can be accessed through a direct link from the home page of the website, provides information regarding the Issuer that is

important to its Shareholders, so that the latter are aware of how to exercise their rights. More specifically, the specific section of the website contains press releases, quarterly accounts, interim reports, financial statements, documents registered with Consob, the Articles of Association, regulations for Shareholders' Meetings, the organisational model pursuant to Italian Legislative Decree 231/01.

The person in charge of handling relations with shareholders is the Investor Relator, currently Patrizio Sforza.

In compliance with that envisaged by Application Criterion 9.C.1 of the Code of Self-Regulation, the establishment of a corporate office to handle shareholder relations was evaluated, but - given the characteristics of the Company - it was decided that all matters regarding corporate information and managing relations with shareholders could be effectively and efficiently performed by a single manager, the Investor Relator. The Investor Relator is assisted by a company that specialises in strategic consulting and institutional communication.

The Company seeks to maintain continuous dialogue with the market, in accordance with regulations on the circulation of privileged information. Company conduct and procedures seek to avoid disclosure asymmetries.

## **15. Shareholders' Meetings (pursuant to art. 123-*bis*, paragraph 2, letter c), of the Consolidated Law on Finance)**

The Articles of Association envisage that Shareholders' Meetings are to be convened by the Board of Directors, by the Board of Statutory Auditors in accordance with the law, or by at least two members of the Board of Statutory Auditors, after notifying the Chairman of the Board of Directors. The Board of Directors will promptly convene a Shareholders' Meeting also on the request of shareholders, in accordance with the procedures and terms set forth in art. 2367 of the Civil Code.

Shareholders' Meetings may also be held at a venue other than the registered office, as long as in Italy, and convened by means of a notice published pursuant to art. 2366, second paragraph of the Civil Code and art. 125-*bis* of the Consolidated Law on Finance.

The Ordinary Shareholders' Meeting must be convened at least once a year, within 120 days of the end of the financial year. However, if legal requirements are met, the Ordinary Shareholders' Meeting may be convened within 180 days of the end of the financial year.

Shareholders who, also jointly, represent at least one fortieth of share capital, may add to the items on the agenda, indicating in their application further items to be discussed prepared by the same or may submit proposals for resolutions on items that already appear on the agenda, within the limits and with the procedures envisaged by the law. Those who possess voting rights may individually submit proposals for resolutions to the Shareholders' Meeting. Requests to add to the list of items on the agenda is not permitted for matters on which the Shareholders' Meeting resolves, by law, on the proposal of the directors or based on a draft or a report drawn up by the same, other than the report on the items on the agenda.

Those with voting rights may formulate questions on items on the agenda also before the Shareholders' Meeting, as long as within the terms envisaged for the notice of call, by certified e-mail, using the specific e-mail address of the Company indicated in the notice of call. The Company is not bound to respond if the relevant information is available on the Company's website in a "Frequently asked questions" format, or whenever it is necessary to protect the confidentiality and the interests of the Company.

The Ordinary Shareholders' Meeting is validly constituted and resolves in first, second and subsequent calls, according to the majorities established by the law.

The Ordinary Shareholders' Meeting is validly constituted according to the majorities established by the law and resolves in first, second and subsequent calls with the favourable vote of shareholders that represent at least 75% of the share capital represented by the Shareholders' Meeting.

The Shareholders' Meeting may also, inter alia, resolve in an ordinary or extraordinary session on the following:

- the appointment and the revocation of members of the Board of Directors and of the Board of Statutory Auditors and on the relative remuneration and responsibilities;
- the approval of the financial statements and the allocation of profit;
- the purchase and the sale of treasury shares;
- amendments to the Articles of Association;
- the issue of convertible bonds or warrants;
- the issue of financial instruments.

In compliance with the provisions of art. 2365 of the Civil Code, the Articles of Association envisage that decisions on the following are not resolved by the Shareholders' Meeting but by the Board of Directors:

- the decision to merger in the cases set forth in articles 2505 and 2505-*bis* of the Civil Code;
- the reduction of the share capital if a shareholder withdraws;
- the transfer of the registered office within the Province;
- the opening and the closing of secondary offices;
- the amendment of the Articles of Association to legislative provisions.

Pursuant to art. 11 of the Articles of Association, "those who possess voting rights pursuant to art. 83-*sexies* of the Consolidated Law on Finance may participate in the Shareholders' Meeting. Those who possess voting rights may be represented at Shareholders' Meetings pursuant to art. 2372 of the Civil Code and 135-*novies* of the Consolidated Law on Finance. In the notice of call, the Board of Directors will specify the procedure for the electronic notification for delegating votes. The Chairman of the Shareholders' Meeting must establish the right to participate in the same, also with regard to the fulfilment of the provisions regarding representation by proxy.

The right of each shareholder to take the floor on the items under discussion is guaranteed by the Chairman of the Shareholders' Meeting, who coordinates speakers at the meeting and runs the same.

The Board of Directors has reported to the Shareholders' Meeting on the activities performed and planned, and has made efforts to ensure that shareholders have been adequately informed on the necessary matters, so that the same may take decisions, in full knowledge, referred to

the Shareholders' Meeting. During FY 2018, the Shareholders' Meeting held on 26 April 2018, only the Chairman Carlo Achermann attended, as the other Directors had justified their absence. The Chairman of the Board of Statutory Auditors, Giuseppe Leoni also attended, as the other Standing Auditors had justified their absence.

Pursuant to Application Criterion 9.C.4 of the Code, the Board of Directors did not deem it necessary to propose changes to the Articles of Association to the Shareholders' Meeting, regarding the percentages established for the exercise of prerogatives set in place to protect minorities, insofar as - in application of art. 144-*quater* of the Issuers' Regulation for the submission of lists for the appointment of members of the Board of Directors and of the Board of Statutory Auditors - articles 15 and 19 of the Articles of Association of the Issuer require, as regards the Board of Directors, a shareholding corresponding to at least the minimum established by Consob pursuant to art. 147-*ter*, paragraph 1, of the Consolidated Law on Finance and, as regards the Board of Statutory Auditors, a threshold of 2.5% of shares with voting rights in the ordinary Shareholders' Meeting, or, if less, a different percentage established by Consob.

In this regard, note that, with resolution no. 20273 of 24 January 2018, Consob established 4.5% of the percentage shareholding required for the submission of lists of candidates.

Each share is entitled to one vote and therefore there are no premium shares or shares with multiple voting rights.

In order to guarantee that the Ordinary and Extraordinary Shareholders' Meetings are run correctly, the Company complies with a specific regulation (the **Regulation**), approved by a resolutions of the Shareholders' Meeting on 28 September 2001, which is available to shareholders at the registered office and on the Company's website [http://www.be-tse.it/wp-content/uploads/2015/10/Regolamento\\_Assemblea\\_2013.pdf](http://www.be-tse.it/wp-content/uploads/2015/10/Regolamento_Assemblea_2013.pdf).

The right of each shareholder to take the floor on the items under discussion is guaranteed by the following provisions, contained in art. 6 of the Regulation:

- those legally entitled to exercise voting rights may request to take the floor on the items under discussion once only, making observations, requesting information and, if necessary, formulating proposals;
- the request may be made until such time as the Chairman has declared the discussion on the relevant item on the agenda closed;
- the Chairman establishes the manner in which the speaker makes said request, the order of speakers and the maximum amount of time for which they may speak, based on the topic and the importance of the individual items on the agenda;
- those who have requested the floor have the right to briefly respond to questions;
- based on the topic and on the importance of the individual items under discussion, as well as the number of parties requesting the floor, the Chairman establishes the length of time for which a speaker may speak and for questions in order to guarantee that the Shareholders' Meeting can cover all relevant matters in a single meeting;
- before the established length of time for the speech and for questions is over, the Chairman invites the speaker to draw his conclusions.

During the Year no significant changes occurred as regard the market capitalisation of the

Issuer's shares, nor in the composition of its corporate structure.

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## **16. Additional corporate governance practices (pursuant to art. 123-*bis*, paragraph 2, letter a), Consolidated Law on Finance)**

The Issuer has decided not to apply additional corporate governance practices with respect to those already indicated in the point above and contained in the specific obligations envisaged by the law and/or by regulations.

## **17. Changes since the end of the year under analysis**

No changes have occurred between the end of the Financial Year and the date of this Report, with the exception of that already reported herein.

## **18. Comments on the letter dated 13 December 2017 of the Chairman of the Corporate Governance Committee**

The recommendations made in the letter dated 21 December 2018 of the Chairman of the Corporate Governance Committee were brought to the attention of the Control and Risk Committee at a meeting held on 4 March 2019, the Appointments and Remuneration Committee at a meeting held on 12 March 2019 and the Board of Directors at a meeting held on 20 February 2019, and at said meeting, they were also submitted to the Board of Statutory Auditors within the scope of the same.

The same recommendations were considered at the time of the self-assessment of the Board of Directors with a view to verifying the effectiveness of compliance with the Code and to identify any measures for improvement in the areas in which the Corporate Governance Committee had requested better compliance with the recommendations contained in said Code.

The results of said assessments are illustrated in this Report, also through reference to specific company documents (e.g. Report on Remuneration).

**Rome, 12 March 2019.**

For the Board of Directors  
Chairman  
*Carlo Achermann*