



**FIERA MILANO**

**FIERA MILANO S.p.A.**  
**REPORT ON CORPORATE GOVERNANCE**  
**AND OWNERSHIP STRUCTURE AS AT 31 DECEMBER 2019**

*prepared in accordance with Article 123-bis Legislative Decree 58 of 24 February 1998*

*approved by the Board of Directors on 10 March 2020*

*company website [www.fieramilano.it](http://www.fieramilano.it)*

*(Investors section)*

This document contains a true translation in English language of the Italian document "Relazione sul Governo Societario e gli assetti proprietari al 31 dicembre 2019". However, for information about Fiera Milano reference should be made exclusively to the original document in Italian language. The Italian version of the "Relazione sul Governo Societario e gli assetti proprietari al 31 dicembre 2019" shall prevail upon the English version.

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# Introduction

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In this Report on Corporate Governance and Ownership Structure (the "**Report**"), Fiera Milano S.p.A. (the "**Company**" or "**Fiera Milano**") provides an account of its corporate governance system, information regarding the ownership structure, and disclosure on its compliance with the recommendations contained in the principles and application criteria of Borsa Italiana's Corporate Governance Code for Listed Companies, as amended in December 2011, July 2014, July 2015 and again in July 2018 (the "**Corporate Governance Code**"). The term corporate governance is used to identify the body of rules and procedures for managing and controlling joint stock companies. An effective and efficient business organisation model must be able to properly manage business risks and potential conflicts of interest that can arise between directors and shareholders and between controlling and non-controlling interests. These aspects are of even greater significance in listed companies with a wide shareholder base. The indications given by Borsa Italiana in the "Format for the Report on Corporate Governance and Ownership Structure" issued in January 2020 and recommendations formulated by the Corporate Governance Committee have been taken into account in the preparation of this Report.

## 1. Description of the Issuer

Fiera Milano, an issuer of shares listed in the STAR segment of the Electronic Equity Market (MTA – Mercato Telematico Azionario) regulated by Borsa Italiana S.p.A. ("Borsa Italiana"), adopts a corporate governance system that meets the requirements of enacted laws, existing regulations and those of Borsa Italiana's Corporate Governance Code.

The Company, which exercises direction and coordination over its direct and indirect subsidiaries, uses a traditional administration and control model based on the existence of a Board of Directors and a Board of Statutory Auditors.

Fiera Milano qualifies as a Small and Medium Enterprise ("**SME**") under Article 1, paragraph 1.w-quater.1 of Italian Legislative Decree 58 of 24 February 1998 (the "**Consolidated Finance Act**"). The capitalisation of the Company is €394,109,703 with revenue of €230,011,092 at 31 December 2019.

\* \* \* \*

Fiera Milano publishes a consolidated disclosure of non-financial statement, pursuant to Italian Legislative Decree 254/2016, the "Sustainability Report", which supplements the information contained in the Annual Financial Report, providing details of the performance and key sector indicators from the perspective of sustainability and social responsibility.

## 2. Disclosure on the Ownership Structure at 10 March 2020 (Art. 123-bis, paragraph 1, Consolidated Finance Act)

### 2.1 Share capital (art. 123-bis, paragraph 1.a), Consolidated Finance Act)

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

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

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

At 31 December 2019, the Company had no share-based incentive schemes involving an increase, against payment or free of charge, in the share capital. Pursuant to art. 114-bis of the Consolidated Finance Act, the Shareholders' Meeting of 23 April 2018 approved a new medium/long-term incentive plan called the "Performance Shares Plan 2018–2019", with a hybrid "cash" and "performance shares" structure. In relation to the contents of the Performance Shares Plan 2018–2019, please refer to the Report on Remuneration Policy and Compensation Paid prepared according to art. 123-ter of the Consolidated Finance Act.

## **2.2 Restrictions on the transfer of shares (Article 123-bis, paragraph 1.b), Consolidated Finance Act)**

There are no restrictions on the transfer of shares.

## **2.3 Significant shareholdings (pursuant to Article 123-bis, paragraph 1.c) Consolidated Finance Act)**

The Company is classified as an SME and, therefore, under Article 120, paragraph 2, of the Consolidated Finance Act, the significant threshold for reporting significant shareholdings is 5%.

According to the shareholders' register and communications received pursuant to Article 120 of the Consolidated Finance Act, the shareholders who at 10 March 2020 held, directly or indirectly, shares equal to 5% or more of the share capital were as follows:

<b>Declarant</b>	<b>Direct Shareholder</b>	<b>No. of shares</b>	<b>% of Ordinary Share Capital</b>	<b>% of Voting Capital</b>
<b>Fondazione E.A.Fiera Internazionale di Milano</b>	Fondazione E. A. Fiera Internazionale di Milano	45,898,995	63.821	64.666
	<b>Total</b>	<b>45,898,995</b>	63.821	<b>64.666</b>
<b>Milan-Monza-Brianza-Lodi Chamber of Commerce (formerly Milan Chamber of Commerce, Industry and Agriculture)</b>	Parcam S.r.l.	4,689,316	6.520	6.607
	Milan-Monza-Brianza-Lodi Chamber of Commerce (formerly Milan Chamber of Commerce, Industry and Agriculture)	1	0.000	0.000
	<b>Total</b>	<b>4,689,317</b>	<b>6.520</b>	<b>6.607</b>

## **2.4 Shares with special rights (Article 123-bis, paragraph 1.d), Consolidated Finance Act)**

No shares with special rights have been issued.

## **2.5 Employee stock options: mechanism for exercising voting rights (Article 123-bis, paragraph 1.e), Consolidated Finance Act)**

At 31 December 2019, there were no employee stock option plans.

## **2.6 Restrictions on voting rights (Article 123-bis, paragraph 1.f), Consolidated Finance Act)**

There are no restrictions on voting rights.

## **2.7 Shareholders' agreements (Article 123-bis, paragraph 1.g), Consolidated Finance Act)**

There are no shareholder agreements pursuant to Article 122 of the Consolidated Finance Act.

## **2.8 Change of control clauses (Article 123-bis, paragraph 1.h), Consolidated Finance Act) and provisions in the Articles of Association regarding takeover bids (Article 104, paragraph 1-ter and 104-bis, paragraph) @**

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

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

## **2.9 Mandates to increase share capital and authorisation to purchase treasury shares (Article 123-bis, paragraph 1.m), Consolidated Finance Act)**

In 2019, the Shareholders' Meeting gave no authorisation to the Board of Directors to increase the share capital pursuant to Article 2443 of the Italian Civil Code.

The Ordinary Shareholders' Meeting of 18 April 2019 authorised the Board of Directors to acquire treasury shares for a period of 18 months. The authorisation stipulated that (i) the maximum number of shares acquired, including those already owned by the Company and its subsidiaries, could not exceed one fifth of shares making up the share capital of the Company, (ii) the purchase price of each share could not be higher than the greater of the highest price of the last independent transaction and the highest current independent offer price on the trading date on which the acquisition is made, while respecting the requirement that the unit price of the shares must not be 10% higher or lower than the reference price of Fiera Milano shares on the MTA market organised and operated by Borsa Italiana on the trading day preceding any single transaction, (iii) shares could be disposed of in one or more transactions even before the authority to acquire the shares had been completed, and (iv) the disposal price could not be lower than the lowest price at which the shares were acquired; this restriction on the disposal price does not apply if the shares are disposed of as part of a stock option plan.

The Company did not implement the aforementioned plan.

At the date of this Report, Fiera Milano directly holds 939,018 treasury shares, equal to 1.31% of the share capital.

## **2.10 Direction and coordination (Article 2497 et seq., Italian Civil Code)**

As approved by the General Council of its controlling entity Fondazione Ente Autonomo Fiera Internazionale di Milano on 26 July 2004, Fiera Milano has autonomous organisational and decision-making powers and is not subject to direction or coordination – pursuant to Article 2497 et seq. of the Italian Civil Code – by the controlling entity.

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

Fiera Milano exercises direction and control over its direct subsidiaries. At 31 December 2019, the Company exercised direction and coordination over: i) the wholly owned subsidiaries Fiera Milano Congressi S.p.A., Fiera Milano Media S.p.A. and Nolostand S.p.A.; and ii) the subsidiary Made Eventi S.r.l.

Direction and coordination are regulated by the Guidelines on Direction and Coordination, approved by the Board of Directors of the Company in the meeting of 31 July 2019 (see § 12.2).

## **3. Compliance (Article 123-bis, paragraph 2.a) Consolidated Finance Act)**

Fiera Milano adheres to the Corporate Governance Code, approved by the Corporate Governance Committee of Borsa Italiana in March 2006 and amended in December 2011, July 2014, July 2015 and again in July 2018.

The Corporate Governance Code is publicly available on the website of the Committee for Corporate Governance at <https://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/codice2018clean.pdf>

In the board meeting of 11 February 2020, the Board of Directors also acknowledged that the Corporate Governance Committee had approved and published on its website (<https://www.borsaitaliana.it/comitato-corporate-governance/news/20200131.pdf>), on 31 January 2020, the new Corporate Governance Code, that may be implemented by the Company starting from the first financial year following 31 December 2020.

The corporate governance structure of Fiera Milano is not affected by non-Italian legal provisions.

## **4. Board of Directors**

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

The paragraph on the composition of the Board of Directors describes the current structure of the Board.

#### **4.1 Appointment and replacement (Article 123-bis, paragraph 1.I) Consolidated Finance Act)**

As required by law and by the Articles of Association, the appointment of members of the Board of Directors is from lists presented by shareholders who, either alone or in concert with other shareholders, hold at least 2.5% of the Company share capital, as established by the Articles of Association and by Consob Resolution no. 28 of 30 January 2020. The lists must be filed with the registered office of the Company at least twenty-five days prior to the date set for the Shareholders' Meeting on first call and must be made publicly available at least twenty-one days prior to this date in compliance with current regulations.

Ownership of the minimum shareholding required to present lists is based on the shares confirmed as registered to the shareholder on the day on which the lists are filed with the Company. To prove ownership of the minimum number of shares required to present lists, shareholders must submit the relative certification released by authorised intermediaries in accordance with law by the Company's list publication deadline.

Each list must be filed, by the aforementioned deadlines, with (i) information concerning the identity of the shareholders that have presented the list and their percentage shareholding, (ii) statements in which each candidate accepts the candidacy, confirming that there is no cause that would make them ineligible or incompatible and that they meet the necessary requirements for appointment under current regulations, including any independence requirements for Statutory Auditors required by law and by the Corporate Governance Code, and that they do not exceed the limit to the total number of administration and control positions held in other companies, listed or unlisted; The statements of each candidate must confirm possession of the capacity for free expression and must also include a specific undertaking from each candidate that he/she will maintain his/her ability for independent judgement free from any external influence for the entire term of office, as well as a specific undertaking to dedicate an amount of time to the position consistent with correct and diligent fulfilment of the role and not to assume other administration and control positions that violate the internal regulation of the Company regarding the limit to the total number of positions held; (iii) a professional curriculum vitae from each candidate, indicating administrative and control and executive positions currently held and those held previously.

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

With reference to the appointment and replacement of members of the Board of Directors, the Articles of Association, in compliance with the requirements of Article 147-ter, paragraph 1-ter, of the Consolidated Finance Act and Article 144-undecies 1 of Consob Regulation no. 11791 approved by resolution dated 14 May 1999, and subsequent amendments and modifications (the "**Issuers' Regulation**"), require that:

- the number of Directors respects the principle of gender balance and guarantees, in compliance with applicable regulations;<sup>1</sup>

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<sup>1</sup> Article 14.4 of the Articles of Association has been aligned with regulatory provisions, as per the resolution of the Board of Directors' Meeting of 10 March 2020; this amendment is currently being published in the Companies' Register.



- the way in which the lists are drawn up and the substitution mechanisms for replacing persons during their term of office guarantee compliance with the principle of gender balance;
- the mechanisms used should ensure that the elected body not respect the principle of gender balance ensure that some or all of the last persons elected from the list that obtained the highest number of votes and that are of the gender most represented must step down to ensure compliance with the principle of gender balance, and must be replaced by the first persons that failed to be elected on the same list and belong to the less represented gender.

The Directors must meet the professionalism and integrity requirements according to the relevant prevailing laws, under penalty of ineligibility or forfeiture of appointment should these requisites be found to be lacking subsequent to their appointment. The composition of the Board of Directors must reflect an adequate level of diversity in terms of skills, experience, age, gender and international profile.

To co-opt Directors to the Board, the Board of Directors must ascertain in advance the optimum qualitative and quantitative composition in order to identify and ensure the correct theoretical profile (including their proven and continuing professionalism and independence) of the candidates.

The majority of members of the Board of Directors must meet the independence requirements for Statutory Auditors according to current law and also the independence requirements established in the Corporate Governance Code. Independent Directors, according to their documented experience, must possess the professionalism to ensure a high level of internal discussion in the Board of Directors and to make an effective contribution to its decision-making process.

The Board of Directors assesses the existence of independence requirements: *(i)* on the initial appointment of a new Director qualifying as independent; *(ii)* on renewal of the appointment of all Directors qualifying as independent.

The Board of Directors will ascertain annually that the requirements for independence of Directors already been appointed are still met. In all cases, an assessment that each Director classified as independent meets the independence requirements must be carried out by the Board of Directors in accordance with the principle of substance over form. Should the requirements for independence, as defined above, be found to be lacking in any independent director, he/she will forfeit the position unless at least the majority of members of the Board of Directors still meets the independence requirements. An independent Director losing their independence requirements during the term of office must immediately inform the Board of Directors. Furthermore, the independence requirement will be considered not met if a Director has already held three consecutive positions as independent director of the Company.

It should be noted that, for information purposes, the full text of the Articles of Association, with the requirements given above, is available on the Company website [www.fieramilano.it](http://www.fieramilano.it) in the section *Investor Relations/Corporate Governance/Articles of Association*.

The number of independent directors on the current Board of Directors exceeds the legal requirements (the Consolidated Finance Act) and/or regulatory requirements (the requirements for the STAR segment of the Italian stock exchange and the Corporate Governance Code).

As indicated in the Corporate Governance Code, a Director of a listed issuer is not normally considered independent if he or she:

- a) directly or indirectly, also through subsidiaries, trusts or third parties, controls the issuer or is able to exercise significant influence over the issuer, or is party to a shareholders' agreement through which one or more parties can exercise control or significant influence over the issuer;
- b) has, or has held in the previous three financial years, a significant role (Chairperson, Executive Director, executive with strategic responsibilities) in the issuer or in one of its subsidiaries of strategic importance or in a company that is subject to common control with the issuer, or in a company or entity which, also with others through a shareholding agreement, controls or is capable of exercising significant influence over the issuer;
- c) in the preceding financial year, has or had, directly or indirectly, a significant business, financial or professional relationship with:
  - the issuer, one of its subsidiaries or any member of its top management;
  - an individual who, also together with others through a shareholding agreement, controls the issuer, or –if a company or entity –is connected with any of the related top management;
 or who is, or in the last three financial years has been, an employee of any of the aforementioned entities;
- d) receives or has received in the previous three financial years from the issuer, or one of its subsidiaries or from a parent company, significant additional remuneration to the compensation agreed for a non-executive Director of the issuer or remuneration as member of a committee recommended in the Corporate Governance Code, including any incentive plans linked to company performance, comprising those that are share-based;
- e) has been a Director of the issuer for more than nine of the last twelve years;
- f) is an executive Director in another company in which an executive Director of the issuer is also a Director;
- g) is a shareholder or Director of a company or entity belonging to the group of the company that is appointed as auditor to the issuer;
- h) is closely related to a person in any of the situations described above.

- ***Succession plans***

On March 2019, the Company approved a procedure for the succession plan for executive directors with the aim to ensure their prompt replacement in the event of termination from their office different from the natural termination of the mandate, in order to guarantee an orderly succession in the top management positions through a rapid replacement of the discontinued executive directors, thus ensuring the continuity and stability of the management.

In particular, during the year under review, the Company implemented the succession plan.

#### **4.2 Compliance (Article 123-bis, paragraph 2.d), and d-bis), Consolidated Finance Act)**

The current Board of Directors was appointed by the Shareholders' Meeting of 21 April 2017 and the term of office will expire with the Shareholders' Meeting called to approve the financial statements at 31 December 2019.

The Shareholders' Meeting of 21 April 2017 approved a Board of Directors composed of eight members with the right to increase the number of Directors at a subsequent meeting.

On 25 July 2017, the Shareholders' Meeting increased the number of members of the Board of Directors to nine and the latter then appointed Fabrizio Curci as new Director

with a term from 1 September 2017 until the expiry date for the term of office of the other Directors. The Board of Directors met at the end of the Shareholders' Meeting and appointed Fabrizio Curci as Chief Executive Officer and General Manager of Fiera Milano effective from 1 September 2017.

Therefore, the Board of Directors is currently composed of nine Directors. A brief curriculum vitae for each Director in office at 10 March 2020 giving his/her main personal and professional details, as well as a list of positions held, is given below.

- **Lorenzo Caprio**, Chairperson, appointed by the Shareholders' Meeting of 21 April 2017 (**Non-executive Director – Chairperson**).

Born in Milan on 19 November 1957, he graduated in Economics from the Università Cattolica del Sacro Cuore in Milan. He is currently a tenured Professor of Corporate Finance in the Economics Faculty of the Università Cattolica del Sacro Cuore; he is also a Chartered Accountant registered in Milan and an External Auditor; he is a Statutory Auditor, from May 2007 until 2018 he was Chairperson of the Board of Statutory Auditors of Banca ITB S.p.A.; current Chairperson of the Board of Statutory Auditors of Banca 5 S.p.A.; he is a member of the scientific committee of the publications "Journals of Management and Governance", "Il controllo nelle società e negli enti", "Banca Impresa e Società", and the "Journal of Financial Markets and Institutions" and is a member of the Board of Governors of the Centro di Ateneo for the social doctrine of the Church at the Università Cattolica del Sacro Cuore.

- **Fabrizio Curci**, Chief Executive Officer, appointed on 25 July 2017 and in office since 1 September 2017.

Fabrizio Curci, Chief Executive Officer and General Manager of Fiera Milano, was born in Barletta on 28 November 1972.

He graduated in Economics, with a specialisation in marketing, from the Università Commerciale Luigi Bocconi in Milan and then attended its Intensive Managerial Programme in General Management.

At FCA – Fiat Chrysler Automobiles he headed up the EMEA after sales business unit and was responsible for the international launch of the Alfa Romeo brand and for Brand Operations in Europe, the Middle East and Africa.

At Olivetti – Tecnost he held several marketing and sales roles. In the Fiamm S.p.A. group, he was involved in sales, marketing & communication, and modern distribution for the automotive division. Since 31 October 2018, he has been on the Executive Committee and Board of Directors of UFI, the association that brings together leading players in the exhibition industry worldwide.

In December 2018, he took over the Deputy Chair of AEFI – the Association of Italian Trade Fair Organisations.

- **Alberto Baldan**, Director, appointed by the Shareholders' Meeting of 21 April 2017, meets the requirements for independence under Article 148, paragraph 3 of the Consolidated Finance Act and under the Corporate Governance Code (**Independent Non-executive Director**)

Born in Venice on 21 October 1960, he graduated in Economics. He is currently Chief Executive Officer of Grandi Stazioni Retail S.p.A., Managing Director of Retail Group S.p.A. and a Board member of Illy Caffè S.p.A..

- **Stefania Chiaruttini**, Director, appointed by the Shareholders' Meeting of 21 April 2017, meets the requirements for independence under Article 148, paragraph 3 of the Consolidated Finance Act and under the Corporate Governance Code (**Independent Non-executive Director**)

Born in Este (Padua) on 11 August 1962, she has been a Chartered Accountant since 1997 and is a founding partner of the firm Chiaruttini & Associati.

For over 30 years she has exclusively practised as a Chartered Accountant and Auditor. She began her career with a prestigious Milan studio, in 1997 going on to establish Studio Chiaruttini & Associati.

Specialising in criminal economics law, market fraud and corporate crises, she has also gained experience with banks and financial institutions as commissioner, member of supervisory committees and curator appointed by the Ministry for the Economy. Since the start of her career, she has specialised in corporate crises and has been a consultant on behalf of business executives and courts, as well as judicial curator and commissioner. From the early 1990s, she has played a part in significant listed company restructurings and has prepared and assessed the financial and business plans of companies in difficulty as advisor or expert witness.

Stefania Chiaruttini has gained particular experience in the prevention of administrative liability of companies and entities, holding numerous consulting positions for the preparation of organisational models pursuant to Italian Legislative Decree 231/2001, and accepting appointments as a member of the supervisory bodies of banking and industrial companies.

An expert in business assessment, she also works alongside magistrates and major law offices as technical consultant, has held and still holds positions as Statutory Auditor, Director and Receiver in various listed and unlisted companies and is an Official Receiver under Italian Law 270/99 and the Marzano Law.

A speaker at congresses, university courses and post-university master's courses, in Italy and abroad, she is the author of several articles published in specialist magazines.

- **Gianpietro Corbari**, Director, appointed by the Shareholders' Meeting of 21 April 2017, meets the requirements for independence under Article 148, paragraph 3 of the Consolidated Finance Act and under the Corporate Governance Code **(Independent Non-executive Director)**

Born in Paderno Ponchielli (Cremona) on 15 November 1961, he graduated in Aeronautical Engineering from the Polytechnic of Milan in 1986. During his career, he has held increasingly responsible positions in important Italian companies that include Galbani S.p.A., Esselunga S.p.A. and Granarolo S.p.A. He is currently the Chief Executive Officer and General Manager of Pam Panorama S.p.A. and Chairman of the Board of Directors of Alingi S.r.l. and Real Estate Development S.r.l.

- **Francesca Golfetto**, Director, appointed by the Shareholders' Meeting of 21 April 2017, meets the independence requirements pursuant to art. 148, paragraph 3 of the Consolidated Finance Act and the Corporate Governance Code **(Independent Non-executive Director)**.

Born in Mirano (Venice) on 4 October 1950, she graduated in Economics from the University of Venice Ca' Foscari. She was a Visiting Scholar at Oxford University, the Said Business School and the University of Toronto, and has taught at the universities of Turin, Venice, Toronto and Oxford. She is currently a tenured Professor of Management at the Università Bocconi of Milan. She is a management consultant in corporate and market strategy. She is the author of numerous international publications on management, also on the exhibition sector. She is a Chartered Accountant and Auditor and is on the register of consultants of the Milan Court for corporate valuations. She has been a member of boards of directors, both of listed and unlisted companies, of control and risk management committees, remuneration committees, and supervisory committees of companies in

extraordinary administration. She is currently an independent director of Dea Capital S.p.A. and of Caleffi S.p.A.

- **Angelo Meregalli**, Director, appointed by the Shareholders' Meeting of 21 April 2017, meets the independence requirements pursuant to art. 148, paragraph 3 of the Consolidated Finance Act and the Corporate Governance Code (**Independent Non-executive Director**).

Born in Milan on 17 October 1967 and awarded a degree in Aeronautical Engineering from Milan Polytechnic, he started his career holding technical and commercial posts in leading multinationals in the aviation industry and industrial sector. After an MBA from SDA Bocconi, he joined Booz Allen & Hamilton, working in management consulting for the pharmaceutical, automotive and tech industries. He then went on to work for the UniCredit Group, where he spent ten years in payments and household and SME loans, with responsibility for risk management, national and international business development, and M&A. He oversaw the goodwill of two consumer credit companies in Bulgaria and Romania, for the UniCredit Group, before becoming Head of the European Division of Retail Payment Systems. In 2012 he became Managing Director of PayPal Italy. He continued his career with Fintech, holding regional and later global roles. At present, he is Head of Global M&A and Strategic Partners Go-to-Market, dividing his time between Europe and the Silicon Valley.

- **Marina Natale**, Director (**Non-Executive**), appointed by the Shareholders' Meeting of 21 April 2017. From 2 May 2017 to 31 August 2017 she was the Chief Executive Officer of the Company.

Born in Saronno (Varese) on 13 May 1962, she graduated with honours in Economics from the Università Cattolica del Sacro Cuore in Milan.

She is currently CEO of AMCO S.p.A., a member of the Investors Committee of the Italian Recovery Fund (formerly Atlante II) and a member of the Board of Directors of Valentino S.p.A. and of the Board of Directors of Salini Impregilo S.p.A. She has held numerous positions in Unicredit S.p.A., the last of which was as Deputy General Manager after being appointed CFO in 2009 and having managed the most important external growth operations of the Group.

- **Elena Vasco**, Director, appointed by the Shareholders' Meeting of 21 April 2017, meets the independence requirements pursuant to art. 148, paragraph 3 of the Consolidated Finance Act and the Corporate Governance Code (**Independent Non-executive Director**).

Born in Hartford (USA) on 31 December 1964, she graduated with honours in Economics in Naples in 1989 and in 1991 received a Master's in Economics from Northeastern University, Boston.

She has been the General Secretary of the Milan-Monza-Brianza-Lodi Chamber of Commerce since May 2015 and has worked there since 2009. Prior to that, from 1992 to 1997, she worked in Mediobanca Servizio Partecipazioni e Affari Speciali (consultancy, M&A and corporate finance). She then held several executive positions in the Hdp-RCS Group and was a member of numerous boards of directors of group companies including Valentino, RCS Editori, RCS Libri, Parmalat S.p.A. and RAI Sat.

She is currently a member of the board of directors of the listed companies Dea Capital S.p.A. and Terna S.p.A. She is also Deputy Chairperson of the Board of Directors of Fondazione La Triennale di Milano.



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

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

Note that the number of independent directors shown above exceeds the minimum ratio to the total number of Board Directors required under prevailing laws and regulations.

The Board of Directors verified the independence requirements of the directors at its Board meeting on 11 February 2020, by obtaining self-certification from each Director, now held on Company records. On the aforementioned date, the Board of Statutory Auditors, as part of their duties under the law, certified that the Board of Directors had correctly applied the criteria and procedures for ascertaining and evaluating the independence of its members. The Chairperson of the Board of Directors and the Chairperson of the Board of Statutory Auditors therefore confirmed that the independence requirements were met by the aforementioned Directors.

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

#### - ***Diversity criteria and policies***

In the financial year under review, the following measures were implemented regarding the Company's strategy of diversity in the composition of the administration, management and control bodies.

Under the current Articles of Association, the composition of the Board of Directors must meet the legal requirements for gender balance. Moreover, the composition of the Board must reflect adequate diversity in terms of skills, experience, age, gender and international profile.

On 10 July 2017, the Board of Directors adopted the "Regulations of the Board of Directors of Fiera Milano S.p.A.", prepared in accordance with the provisions of current law and the Corporate Governance Code, which identifies further requirements for Directors in addition to those required by law.

Also note that more than one-third of members of the Board of Directors of Fiera Milano are of the less represented gender, i.e. female, as also envisaged in the Corporate Governance Code and which, in addition to gender diversity, are also suitably represented by other generational and professional diversities.

In general, as regards composition of the Board of Directors, a priority objective was to ensure that members have appropriate expertise and professionalism in order to ensure effective action.

#### - ***Total number of positions held in other companies***

As required by the Company Articles of Association, in its Regulations the Board of Directors stipulated the maximum number of administration and control positions that can simultaneously be held by any Director to ensure that responsibilities as a Director of the Issuer are performed effectively.

The "Regulations of the Board of Directors of Fiera Milano S.p.A." specifies the total number of positions that may be held by all members of the Board of Directors. Where more rigorous, the limits on cumulation of office envisaged in pro tempore legal and regulatory provisions prevail. The Board of Directors assesses annually that the limit to the total number of positions that may be held is respected. Any Director that becomes aware that he/she exceeds this limit must, within 10 (ten) days of learning this fact, inform the Company of how the limit has been exceeded and, within 90 (ninety) days,

resign from one or more of the positions held. Within 5 (five) days of resigning, the member of the Board of Directors must communicate the position or positions from which he/she has resigned.

The limits to the total number of administration, direction and control positions under the Regulations of the Board of Directors are summarised in the following table.

Fiera Milano S.p.A.	Listed companies and/or banks, financial or insurance entities and/or those of material size (Italian/Foreign)			
	Executive positions	Non-executive positions or positions with control		Total no. of positions
<b>Chief Executive Officer</b>	no	2		5
	Executive positions	Non-executive positions or positions with control		Total no. of positions
<b>Chairperson</b>	no	In companies in which Fiera Milano S.p.A. has NO shareholding 3	In companies in which Fiera Milano S.p.A. has a shareholding 5	8
	Executive positions	Non-executive positions or positions with control		Total no. of positions
<b>Non-executive Directors</b>	3	When executive positions are also held 5		10
		When executive positions are NOT held 7		

In accordance with the Regulation:

- executive positions refer to: Chief Executive Officer, Member of the Management Committee, Chairperson of the Board of Directors or of the Supervisory Committee, General Manager;
- non-executive positions and positions without control refer to: members of the Board of Directors with no executive responsibilities, members of the Supervisory Committee and members of the Board of Statutory Auditors;
- companies of material size refer to those with consolidated revenues in excess of €500 million or with a total number of employees exceeding 500.

Lastly, in addition to any other incompatibilities according to law, any political or trade union positions are also considered incompatible.

**- Induction programme**

In 2019, the Chairperson and Chief Executive Officer provided adequate information to the Board of Directors on the exhibition sector in which Fiera Milano operates, on the business organisation and its evolution and on the reference legal framework.

Moreover, at meetings held during the year under review, the Board of Directors was given constant and timely notification of measures to update the corporate processes and procedures, as well as of the development of the organisational structure of the Fiera Milano Group. In particular, specific training was provided on the administrative

liability of entities, from the commission of crimes, pursuant to Legislative Decree 231/2001, for the entire Board of Directors and Board of Statutory Auditors.

#### **4.3 Role of the Board of Directors (Article 123-bis, paragraph 2.d), Consolidated Finance Act)**

The Board of Directors is vested with the widest possible powers for ordinary and extraordinary management of the Company. In particular, it has the power to take any action it deems appropriate or useful to achieving the corporate purpose, with the exception of actions which, by law, are the prerogative of the Shareholders' Meeting.

In addition, pursuant to Article 17.1 of the Articles of Association, responsibility for the following is also attributed to the Board of Directors:

- (i) merger decisions in cases indicated in Articles 2505 and 2505-bis of the Italian Civil Code;
- (ii) creation and closure of secondary branches;
- (iii) reduction in share capital in cases of withdrawal by shareholders;
- (iv) alignment of the Articles of Association to regulatory requirements;
- (v) transfer of the Company's registered office within the Province.

Under art. 17.2 of the Articles of Association, in addition to the responsibilities that by law may not be delegated, the Board of Directors also has exclusive responsibility for:

- (a) the purchase, subscription, and transfer, on its own account, of shares, shareholdings or interests in other companies, including newly constituted companies, and the transfer of option rights, except transactions concerning mere investment of liquidity;
- (b) approval of all risk assumption and risk management policies, with no exceptions, as well as evaluation of the functionality, efficiency and effectiveness of the internal control system of the Company;
- (c) the spin-off of property and movable assets to other companies, both those in the process of being constituted and those already constituted;
- (d) any form of loan taken out by the Company exceeding the limit of 30% of equity;
- (e) agreements for mortgages, encumbrances or other guarantee rights of any type whatsoever on all or relevant parts of the Company's bonds, property or assets;
- (f) budget approval;
- (g) bank guarantees to third parties granted by the Company;
- (h) the stipulation of contracts concerning property assets, with the sole exception of property leases taken out for Company activities for periods not exceeding six years;
- (i) the purchase, sale, creation, rental and stipulation of licences for patents, trademarks, models, internet domains and/or websites, satellite or cable TV channels, publications, copyright and similar, and all intellectual property rights in general, relating to the corporate purpose;
- (j) the award of consulting, service and other assignments exceeding €100,000 not envisaged in the budget to parties in any case extraneous to the Board;
- (k) the appointment of the General Manager and a Deputy General Manager, if required, at the proposal of the Chief Executive Officer, if appointed, and decisions regarding their powers; other senior managers, including in the internal audit department, may be appointed by the Chief Executive Officer as long as the Board of Directors is informed promptly of any such appointments;
- (l) the appointment or termination of the position of the Financial Reporting Officer



- (m) appointment of the Supervisory Committee;
- (n) the constitution and disbanding of internal Committees of the Board of Directors, the appointment and removal of their members and approval of their operating procedures;
- (o) appointment and removal of the Internal Audit Manager as proposed by the Chief Executive Officer, after having obtained the opinion of the Board of Statutory Auditors and of the Independent Directors.

The Board of Directors also decided that it should have exclusive responsibility for the following:

- preparing and approving the business plan, as proposed by the Chief Executive Officer, and the strategic objectives contained therein;
- as regards top management (meaning those executives reporting directly to the Chief Executive Officer with gross annual earnings in excess of €200,000), the power to employ, promote, transfer, discipline and dismiss them, establishing their responsibilities, placement, remuneration, both fixed and variable, and any eventual attached and/or ancillary agreements to the employment contract while respecting the employment policy under Article 17.2, letter b) of the Articles of Association;
- all extraordinary administrative measures.

The Regulations of the Board of Directors aim to bring the organisation and operations of the Company's Board of Directors in line with current law, the Articles of Association, the Corporate Governance Code and internal governance procedures.

Together with their attachments, the Regulations of the Board of Directors govern the appointment and composition, the operating methods, responsibilities, powers and funds of the Board of Directors, the assessment procedure and amendments to the Regulations. Any omission in the Regulations is covered by the provisions of laws and regulations *ratione temporis*.

Board of Directors' meetings are usually held according to a timetable that is approved at the start of the year in order to ensure maximum attendance at the meetings. They are also held whenever required or if there is a request from at least one third of the members of the Board or from a Statutory Auditor and in any circumstances in cases envisaged by law.

The corporate calendar is available on the Company website [www.fieramilano.it](http://www.fieramilano.it) in the section *Investor Relations/Financial Calendar*.

The Chairperson ensures the proper conduct of Board meetings and is supported by the Secretary in ensuring the timely delivery and adequacy of the documentation supplied ahead of the Board meetings and in ensuring confidentiality of the data and information given is maintained. In the absence or impediment of the Chairperson, Board of Directors' meetings are chaired by the most senior independent director by age.

Under the Articles of Association, the majority of the current members of the Board of Directors must be present for any Board decision to be valid. Decisions are made on absolute majority vote of directors present. In case of a split outcome, the meeting Chairperson will have the casting vote.

Under art. 2391 of the Italian Civil Code, each director must notify the Board of Directors and the Board of Statutory Auditors of any interest he/she may have or may have on behalf of third parties in any given transaction and must provide adequate information of such an interest as required by law.

In the Regulations of the Board of Directors, the Board has identified a fair and suitable deadline, prior to Board of Directors' meetings, for the receipt of documentation and information necessary to allow them to speak knowledgeably on the topics submitted for their examination and approval.

The Board of Directors decided that the appropriate advance period for documentation given to Directors and Statutory Auditors ahead of Board meetings, as indicated in the Regulations of the Board of Directors, was three days prior to the date of a meeting, except in emergencies when the documentation will be made available as soon as possible. The documents relating to approval of the draft financial statements and interim financial reports must instead be submitted at least 7 days prior to the date set for the Board of Directors' meeting. The Chairperson ascertains that the aforementioned information has been provided to the directors and the statutory auditors, confirming this at the start of the meeting. During the year ending 31 December 2019, compliance with deadlines was a constant focus of the Chairperson and Chief Executive Officer, to ensure the adoption of suitable Board decisions, and general compliance with the deadlines was confirmed.

The relevant Company department prepares support documentation by compiling information and/or decision-related sheets that provide all the elements necessary for the directors to make informed decisions.

The support documentation is considered available when it may be viewed and downloaded from the Restricted Area (<https://filebox.fieramilano.it> – Consiglio di Amministrazione folder). The members of the Board of Directors and interested parties are notified by the Chairperson that the documents are available in the Restricted Area through the appropriate corporate departments and the documents are accessed using the accreditation methods set up by these departments.

During the year, a project was started for the digital management of Board meetings, enabling a new application to be developed to guarantee the sharing of documents among members of the Board of Directors, ensuring necessary confidentiality. This application was used starting from the first board meeting in 2020.

Reports presented and decisions made at Board of Directors' meeting are minuted. Under the Articles of Association, the Secretary to the Board prepares the minutes of the meetings. Following a Board meeting, a draft of the minutes is given to all Directors and Statutory Auditors for their comments, which must be submitted to the Secretary. The final version of the minutes, prepared by the Secretary, is approved at the next Board meeting and signed off by the Chairperson and the Secretary to the Board and included in the Company records.

During the year ending 31 December 2019, the Board of Directors met 9 times with a high attendance rate for all Directors (the number of meetings attended by each member of the Board of Directors is shown in Table 1). The average duration of the Board meetings was approximately 3 hours 30 minutes. At the date of approval of this Report, 3 Board meetings had been held during the current year.

The members of the Board of Directors have declared and have guaranteed that they will effectively carry out their roles and dedicate the necessary time to them. This was also confirmed by the significant number of Board of Directors' meetings held in 2019 and by the high attendance rate of Directors at those meetings.

Group executives, responsible for corporate activities pertaining to matters on the agenda, are invited to attend Board meetings and provide additional information on matters under discussion.

#### **4.4 Delegated Corporate Bodies**

##### **- *Chairperson of the Board of Directors***

Under article 18 of the Articles of Association, the Chairperson of the Board of Directors is appointed from among the directors originally meeting the independence requirements indicated in the Articles of Association. In addition to his legal responsibilities, the Chairperson of the Board of Directors has further duties, pursuant to specific requirements in the Articles of Association, as recognised in the relevant resolutions approved by the Board of Directors on 2 May 2017 and 10 July 2017. In particular, he convenes and sets the agenda for the Board of Directors, encourages internal discussion, promotes the actual operations of the corporate governance system, ensuring the balance of powers with respect to the Chief Executive Officer. The Chairperson of the Board of Directors coordinates the work of the Board and ensures that adequate information regarding items on the agenda of meetings is provided to all members. Specifically, the Chairperson ensures that (i) the directors receive sufficiently in advance any documentation regarding matters to be discussed at the meeting or, at least, basic information on these matters; (ii) the documentation on matters to be discussed, in particular that provided to the Non-executive Directors, is both qualitatively and quantitatively adequate as regards the items on the agenda.

The Chairperson is the direct point of contact between the Board of Directors and the internal control bodies, the Board of Directors' committees and the Internal Audit Department.

The Chairperson of the Board of Directors supervises and coordinates with the Chief Executive Officer on external institutional relations and then arranges their implementation.

The Chairperson of the Board of Directors cannot be assigned any executive role.

Under Article 13 of the Articles of Association, the Chairperson of the Board of Directors manages Shareholders' meetings, verifies the proper constitution of the meeting, ascertains the identity and eligibility of those present, regulates meeting proceedings – including the order and duration of spoken contributions, stipulates the voting system, the counting of votes – and scrutinises the results of voting.

Lastly, under Article 19 of the Articles of Association, the Chairperson of the Board of Directors represents the Company before any judicial or administrative authority and has corporate signature powers.

##### **- *Chief Executive Officer***

On 25 July 2017, the Ordinary Shareholders' Meeting of Fiera Milano approved an increase in the number of Board Directors to nine and appointed Fabrizio Curci as the new Director effective from 1 September 2017 until expiry of the term of office of the other Directors, i.e. until the Shareholders' Meeting held to approve the financial statements at 31 December 2019. The Board of Directors met at the end of the Shareholders' Meeting and appointed Fabrizio Curci as Chief Executive Officer and General Manager of Fiera Milano effective from 1 September 2017.

The Chief Executive Officer is invested with all the powers necessary for the management and ordinary administration of the Company except for those that are reserved by law to the Board of Directors and those indicated in Article 17.1 and 17.2 of the Articles of Association and any other matters that remain the responsibility of the Board of Directors.

On 25 July 2017 and effective from 1 September 2017, further amended on 18 September 2017 and 22 May 2018, the Board of Directors invested Mr Curci with the following powers:

1. as part of the corporate activities, to stipulate, amend and conclude property leases with annual instalments of no more than €2,000,000.00 per transaction and for periods not exceeding six years;
2. to stipulate, amend and conclude consultancy and cooperative agreements, contracts for the use of intellectual property and professional services in general for an amount or commitment never exceeding €1,000,000.00 per transaction, without prejudice to the fact the Board of Directors remains responsible for appointments, consultancies and services for over €100,000.00 that are not within budget limits and in any event given to parties outside the Board of Directors;
3. to negotiate and carry out cash transactions in foreign currencies for a maximum amount of €2,000,000.00;
4. to acquire, dispose of and negotiate derivative contracts (swaps, futures and options) with the proviso that such transactions may only be carried out to hedge interest rate, price, and exchange rate risks and to hedge against fluctuations in share prices or other financial instruments held by the Company, and always for a notional amount not exceeding €2,000,000.00 per transaction;
5. to comply with legal requirements governing the circulation of shares and dividend distributions with the ability to sign declarations;
6. to give mandates to banks, credit institutions, financial and trust companies to carry out securities services on behalf of the Company, negotiating the relative conditions and making the necessary payments;
7. to reach agreements concerning the receivables of the Company including the payment conditions of contracts with third parties for amounts not exceeding €1,000,000.00 per transaction;
8. to negotiate and finalise, under any form, mortgage agreements and financing, including discounting and factoring transactions, for single transaction amounts representing no more than 30% of the equity of the Company, as well as to request and accept guarantees for a maximum amount not exceeding 30% of the equity of the Company;
9. in the interests of the Company and/or in the interests of and/or in favour of directly or indirectly controlled companies or entities and for sums not exceeding €5,000,000.00, to request bank and/or insurance guarantees, letters of guarantee and, in general, reliance letters, to sign the relative agreements, give guarantees of all types, sign indemnities and/or warranties, endorsements, comfort letters, and finalise and sign financing transactions and/or bank guarantees;
10. to request without limits bank and/or insurance guarantees, letters of guarantee and general reliance letters in compliance associated with a request for reimbursement of taxes and/or duties to the Company;
11. to represent the Company both in Italy and abroad in all matters and requirements relating to taxes, duties, and national insurance contributions and, for example, sign as the legal representative the annual tax returns, the Vat returns, the annual withholding tax forms; sign, present and negotiate statements, appeals, claims and disputes with the Tax and Customs Authorities, the Tax Commissions of all levels, including the Central Tax Commission, and the Judicial Authority, negotiate and settle tax disputes, appointing and dismissing as necessary solicitors, defence lawyers, consultants and expert witnesses;
12. to represent the Company, both actively and passively, in Italy and abroad, before judicial, civil and criminal authorities, administrative and financial authorities in any area and level of jurisdiction also before courts of appeal and the high court,

- appointing and dismissing as necessary defence lawyers, solicitors, counsellors, consultants and expert witnesses and all with the power to table formal complaints on behalf of the Company;
13. to negotiate and settle legal and out-of-court disputes, make out-of-court settlements for a maximum of €1,000,000.00 per dispute;
  14. to represent the Company in individual labour disputes governed by Chapter Iv, Book II of the Italian Civil Procedure Code, represent the Company in the aforementioned actions, taking part in hearings under Articles 420 and following of the Civil Procedure Code with full powers to settle or agree disputes in the role, for this purpose, of public prosecutor in accordance with the aforementioned Article 420 of the Civil Procedure Code;
  15. for employees that are not part of management and those managers that are not top managers (top managers being those that report directly to the Chief Executive Officer and that have gross annual salaries in excess of €200,000.00), to employ, promote, transfer, discipline and dismiss, determine their duties, placement, remuneration, both fixed and variable, and any ancillary and/or extra agreements to the employment contract, while respecting the employment policies under Article 17.2 letter (b) of the Articles of Association;
  16. to release certificates and returns for employee income, wage slips and any other matters concerning employees and social security and social and national insurance agencies and other public and/or private entities;
  17. to represent the Company, in Italy and abroad, before social and welfare agencies, trade unions and organisations for employers and employees, law enforcement agencies, social security agencies, the Asst (Azienda Socio Sanitaria Territoriale), Ats (Agenzia di Tutela della Salute), Irccs (Istituto di Ricovero e Cura a Carattere Scientifico), employment offices and mediation and arbitration organisations, and to sign national, local and company trade union agreements and negotiate as part of any related disputes;
  18. to represent the Company, in Italy and abroad, in matters under Legislative Decree no. 58 of 24 February 1998 and before Borsa Italiana S.p.A., the Commissione Nazionale per le Società and the Borsa (Consob) or other bodies that manage and/or govern regulated financial markets, the Ufficio Italiano dei Cambi, Monte Titoli S.p.A., the Italian Monopolies and Mergers Authority, the Bank of Italy, courts, Business Registers, Chambers of Commerce and Industry, government ministries and any other organisational bodies, government departments, associations, and legal entities or individuals, shareholders and with the power to sign any declarations, documents and/or communications, statements, and certificates considered necessary and/or appropriate;
  19. to represent the Company at meetings of shareholders, associations, foundations, consortia and entities in which the Company has a shareholding and with the power to delegate such representation;
  20. to stipulate, amend and cancel purchase, exchange and sales contracts and those for the supply of goods, raw materials, finished and semi-finished products and any product required for the Company business, limited to a value of €2,000,000.00 for any transaction;
  21. to stipulate, amend and cancel tender contracts of any kind, including services, works, and transport contracts, commission agreements, deposit contracts, agency and sale contracts, loan for use, hire, agency and carrier services agreements for sums not exceeding €20,000,000.00 for any transaction;
  22. to represent the Company in tenders and, in general, any procedures for the award of contracts of any kind, for concessions or sub-concessions from public or private entities and their agents and sub-agents, stipulating and signing contracts in the name of and on behalf of the Company, giving expressions of interest,



- applications, financial quotations or any other relevant statement or declaration defining prices, agreements and conditions and signing these concession and/or sub-concession agreements;
23. to dispose of, destroy or scrap machinery, equipment, plant, vehicles and any other type of asset having completed any formalities required by the public registers for ownership and including the cancellation of mortgages;
  24. to stipulate, amend and cancel insurance contracts covering all types of risks, lease and factoring contracts for sums not exceeding €5,000,000.00 for any single transaction;
  25. to stipulate, amend and cancel procurement contracts for the purchase of technologies, products and services in the fields of It, electronic, telecommunications and office automation technology, for sums not exceeding €2,000,000.00 for any single transaction;
  26. to carry out banking transactions, including opening bank accounts, making deposit agreements, transferring cash and cash equivalents among banking institutions and using the current account and overdraft facilities within the credit limits previously requested and obtained by the Company;
  27. on behalf of the Company, to instigate any preventive or enforcement, seizure, and injunction measures, attachment orders and revoke these; to protest against bills of exchange to issue a garnishee statement to the judicial authorities while adhering to the provisions of prevailing law, with special reference to the provisions of Article 547 et seq. of the Italian Civil Procedure Code;
  28. to intervene in bankruptcy proceedings, file creditor claims in those bankruptcy proceedings, sign agreements, demand partial or final distribution, intercede in arrangements with creditors and approve or reject them;
  29. to represent the Company, in Italy and abroad, in bids and tenders to provide and supply public and private, government and quasi-governmental and local entities stipulating and signing in the name of and on behalf of the Company all the relevant papers, determining prices, agreements and conditions, granting and redeeming guarantee deposits, cashing the money agreed and issuing valid receipts and liability release declarations to the accounts offices, departments and persons responsible for making the payments;
  30. to represent the Company, in Italy and abroad, instigating any compliance or transaction with any public, government or private entity including any municipal, provincial, regional or state entity, the Asst (Azienda Socio Sanitaria Territoriale), Ats (Agenzia di Tutela della Salute), Irccs (Istituto di Ricovero e Cura a Carattere Scientifico), the tax authorities, business registers, railway companies, post office, land, sea and air transport companies with all necessary powers and to the full extent permitted by law;
  31. to sign statements regarding regulatory status and compliance, consular invoices, import and export certificates and forms, and to carry out any required transactions with customs with the authorisation to make and collect any necessary deposits, sign application statements and forms;
  32. to sign reports regarding inspections of any kind by public officials with the power to instigate disputes, make declarations, express reservations and provide corrections and clarifications;
  33. to issue instructions, organise, manage and control, with fully independent decision-making and spending powers, compliance as part of the Company's activities of all obligations envisaged in Regulation (EU) 2016/679 – the General Data Protection Regulation – and Italian regulations on personal data protection and related amendments, as well as adopt all measures necessary for this purpose, and to represent the Company as data processing controller with the right to sub-delegate all or part of the aforementioned powers and/or assign the

- duty of complying with such obligations to other internal (executives, employees) or external parties (consultants);
34. to assign and revoke responsibilities and general and/or special powers for specific acts or categories of acts within the limits of the powers assigned;
  35. in accordance with Article 19 of the Articles of Association, to have signing authority and legal representation on behalf of the Company, either with third parties or in legal matters concerning Fiera Milano, for all matters delegated by the Board of Directors, preceding his name with the words "Chief Executive Officer";
  36. to assume the responsibilities of the "Director appointed to oversee the internal control and risk management system" in accordance with Article 7 of the Corporate Governance Code;
  37. and any other management or representation powers for the ordinary management of the Company but specifically excluding any related to the extraordinary management of the Company.

Lastly, by decision of 13 December 2018, the Chief Executive Officer was granted powers to negotiate, authorise and sign transactions involving the temporary commitment of liquidity through available funds of Fiera Milano, in compliance with the provisions of the Financial Resources Management Policy as approved by the Board of Directors, up to a limit of €20 million per investment, with the option as part of the delegated powers to grant special power of attorney for certain actions or categories of actions with a limit of €10 million per investment.

In addition, the Board of Directors assigned further roles and responsibilities to the Chief Executive Officer, in particular the role of Director appointed to oversee the internal control and risk management system, in accordance with indications in the Corporate Governance Code; appointment as Statutory Employer of Fiera Milano under Article 2, paragraph 1.b), of Italian Legislative Decree 81/08 and designating him as the person responsible for environmental safety and protection, with all the necessary executive, management and decision-making powers and funds required to ensure compliance with laws regarding environmental safety and protection.

The Chief Executive Officer reports to the Board of Directors, at least quarterly and whenever the Board meets, on his activities, the operating performance and business outlook, as well as the main economic, financial and equity transactions or those of most significant size and nature carried out by the Company and its subsidiaries.

The Board of Directors also gave Mr Curci specific responsibilities regarding his role as General Manager of Fiera Milano and required him to report to the Board of Directors on these responsibilities at least quarterly.

Specifically, as General Manager, Mr Curci is responsible for:

1. implementing the business plan approved by the Board of Directors;
2. implementing the decisions taken by the Board of Directors, also through coordination of subordinate bodies, and ensuring their timely execution;
3. adopting all necessary measures to ensure the regular operations of the Company;
4. defining the corporate organisational chart and supervising activities so that all departments act in coordination with each other;
5. coordinating the conduct of all corporate functions, assigning responsibilities, setting targets and ascertaining whether these targets are met;
6. identifying and appointing those responsible for the services and sectors and coordinating their activities;

7. managing all services and the operating units of the structure through the implementation of policy-making, coordination and administrative supervisory functions for employees and external collaborators;
8. making available and/or authorising the payment of the salaries and monthly contributions of the employees of Fiera Milano, and taking any action to ensure the above and carrying out and/or subscribing to any means useful or necessary to compile the forms for the payment of costs related to the monthly wages (i.e. national insurance contributions and statutory deductions) and the payment of these costs;
9. coordinating and optimising all Company operations and projects to enhance their efficiency and ensure they work towards the aims of the Company;
10. carrying out investigations, studies and analyses aimed at formulating efficiency improvement proposals and defining the responsibility matrix and the organisational structure;
11. supervising the work organisation;
12. ensuring strict compliance with laws, internal regulations and instructions;
13. overseeing the scheduling of periodic assessments, workloads, service and operating unit productivity.

#### **4.5 Self-assessment of the Board of Directors**

Pursuant to the Corporate Governance Code and Article 12.1 of the Regulations of the Board of Directors, at least once a year the Board of Directors carries out a self-appraisal of the functioning, composition and size of the Board of Directors and of its committees, providing information of any professional qualities it deems should be present in the Board of Directors.

The appraisal is carried out under the Regulations of the Board of Directors of Fiera Milano.

This Report includes notification that the appraisal has been done and, where considered appropriate, indicates the results.

The Chairperson of the Board of Directors instigates and manages the self-assessment and identifies any internal and/or external persons that should be involved in the process. The self-appraisal involves the following steps:

- identification of the appraisal parameters for the current financial year and the quantitative and qualitative valuation criteria;
- gathering of qualitative information on the directors, including updating curricula vitae, the list of positions held by each Director, training courses followed and any related-party transactions;
- gathering information on attendance, meeting duration and matters discussed;
- the use of questionnaires to ascertain the opinion of the directors regarding the assessment parameters for the composition and modus operandi of the Board itself and the internal committees of the Board. The questionnaires are updated and/or amended annually depending on the aim of the self-assessment for that financial year;
- assessment of the qualitative information obtained regarding compliance with the law, best governance practices and the Regulations of the Board of Directors regarding board member profiles;
- final assessment of information deriving from the self-assessment questionnaires;
- formalisation of the results in the relevant document indicating the methodology used and the results obtained.



In particular, continuing the self-assessment process which was started in December 2018, the Board of Directors, in the meeting of 17 December 2019, confirmed the method used for the annual appraisals, appointing the Company Secretarial Team to oversee the process, supervised by the Chairman and the Appointments and Remuneration Committee. The latter was only involved in aspects concerning guidelines for shareholders on the renewal of positions on the Board of Directors, whose term of office was due to end with the approval of the Financial Statements at 31 December 2019.

For the correct discharge of the self-assessment process, each Director completed the following to the extent of his/her responsibilities:

- the Board of Directors self-assessment questionnaire;
- the self-assessment questionnaire for committee members, where appropriate;
- the checklist certifying personal requirements and expertise;
- a personal details record;
- the curriculum vitae.

The results of the process, relating to self-assessment of the operations, membership and number of members of the Board of Directors and its committees in reference to 2019, were obtained through the active cooperation of all Directors and were processed with operating support from the Secretariat of Fiera Milano.

In particular, as part of the self-assessment carried out for the year ending 31 December 2019, specific areas of competence were identified as essential within the Board of Directors:

- knowledge of the trade exhibition sector;
- experience of corporate management and/or business organisation acquired through administration, direction or control experience in companies or groups of similar size;
- an ability to read and understand financial statements acquired through years of experience of corporate administration and control or in a professional capacity or through teaching at university level;
- an understanding of corporate governance (audit, legal and corporate aspects, etc.) acquired through years of audit or management control experience in companies of significant size or gained in a professional capacity or through teaching at university level;
- international experience and knowledge of foreign markets acquired through years of business or professional activities in companies or groups with an international profile.
- knowledge of remuneration packages (i.e. added by Board decision of 13 December 2018 among the skills that the Board of Directors must possess as a whole);
- business risk management (i.e. added by Board decision of 13 December 2018 among the skills that the Board of Directors must possess as a whole);

the self-assessment, under the supervision of the Chairperson of the Board of Directors, was carried out by each Director completing a questionnaire in aggregate and anonymous form; the results were presented during the Board Meeting of 11 February 2020.

The questions were designed to analyse (i) the size and composition of the Board of Directors with reference to the nature and professional experience of the directors; (ii) its modus operandi, (iii) the composition and responsibilities of the internal committees

of the Board; (iv) the knowledge of the legal framework of the sector and the participation of Directors at meetings and in the decision-making process.

With reference to the requisites and individual and collective competences of Board members:

- all members meet the requisites under Article 2382 of the Italian Civil Code;
- the Board of Directors comprises six independent directors out of a total of nine overall, meeting the requirement under Article C.3. of the Corporate Governance Code of Borsa Italiana S.p.A. of July 2018 (which requires at least two independent directors);
- the Board of Directors guarantees the diversity of its members; in particular:
  - o gender diversity is well represented on the Board, with one more than one third of the directors being female, i.e. the least represented gender;
  - o generational diversity is well represented on the Board, as members are from different age groups and professional backgrounds;
  - o professional diversity is well represented on the Board, as members are specialist professionals operating in diverse product sectors of interest for Fiera Milano;
- each Board Director has good knowledge of and experience in at least three of the competency areas indicated;
- overall, in relation to the number Board Directors, the Board has a high level of competency in each area appraised.

With reference to the results of the self-assessment on the Board's functioning:

- the size of the Board is adequate for it to carry out its functions;
- the composition of the Board is balanced and does not require the addition of other professional competencies;
- the functioning of the Board is generally adequate for the operating requirements of Fiera Milano; in particular:
  - o main strategic decisions are promptly notified to the Board.
  - o Board activities are generally given a positive assessment;
  - o the Board operates effectively to monitor, promote and encourage compliance with relevant rules and regulations;
  - o the Board's controls on Fiera Milano's obligations are adequate;
- pre-board information is adequate and the Company, in adopting the new application which has made Board meetings fully digital, has made it easier and immediate for board directors to review documentation;
- the frequency and duration of Board meetings are adequate for the items on the agenda,
- information flows between the Board and other company boards are adequate.

In the self-assessment process, the Board of Directors also made training proposals, to assist the board in areas in its remit that may become a challenge for the future.

As the term of office of the Board of Directors will end with the Shareholders' Meeting called to approve the Financial Statements at 31 December 2019, guidance for shareholders on the qualitative/quantitative composition of the new board was provided, in line with recommendations in the Corporate Governance Code. This guidance is contained in a specific document, approved by the Board of Directors on 11 February 2020, and disclosed to the market on the same date.

## **4.6 Independent Directors**

Independent Directors During 2019, the Independent Directors actively contributed to the corporate decisions adopted. Note in this respect that, as detailed below, the Appointments and Remuneration Committee is primarily composed of Independent Directors and the Control and Risk Management Committee is composed entirely of Independent Directors.

During 2019, a meeting of the Independent Directors was held, during which their involvement in Board decisions was rated positively, save for suggestions to further improve Board meetings. The Directors always received, well in advance, all the information necessary to ensure their participation at the Board meetings was effective and informed and not merely a formality. This enabled them to formulate any appropriate comments on the advisability and correctness of decisions put forward for the approval of the Board.

The continued possession of independence requirements of Directors is verified annually on the basis of criteria established in the Corporate Governance Code and other regulatory measures in force.

At the time of the self-assessment, each Director provided self-certification to confirm whether these requirements were met in accordance with provisions of the Corporate Governance Code.

## **4.7 Lead Independent Director**

Pursuant to the Corporate Governance Code, companies not listed on the FTSE-Mib index are required to appoint a Lead Independent Director only in the following cases: (i) if the Chairperson of the Board of Directors is the company's Chief Executive Officer; (ii) if the office of Chairperson is covered by the person who controls the issuer.

For this reason, as Fiera Milano is under no such obligation, at the meeting of 2 May 2017 the Board of Directors decided not to appoint a Lead Independent Director.

## **5. Internal Committees of the Board of Directors (Article 123-Bis, paragraph 2.D), Consolidated Finance Act)**

The Board of Directors, in compliance with the provisions of the Corporate Governance Code has set up internal committees to assist the Board in carrying out its role.

Specifically, the Board of Directors has set up the Control and Risk Management Committee and the Appointments and Remuneration Committee; their roles in offering advice and/or making recommendations are in line with the standard required by the Corporate Governance Code and corporate governance best practices.

In particular, as regards the Appointments and Remuneration Committee, the Company decided to continue grouping together the activities relating to remuneration and appointments under a single committee, in view of the fact that the approach was confirmed capable of achieving the objectives established by the Corporate Governance Code, and given the limited size of the Company and the high degree of ownership concentration at 31 December 2019.

Special regulations approved by the Board of Directors govern the work of these Committees.

The Committees report periodically on their activities to the Board of Directors.

## 5.1 Appointments and Remuneration Committee

An Appointments and Remuneration Committee was set up within the Board of Directors.

The Appointments and Remuneration Committee comprises at least three Non-executive Directors, the majority of which are Independent Directors, in compliance with the Articles of Association. At least one member of the Committee has adequate knowledge and experience of financial matters or remuneration policies. This is assessed by the Board of Directors at the time of his/her appointment.

The Committee assists the Board of Directors in preparatory work, advises and makes recommendations on appointments and remuneration matters. In particular:

Functions of the Remuneration Committee:

- a) presents the Report on Remuneration to the Board of Directors for its approval, particularly the remuneration policy, that will be presented to the Shareholders' Meeting convened to approve the financial statements as required by law;
- b) prepares proposals for the remuneration of the Chairperson and Executive Directors covering all forms of remuneration and salary payments;
- c) prepares proposals for the remuneration of Directors appointed to the internal committees of the Board of Directors;
- d) examines instructions from the Chief Executive Officer and proposes:
  - a. d.1 annual and long-term incentive schemes, including share-based plans, for Company executives;
  - b. d.2 general guidelines for the remuneration of executives with strategic responsibilities;
- e) together with the Chairman of the Board of Directors, prepares proposals for performance objectives related to the variable remuneration of Directors with specific responsibilities;
- f) together with the Chairperson of the Board of Directors, proposes end-of-office indemnities for Directors with specific responsibilities, as well as non-disclosure agreements;
- g) monitors the implementation of the decisions taken by the Board of Directors, in particular, verifying the effective achievement of any performance targets;
- h) periodically evaluates the overall adequacy, coherence and implementation of the Remuneration Policy, as described above in paragraph a) and prepares relevant proposals for the Board of Directors;
- i) provides information on the procedures for exercising its functions to the shareholders' meeting, in reports to submit in accordance with applicable legislation.
- j) Functions of the Appointments Committee:
- k) puts forward to the Board of Directors the names of possible candidates to be a Director should one or more Directors be unable to carry out his/her duties in the course of the financial year (Article 2386, paragraph 1, Italian Civil Code) ensuring that the requirements for both a minimum number of Independent Directors and gender balance are met.

The members of the Appointments and Remuneration Committee, in office until approval of the financial statements at 31 December 2019, are the directors: Alberto Baldan, Marina Natale and Elena Vasco, who acts as Chairperson. Members of the Appointments and Remuneration Committee have the necessary experience to carry out their assigned duties with respect both to appointments and remuneration.

Members of the Appointments and Remuneration Committee are remunerated for their activities.

During the financial year ended 31 December 2019, the Committee held 5 duly minuted meetings and carried out its responsibility to table proposals to the Board of Directors. The average duration of the meetings of this Committee was approximately 1 hour and 30 minutes. At the date of approval of this Report, 2 meetings had been held in the current financial year.

At the first opportunity, the Committee Chairperson arranges for the Board of Directors to be informed of issues of particular significance or of interest raised during the meetings.

Detailed information on the composition, role and functioning of the Appointments and Remuneration Committee are given in the Report on Remuneration prepared in accordance with Article 123-ter of the Consolidated Finance Act.

During the financial year under review, the work of the Appointments and Remuneration Committee concerned:

- for appointments:
  - succession plans: this issue was carefully discussed in the meeting of 11 March 2019, when the succession plan presented to the Board of Directors for approval on 12 March 2019 was validated;
  - preliminary review of documentation, prepared during the 2019 self-assessment process, to give guidance to shareholders on the composition of the new Board of Directors of Fiera Milano S.p.A.
  -
- for remuneration:
  - review of the Remuneration Report pursuant to Article 123-ter of the Consolidated Finance Act and in particular the remuneration policy to be presented for approval to the Board of Directors and the Shareholders' Meeting convened to approve the financial statements for the year;
  - proposal of settlement of the MBO Bonus, performance bonuses and one-off bonuses for 2018;
  - review of the guidelines relating to the short-term incentives plan (MBO) for the CEO and Executive with strategic responsibilities for 2020 for the relevant company population;
  - review of the guideline relating the management short-term incentives plan (MBO) for 2020;
  - initial considerations on the 2020–2022 LTI Plan;
  - analysis of the impact of the Shareholder Rights Directive on the Remuneration Policy.

Moreover, during the year, the Appointments and Remuneration Committee reviewed the new version of the Committee Regulations approved by the Board of Directors of the Company on 18 June 2019.

It also conducted a self-assessment to verify the adequacy of its composition and rules for its functioning, based on its duties. This self-assessment was completed with a positive outcome on 8 February 2019.

## **5.2 Control and Risk Management Committee**

The Board of Directors set up a Control and Risk Management Committee composed of Independent and Non-executive Directors.

The Committee is composed of a minimum of three Non-executive Directors who, in accordance with the Articles of Association, must all be independent. At least one member of the Committee must have appropriate experience in accounting and finance and the Board of Directors must ascertain this at the time of appointment.

The Board of Directors appoints one of the independent members of the Committee as Chairperson to coordinate the work of the Committee.

The Committee has an advisory role, makes proposals and carries out preliminary research to aid the Board of Directors in its decisions and assessments of the internal control and risk management system, as well as relating to approval of interim financial reports and the disclosure of non-financial statement ("**NFS**").

The Committee meets periodically with a frequency suited to correctly carrying out its duties. In any event it meets to approve the annual financial statements, the six-month interim financial statements and the NFS.

In particular, in compliance with the principles in the Corporate Governance Code, the Board of Directors has given the Committee the duty of assisting it, carrying out adequate preliminary activities and providing advice, in assessments and decisions relative to the Internal control and risk management system, and in decisions on the approval of financial reporting and the NFS.

In this context, the Committee gives a preliminary opinion to the Board of Directors regarding:

- the definition of guidelines for the internal control and risk management system so that the main risks faced by the Company and its subsidiaries are correctly identified, quantified, managed and monitored while assessing the compatibility of these risks with management of the company in a way that is consistent with the stated strategic objectives;
- the annual assessment of the adequacy and effectiveness of the internal control and risk management system given the nature of the business and its risk profile;
- the description, which forms part of the Report on Corporate Governance, of the main features of the internal control and risk management system, the coordination methods adopted by parties involved and the assessment of its adequacy;
- the interests of the Company regarding minor or significant related-party transactions, and the substantial fairness of conditions, pursuant to company procedures in force adopted in accordance with Consob Resolution no. 17221/10 and related organisational implementing rules;
- the proposed appointment or removal of the Internal Control Director, ensuring that he/she has the necessary resources to carry out his/her role, as well as on whether his/her remuneration is consistent with Company policy, assisted in this matter by the Appointments and Remuneration Committee;
- the adoption and subsequent updating of the Guidelines for the Financial Reporting Officer;
- annual approval of the audit plan prepared by the Internal Control Director;
- the findings of the independent auditors in any letter of recommendation and in the report on any fundamental matters under Article 19, paragraph 3 of Italian Legislative Decree no. 39/10 emerging from the independent audit;

The Committee, in assisting the Board of Directors, also has the following duties:

- in collaboration with the Financial Reporting Officer and having requested opinions of the Independent Auditors and the Board of Statutory Auditors, assessment of the correct application of accounting principles, as well as their consistent application



- across the Group for the purpose of preparing the consolidated financial statements;
- express a considered opinion on specific aspects regarding identification of the main corporate risks;
  - monitor the autonomy, adequacy, effectiveness and efficiency of the Internal Control Department of Fiera Milano S.p.A. and supervise activities, to ensure conditions of independence and objectivity, competence and professional diligence are met, in compliance with the Code of Ethics of Fiera Milano and international standards. In particular, the Committee:
    - examines the periodic assessment reports of the Internal Control Department containing information on activities carried out, the assessment of the internal control and risk management system, and any other important evaluations;
    - requests the Internal Control Department to carry out audits/controls for specific areas of operations, and, at the same time, notifies the Chairperson of the Board of Statutory Auditors;
    - reviews results of audits conducted by the Internal Control Department;
    - reviews information received from the Internal Control Director and promptly informs the Board of Directors of its own evaluations, in the case of: i) serious deficiencies in the system to prevent irregularities and fraudulent acts or irregularities or fraudulent acts committed by employees that hold key positions in the internal control and risk management system; ii) circumstances that may harm the independence of the Internal Control Department;
  - after preliminary research, to support the assessments and decisions of the Board of Directors on matters concerning the risk management of prejudicial events that have come to the attention of the Board of Directors;
  - oversee matters regarding the sustainability of company activities and the interaction with all stakeholders so that a true and fair assessment of the information can be included in the NFS under Italian Legislative Decree 254/2016 and as further amended;
  - advise on the activities of departments in the case of judicial investigations in Italy and/or abroad, for which the CEO and/or Chairman of the Company and/or a Board Director and/or an officer reporting directly to the CEO, also if no longer in office, have received information of their being investigated regarding the predicate crimes in Legislative Decree 231/2001, referable to the relative mandate and area of responsibility;
  - report at least every six months at the time of the approval of the annual financial statements and the six-month interim financial statements to the Board of Directors on its work and on the adequacy of the internal control and risk management system;
  - carry out all further duties assigned by the Board of Directors.

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

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

The Control and Risk Management Committee has access to all the information and Company departments required to carry out its duties and may also use external consultants.

The current members of the Control and Risk Management Committee are the directors Stefania Chiaruttini, acting as Chairperson, Francesca Golfetto and Angelo Meregalli. Members of the Control and Risk Management Committee are remunerated for their activities.

In the year ending 31 December 2019, the Control and Risk Management Committee held 10 duly minuted meetings. The average duration of the meetings of this Committee was approximately 1 hour and 35 minutes. At the date of the approval of this Report, 2 meetings had been held in the current financial year.

During the financial year under review, subject to approval of its action plan and to the extent of its responsibilities, the Control and Risk Management Committee:

- expressed its opinion on impairment testing for the Financial Statements at 31 December 2018 and relative results;
- expressed its opinion on six-monthly control activities regarding the procedures and activities indicated in Law 262/2005;
- expressed its opinion on the Independent Auditor's Plan for the 2019 Financial Statements;
- expressed its opinion on Non-Financial Information at 31 December 2018;
- expressed its opinion on investments in sustainable finance;
- expressed its opinion on Agreements between Fondazione Ente Autonomo Fiera Internazionale di Milano and Fiera Milano.
- expressed its opinion on specific agreements and extraordinary transactions which come under the definition of Minor or Significant Transactions pursuant to applicable regulations and the Procedure on Related-Party Transactions adopted by the Company;
- expressed its opinion on the Internal Audit and Compliance Plans, as well as the results of all second and third level control functions (including the Risk Management function);

The Control and Risk Management Committee also exercised its prerogative to provide the Board of Directors with a preliminary analysis identifying, measuring, managing and monitoring the main risks to the Company and, as part of its annual assessment, the adequacy of the internal control and risk management system given the characteristics of the business and its risk profile, as well as its effectiveness.

On the subject of related-party transactions, the Committee examined the substantive and procedural fairness of the main economic, equity and financial transactions with related parties.

Moreover, during the year, the Control and Risk Management Committee reviewed the new version of the Committee Regulations approved by the Board of Directors of the Company on 18 June 2019.

It also conducted a self-assessment to verify the adequacy of its composition and rules for its functioning, based on its duties. This self-assessment was completed with a positive outcome in March 2019.

During the year, the Control and Risk Management Committee held specific meetings with the Company's Supervisory Board, in accordance with Legislative Decree 231/2001.



## **6. Remuneration of the Board of Directors**

The variable part of the remuneration of the Chief Executive Officer and the Executive with Strategic Responsibilities is linked to achievement of the specific performance targets, indicated in advance and determined in accordance with the Remuneration Policy approved by the Board of Directors. For details, reference should be made to the Report on Remuneration prepared in accordance with Article 123-ter of the Consolidated Finance Act for:

- the general policy on remuneration;
- remuneration of Executive and Non-executive Directors (see Section II, Paragraph I, of the Report on Remuneration prepared in accordance with Article 123-ter of the Consolidated Finance Act);
- remuneration of executives with strategic responsibilities (see Section II, Paragraph I, of the Report on Remuneration prepared in accordance with Article 123-ter of the Consolidated Finance Act);
- indemnity payable to the Chief Executive Officer in the event of resignation, dismissal or termination of contract (see Section II, Paragraph I, of the Report on Remuneration prepared in accordance with Article 123-ter of the Consolidated Finance Act).

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

The internal control and risk management system ("SCI&GR") of the Company and the Group is made up of a set of rules, procedures and organisational structures designed to identify, measure, manage and monitor the main risks. It contributes to the conduct of the Company and the Group, consistent with the corporate purposes established by the Board of Directors of the Parent Company, and encourages the adoption of informed decisions. It assists in ensuring: (i) the protection of equity, (ii) efficient and effective corporate procedures, (iii) reliability of financial reporting to corporate bodies and the market, and (iv) compliance with applicable laws and regulations, the Articles of Association, and internal procedures.

The Fiera Milano Group has consolidated periodic risk management process at Group level, based on internationally recognised Enterprise Risk Management (ERM) standards.

The main aim is to have a systematic and proactive approach to the main risks to which the Group – and each of its companies – is exposed in carrying out its business and pursuing its pre-established targets, to assess in advance the potential negative effects, implement appropriate actions to mitigate these effects, and to monitor relative exposure over time.

In order to achieve this Fiera Milano has compiled a catalogue of Group risks and a risk mapping and risk scoring methodology. Specifically, the Group consolidated process entails periodic:

- i. updating of the risk catalogue according to the strategies pursued and the organisational and business model adopted;
- ii. assessment of the risks by the management of Fiera Milano and its subsidiaries;
- iii. consolidation of information and prioritisation of the risks and the consequent areas of action;
- iv. tolerance analysis of any exposure identified and the formulation of appropriate management strategies/actions and related implementing responsibilities.

The organisational and procedural monitoring for the ERM process is guaranteed by the Risk Management Department, responsible for the correct functioning of the entire company risk management process, and operates based on the ERM Policy, that governs the roles and responsibilities for identifying, measuring, managing, monitoring and reporting corporate risks in Fiera Milano Group.

The Control and Risk Management Committee and the Board of Statutory Auditors are periodically informed of the process results.

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

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

In recent financial years, Fiera Milano has modified its internal control system for financial reporting in keeping with the provisions of Law 262/05 so as to document, where necessary, the administrative and accounting control model adopted and to schedule and implement periodic checks on the operational efficacy of the controls that are behind the certification processes of the Financial Reporting Officer.

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

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

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

- identification of processes, risks and controls;
- definition and updating of administrative and accounting procedures;
- monitoring of administrative and accounting procedures.

As part of the responsibilities and powers given him/her by the Board of Directors, the Financial Reporting Officer must effectively implement any actions falling into the above categories.

The main activities referred to in the adopted model, and included in the macro-categories listed above, are summarised below.

- ***Identification of processes, risks and controls***

This category includes all activities concerned with identifying or updating the extent of analysis and monitoring carried out, the identification and assessment of risks, the mapping of administrative and accounting processes and then the formulation and assessment of controls to mitigate those risks.

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

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

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

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

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

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

- ***Definition and updating of administrative and accounting procedures***

Based on the results of activities to identify the processes, risks and controls, the Financial Reporting Officer defines or updates the administrative and accounting procedures and guarantees their adequacy as regards the internal control system and monitors the various phases of the process for defining or updating the procedures.

In particular, the administrative and accounting procedures are updated in conjunction with an assessment of the form and design of the controls and the continuous monitoring of their implementation.

- ***Monitoring administrative and accounting procedures***

The Financial Reporting Officer constantly monitors the administrative and accounting procedures, with particular reference to those linked to the preparation of the financial statements, the consolidated financial statements and the condensed six-month interim financial statements, as well as any action or communication of a financial nature that requires statements, attestations and declarations under paragraphs 2 and 5 of Article 154-bis of the Consolidated Finance Act, so as to ensure the adequacy and effective implementation of these procedures.

To achieve this, specific audit activities are planned to ascertain correct implementation of the controls incorporated in the administrative and accounting procedures. The control, analysis and audit activities for the administrative and accounting procedures are based on defining a test strategy that determines the *modus operandi*, the controls and ways of monitoring the procedural systems implemented.

The timetable of the control testing activity is prepared in such a way as to give priority to verifications of identified "key" controls, and to balance the objectives of efficiency with the requirement of achieving adequate coverage of the verification activities, introducing rotational tests for the significant processes and sub-processes of subsequent financial reporting dates.

From 2017, as part of the continuous development of the administrative and accounting control model, given the organisational development of the Company, without prejudice to the role and responsibilities of the Financial Reporting Officer regarding declarations under Article 154-bis of the Consolidated Finance Act, the responsibility of carrying out the key control tests of the administrative and accounting processes was given to the Internal Control Department of the Company.

On the basis of the information received from the Financial Reporting Officer, the Internal Control Director, with the support of his/her department, identifies the timing and operating means for carrying out the tests on the key controls identified by the Financial Reporting Officer.

Following the tests, the Internal Control Director advises the Financial Reporting Officer of the outcome of tests carried out on each key control and indicates any shortcomings and/or areas of improvement arising therefrom.

With regard to the organisational aspects and to the roles involved in the various phases of formulating, implementing, monitoring and updating the administrative and accounting control model over time, it should be noted that specific information flows have been defined between the Financial Reporting Officer and the corporate, administrative and control committees and the corporate executives and/or areas that, outside the Department of Administration, Finance and Tax, are involved in compiling, preparing and circulating the annual financial statements, the consolidated financial statements, the condensed six-month interim financial statements, the interim report on operations and, more in general, any information subject to attestation/declaration by the Financial Reporting Officer. The accounting and administrative control model also covers specific information flows among Group companies and internal attestations/declarations.

In preparing the annual and interim financial statements and describing the principal risks and uncertainties to which Fiera Milano and the Group are exposed, the Financial Reporting Officer works with employees involved in the Enterprise Risk Management processes of the Company and of the Group in order to identify and assess all corporate risks.

- ***Governance of subsidiaries with registered offices in countries outside the EU***

In accordance with the provisions of Article 15, as referred to in Article 18, paragraph 1 of the Regulation on Markets adopted by Resolution no. 20249 of 28 December 2017, the Company and its subsidiaries have administrative and accounting systems which allow public disclosure of the accounting positions used to prepare the consolidated financial statements of companies to which this law is applicable, and which permit the regular communication of data to the Parent Company management and its independent auditors as required to prepare the Consolidated Financial Statements. Therefore, the conditions exist under the aforementioned Article 15, letters a), b) and c) of the Consob Regulation on Markets.

**7.1 Director responsible for the internal control and risk management system**

The Board of Directors is responsible for internal control and risk management and, with the help of the Control and Risk Management Committee, for establishing its guidelines and periodically verifying that it is fit for purpose and is functioning effectively, ensuring that the principal corporate risks are identified and managed in an appropriate manner.

On 25 July 2017 – effective from 1 September 2017 – the Board of Directors delegated responsibilities under Article 7 of the Corporate Governance Code governing internal control and the risk management system to the Chief Executive Officer, Fabrizio Curci.

**7.2 Head of the Internal Audit function (“Internal Control Department”)**

The Internal Control Department performs third level, independent and assurance controls designed to audit and assess the operations and adequacy of the Internal Control and Risk Management System (ICRMS) and related organisation, with the duty of:

- auditing the operations and adequacy of the ICRMS as a whole compared to the size and business operations of the Fiera Milano Group, providing assessments and recommendations;
- providing support to Top Management and management on ICRMS issues.

In line with reference best practices, the Board of Directors approved the Internal Audit Manual which defines the aims, powers and responsibilities of the Internal Control Department.

The Internal Control Director, Basilio Postiglione, was appointed at the considered proposal of the Director responsible for the internal control system by the Board of Directors of Fiera Milano at its meeting of 10 July 2017, after obtaining opinion in favour from the Control and Risk Management Committee and after consulting the Board of Statutory Auditors.

The Internal Control Department is not responsible for any area of operations and reports to the Chairperson of the Board of Directors, so as to ensure its independence and autonomy and its direct access to information useful in carrying out its duties.

The remuneration of the Internal Control Director is defined by the Chief Executive Officer, in agreement with the Chairperson, and is updated in compliance with company remuneration policies and with due regard to the role covered.

In particular, the Internal Control Director:

- on an ongoing basis and in relation to specific needs, in compliance with international standards, audits the operations and suitability of the Internal

Control and Risk Management System, taking into consideration the characteristics of the Fiera Milano Group and the risks identified. After obtaining an opinion from the Director responsible for the internal control system, the Control and Risk Management Committee and the Board of Statutory Auditors, he prepares an annual Audit Plan for submission to the Board of Directors for approval;

- prepares periodic reports containing adequate information on his activities, the risk management methods and compliance with defined risk containment plans. The periodic reports contain an assessment of the adequacy and effectiveness of the Internal Control and Risk Management System;
- promptly prepares reports on particularly significant events;
- submits the aforementioned reports to the Control and Risk Management Committee, the Board of Statutory Auditors and the Chairperson of the Board of Directors, as well as to the Director responsible for the internal control system;
- as part of the audit plan, audits the reliability of IT systems, including accounting record systems.

In order to perform the assigned duties, in addition to the Internal Control Director, the Internal Audit Department has four members of staff with specific skills relating to internal control and economic and financial matters.

If considered appropriate and subject to authorisation of the delegated bodies, the Internal Control Director can also make use of external audit professionals or tools to support activities.

### **7.3 Model 231 pursuant to Legislative Decree 231/01**

The Company has adopted an Organisation, Management and Control Model in accordance with Italian Legislative Decree 231/01.

As a result of its need to guarantee transparency and correctness in the conduct of its corporate affairs, the Company considered it appropriate to adopt an Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01 (the "**Model 231**"), which was most recently updated on 25 July 2019.

In particular, based on amendments to Legislative Decree 231/01, changes made to the Company's organisational structure and procedural configuration, it was considered appropriate to revise the entire Model 231 of Fiera Milano. The revision concerned both the General Section and Special Sections (with the exception of the Special Section "Occupational Health and Safety Crimes", updated in December 2018).

To complete the revision, on 17 December 2019, the Special Section on "Environmental Crimes" was updated, and the Special Section on "Occupational Health and Safety Crimes" was formally aligned.

The adoption and maintenance of the Model 231 aims to create a business strategy based on the principles of fairness and legality; for this reason, the Company has updated organisational and management control protocols aimed at preventing any risk that the crimes referred to in Legislative Decree 231/01 are committed, and revised the description of predicate crimes.

The Company Model is currently composed of:

- a General Section, to explain the contents of Legislative Decree 231/2001; the governance system and the organisational structure of the Company; the methodology used to identify and map the sensitive processes/activities, gap analysis and preparation of the Model 231; the characteristics and modus operandi of the Supervisory Board; information and training activities; the penalty system;



- thirteen Special Sections, on categories of predicate crimes contemplated by Legislative Decree 231/01, indicating the sensitive processes/company activities which are significant as they could potentially cause the crimes to be committed, and the relative (general and specific) protocols for preventing their commission. Each Special Section is dedicated to a category of relevant crimes under Legislative Decree no. 231/2001: (i) crimes against the public administration and private-to-private corruption, (ii) corporate crimes, (iii) market abuse crimes, (iv) transnational crimes, (v) crimes against persons in violation of workplace health and safety, (vi) crimes concerning receiving, laundering and the re-use and self-laundering of money and goods of unlawful origin, (vii) cybercrime and unlawful data processing, (viii) crimes of organised crime, (ix) crimes against industry and trade and crimes involving counterfeiting (x) crimes of copyright infringement (xi) environmental crimes (xii) illegal employment of an illegally staying third-country national, (xiii) unlawful intermediation and exploitation of labour

As an attachment, the Code of Ethics of the Fiera Milano Group (the "**Code of Ethics**" or "**Code**") is included to complete and form an integral part of the Model.

The Code of Ethics clearly defines the set of values recognised, accepted and shared by the Company and the responsibilities it assumes both internally and externally. Compliance with the Code of Ethics by employees of Fiera Milano is of fundamental importance to the operations, reliability and reputation of the Company – factors that are a decisive asset in the success of the Group. The employees of Fiera Milano, in addition to meeting the normal requirements of loyalty, correct behaviour, and acting in good faith under the terms of the employment contract, must avoid carrying out any activity that is in competition with Fiera Milano, must respect the company rules and comply with the requirements of the Code of Ethics. All those who have business relations with the Company are made aware of the Code.

The general section of the Model 231 of the Company is available on the website [www.fieramilano.it](http://www.fieramilano.it) in the section *Investor Relations/Corporate Governance/Model 231, as is the Code of Ethics, published in the section Investor Relations/Corporate Governance/Code of Ethics.*

Following the update to the Model 231 and, in order to continue the training of recent years, information and training initiatives for all corporate employees were implemented. In particular, following the update to the Model 231, a training day was held for all employees on 27 November, to provide information about the role of the Supervisory Board, and how to implement and interpret the Model 231. The training culminated in a business case and questionnaire to test knowledge gained during the day.

To guarantee the functioning, effectiveness and compliance with the Model 231, the Company has set up a collective body known as the Supervisory Board. The current Supervisory Committee, appointed on 29 May 2017, is made up of its Chairperson Piero Antonio Capitini and members Luigi Bricocoli and Jean-Paule Castagno. This Committee is charged with the control and updating of the Model 231 to ensure that it is both efficient and effective, as well as coordinating its own activities with those of other bodies and internal audit departments.

The members of the Supervisory Board are remunerated for their activities and have an annual budget when specific controls require the use of dedicated resources.

The Model 231, in application of the provisions of Article 6 paragraph 2 of Italian Legislative Decree no. 231/01, provides for specific information flows to the Supervisory

Board so that the functional and compliance supervision of the Model 231 is more effective.

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

As regards subsidiaries operating under foreign jurisdictions, which are not required to adhere to the provisions of Italian Legislative Decree no. 231/01 and which do not have their own Organisation, Management and Control Models pursuant to the aforementioned Decree 231, the Group Code of Ethics, the guidelines for anti-corruption and other compliance programmes are adopted, in order to have a systematic reference framework of crime prevention regulations and standards. These Guidelines, which are immediately adopted by external subsidiaries, were considerably revised, approved by the Company CEO in July 2019 and presented during Board meetings of foreign subsidiaries.

#### **7.4 Independent Auditors**

Accounting audit and control has been entrusted to EY S.p.A. (previously known as Reconta Ernst & Young S.p.A.), a company registered in the special Consob Register, in compliance with prevailing law. The mandate was conferred by the Shareholders' Meeting of 29 April 2014 and relates to financial years ending 31 December 2014–2022.

#### **7.5 Financial Reporting Officer**

After previously seeking opinion in favour from the Board of Statutory Auditors, on 11 May 2018 the Board of Directors of the Company appointed Marco Pacini, previously Chief Financial Officer of the Fiera Milano Group from 13 November 2017, as Financial Reporting Officer. At the same time, through the appropriate delegation of responsibilities, the Board granted him adequate means and powers to carry out the duties attributed to this position under enacted law. The Board of Directors also supervises the effective compliance with administrative and accounting procedures. The Articles of Association require this Financial Reporting Officer to be an expert in matters of administration, finance and control and to meet the same integrity requirements as Statutory Auditors under current legislation. The Financial Reporting Officer's appointment is for three financial years and must not exceed the term of office of the Board of Directors that made the appointment.

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

Persons involved in the internal control and risk management system are coordinated through a number of mechanisms and means of interaction, such as: i) scheduling and holding joint meetings of the various corporate bodies and departments responsible for internal control and risk management; ii) attendance at meetings of the Control and Risk Management Committee by the Chairperson or another member of the Board of Statutory Auditors, by the Internal Control Director and the Head of Compliance; iii) attendance by the Head of Compliance and, on request, the Internal Control Director at the meetings of the Supervisory Board under Legislative Decree 231/01. iv) the Risk Management function attends the meetings of the Control and Risk Management



Committee at least twice a year, and also takes part in periodic meetings of the Board of Statutory Auditors.

On the occasion of the revision of the "Regulation on the exercise of the power of direction and coordination by the parent company and the subsequent approval of the Guidelines, Direction and Coordination, the Board of Directors of the Company has also resolved to approve the Guidelines for Managing the Flows of Information (hereinafter, "Guidelines"). The purpose of the Guidelines is to define the management of minimum information flows between different companies of the Fiera Milano Group and between control bodies of the Parent Company (i.e. the Board of Directors, Board of Statutory Auditors, Supervisory Board, the CCR, the CNR, the Internal Control Department, the Risk Management Function, the Compliance Function, the Financial Reporting Officer under Law 262/2005), in order to promote the exchange of information among company boards and Group companies, to guarantee more efficient and effective process management.

## **8. Board of Statutory Auditors**

### **8.1 Appointment of Auditors**

The Articles state that the position of Chairperson of the Board of Statutory Auditors is granted to the first candidate on the second list by number of votes and who is in no way related, even indirectly, to those shareholders who presented, or acted in concert to present, or voted for the first placed list by number of votes. Only those shareholders who, individually or together, represent at least 2.5% of the share capital and are entitled to vote in the ordinary shareholders' meeting have the right to present a list, as required by the Articles of Association and by Consob Resolution no. 28 of 30 January 2020. A shareholder who intends to present a list of candidates and who does not own a controlling interest or the relative majority of the share capital of the Company must deposit a declaration stating the absence of any relationship with the controlling shareholders, as required by the regulatory provisions. The lists must be filed with the registered office of the Company at least twenty-five days prior to the date set for the Shareholders' Meeting on first call and must be made publicly available at least twenty-one days prior to this date.

Ownership of the minimum shareholding required to present lists is based on the shares confirmed as registered to the shareholder on the day on which the lists are filed with the Company. To prove ownership of the minimum number of shares required to present lists, shareholders must submit the relative certification released by authorised intermediaries in accordance with law by the Company's list publication deadline.

Each list, deposited at least twenty-five days before the date fixed for the Shareholders' Meeting on first call, must be accompanied by a declaration in which each candidate accepts the candidacy and declares that no reasons of ineligibility or incompatibility exist also with reference to the accumulation of positions referred to below, that the requirements of prevailing law relating to the assumption of the position are fulfilled, and must include a curriculum vitae of the candidate that indicates the administration and control positions held.

The lists presented by shareholders must have two sections: one for the appointment of Standing Statutory Auditors and the other for Substitute Statutory Auditors. The lists should not contain more candidates than there are positions to be filled, and should be

numbered sequentially. The lists must include candidates of both genders. Each candidate may only appear on one list under penalty of ineligibility.

The Articles of Association also provide that, without prejudice to situations of incompatibility under prevailing law, any person who is already an acting Statutory Auditor in 4 companies listed on regulated markets may not take up a position as Statutory Auditor and, if elected, their mandate is nullified, except where different limits are established by laws periodically in force.

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

It should be noted that, for information purposes, the full text of the Articles of Association, with the requirements given above, is available on the Company website [www.fieramilano.it](http://www.fieramilano.it) in the section *Investor Relations/Corporate Governance/Articles of Association*.

## **8.2 Diversity criteria and policies**

Under Article 20 of the Articles of Association and in compliance with provisions of the Corporate Governance Code, the Board of Statutory Auditors is well represented in terms of gender diversity – as it has three Standing Statutory Auditors of which at least one is of the least represented gender and two Substitute Statutory Auditors, one of each gender – and also in terms of generational diversity as its members come from various age and professional ranges.

The replacement procedure complies with the requirement for gender balance.

The members of the Board of Statutory Auditors must also meet the integrity, professionalism and independence requirements of laws and regulations; they must also be independent under the criteria required of directors in the Corporate Governance Code. In this context, as part of its annual assessment, the Board of Statutory Auditors verified the independence requirements by obtaining self-certification from each of its members, now held on Company records, and reported the results to the Board of Directors.

An indication of further requirements to be appointed as a Statutory Auditor was considered unnecessary as enacted rules and regulations ensure the identification of persons that have the necessary skills and experience to carry out the role.

## **8.3 Composition of the Board of Statutory Auditors (art. 123-bis, paragraphs 2.d) and 2.d-bis), Consolidated Finance Act)**

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 23 April 2018, based on a single list presented by the controlling shareholder, Ente Autonomo Fiera Internazionale di Milano, and will remain in office until approval of the Financial Statements at 31 December 2020.

The following is a short curriculum vitae, indicating the personal and professional experience of each of the Statutory Auditors currently on the Board of Statutory Auditors:

**Riccardo Raul Bauer**, Chairperson of the Board of Statutory Auditors of Fiera Milano since 23 April 2018 and Standing Statutory Auditor of Fiera Milano Congressi S.p.A.

from 3 April 2019. Born in Milan on 12 January 1951, he graduated in Economics from the Università Cattolica del Sacro Cuore in Milan in 1983. He has been a practising Chartered Accountant since 1984 and is on the National Register of Auditors.

He is a founder member of Studio OMNIA, where he practises his profession under consulting and assistance assignments in business acquisitions of leading Italian group, with pro veritate opinions on accounting and auditing principles.

He has held and currently holds many administration and control positions, such as Chairperson of the Board of Statutory Auditors of Avio S.p.A., Chairperson of the Board of Statutory Auditors of the Ospedale Israelitico, Member of the Board of Statutory Auditors of the Museo dell'Ebraismo e della Shoà, and of Space Lab S.p.A., Financial Statements Assessor on the Board of Directors of Istituto Pitigliani and Chairperson of the Audit Committee of the Order of Chartered Accountants and Accounting Experts of Milan.

Author of 30 books and numerous other publications, he has also held academic positions and, for over twenty-five years, he has been Professor under contract of Business Audit and Control for daytime and evening courses at the Università Cattolica del Sacro Cuore. For eight years he was a professor of accounting at the Università Bocconi, and was and is professor of the second-level Master's in Business Administration in Italian and English.

**Daniele Federico Monarca**, Standing Statutory Auditor of Fiera Milano since 23 April 2018 and Standing Statutory Auditor of Fiera Milano Media S.p.A. since 3 April 2019.

Born in Milan on 22 April 1959, he graduated in Economics from the Università Commerciale Luigi Bocconi in 1981. He has been a practising Chartered Accountant since 1982 and is on the National Register of Auditors.

He has held several administration and control positions and is currently Standing Statutory Auditor of Costruzioni Giuseppe Maltauro S.p.A., Independent Director of BFC Blue Financial Communication S.p.A., Independent Director of BFC Space S.r.l., Non-executive Director of Consaequo Partners S.r.l., Non-executive Director of ICIUS S.r.l., Partner/Co-Founder and Chief Executive Officer of Pigreco Corporate Finance S.r.l., Substitute Statutory Auditor of Banca Monte dei Paschi di Siena S.p.A., Standing Statutory Auditor of Foodness S.p.A., Standing Statutory Auditor with Statutory Audit Responsibilities of FHS&C S.p.A.

Entered in the Register of Court Appointed Experts with the Court of Milan, to date he is also Professor under contract in accounting at the Università Commerciale Luigi Bocconi in Milan for the Post-Graduate Course for Company Lawyers and Professor of the Family Officer Masters Course organised by AIFO Academy.

**Mariella Tagliabue**, Standing Statutory Auditor of Fiera Milano since 23 April 2018. Chair of the Board of Statutory Auditors of Ipack Ima S.r.l. since 3 April 2019 and Chairperson of the Board of Statutory Auditors of Made Eventi S.r.l. since 5 December 2019. She was born in Monza on 31 August 1970. Graduated with honours in Economics from the Università Cattolica. She is a chartered accountant, auditor and is on the register of technical consultants of the Court of Milan. Professor under contract for the Masters in Credit Risk Management at the Università Cattolica.

She is a technical consultant on financial statements, extraordinary corporate transactions and business assessment.

Author of "Introduzione ai principi guida degli Standards Contabili Internazionali", published by Educatt, and contributor to the scientific series "Economia degli intermediari finanziari" published by McGraw Hill.

She was Senior Manager of KPMG S.p.A. Financial Services as head of audit planning and supervision for listed Italian banks and large international groups.

Currently, she also holds the position of Chairperson of the Board of Statutory Auditors of Anima Holding S.p.A., Standing Statutory Auditor and Supervisory Board member of Nexi S.p.A., Mercury Payment Services S.p.A. and Nexi Payments S.p.A., She was a member of the Board of Statutory Auditors and Supervisory Board of companies in listed groups (Intesa Sanpaolo and Mittel).

**Daniele Beretta**, Substitute Statutory Auditor of Fiera Milano since 23 April 2018. Born in Milan on 25 April 1980, he graduated in Economics of financial institutions and markets from the Università Commerciale Luigi Bocconi in Milan in 2003. He has been a qualified Chartered Accountant since 2011 and is on the National Register of Auditors. He holds positions as Standing Statutory Auditor and Legal Auditor with companies operating in the industrial, financial and services sectors. He is Professor under contract at the Faculty of Banking Science, Università Cattolica di Milano. He currently has a partnership arrangement with the Studio Corbella Villa Crostarosa – Guicciardi in Milan and is treasurer of Confprofessioni at the Lombardy Regional Council.

**Marina Scandurra**, Substitute Statutory Auditor of Fiera Milano since 23 April 2018. Born in Rome on 15 December 1969, she graduated in Economics from the Università La Sapienza in Rome in 1994. She is qualified as a Chartered Accountant and is on the National Register of Auditors. Currently she holds the following corporate offices: Standing Statutory Auditor of GEDI Gruppo Editoriale S.p.A., Member of the Supervisory Board of GEDI Gruppo Editoriale S.p.A., Standing Statutory Auditor of Acea Produzione S.p.A., Standing Statutory Auditor with Supervisory Board duties of Bredamenaribus S.p.A., Standing Statutory Auditor of MICO DMC S.r.l., Standing Statutory Auditor on the Board of Morini S.r.l., Chairperson of the Board of Statutory Auditors, also with legal audit duties, of Citelum Napoli Illuminazione Scarl, Chairperson of the Board of Statutory Auditors of Stretto di Messina S.p.A. and Standing Statutory Auditor of Transmed S.p.A. During 2019, the Board of Statutory Auditors met 16 times. The average duration of the meetings of the current Board of Statutory Auditors was approximately 30 hours. At the date of approval of this Report, 4 Board meetings had been held during the current year.

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

The Board of Statutory Auditors, in compliance with Article 149 of the Consolidated Finance Act and the powers invested in it by Article 2403-bis of the Italian Civil Code, monitors the Company's activities to: ensure compliance with the law and articles of association and compliance with principles of correct administration; ensure the adequacy of the company's organisational structure to the extent of its remit, the internal control system and the administrative/accounting system, as well as the reliability of the latter in accurately representing management information; ensure there exist the means of concrete implementation of the rules of corporate governance provided by the codes of conduct prepared by the companies responsible for the organisation and management of regulated markets and to ensure the adequacy of the regulations prepared by the Company and applicable to its subsidiaries, in accordance with Article 114 paragraph 2 of Italian Legislative Decree 58/98. In compliance with Article 19 of Italian Legislative Decree 39/2010, the Board of Statutory Auditors also oversees the legal audit of the annual and consolidated financial statements, the effectiveness of the internal control, internal audit and risk management systems, as well as the process for financial reporting. The Board of Statutory Auditors also oversees compliance with the provisions for the disclosure of non-financial information

under Italian Legislative Decree 254/2016 and reviews this in its annual report to the Shareholders' Meeting.

Under Article 20.1 of the Articles of Association, in addition to its responsibilities under Article 2403, paragraph 1 of the Italian Civil Code and the powers it has under Article 2403-bis of the Italian Civil Code, the Board of Statutory Auditors must also monitor:

- (a) the capacity of the whole internal control system to ascertain the effectiveness of all the structures and departments involved in the control system and their adequate coordination, while instigating corrective measures for any shortfall or irregularity that comes to light;
- (b) the corporate disclosure process;
- (c) the statutory audit of annual accounts;
- (d) the independence of the independent auditor or independent audit firm, in particular as regards non-audit services.

In addition, as Internal Control and Audit Committee pursuant to art. 19, Italian Legislative Decree 39/2010, the Board of Statutory Auditors is responsible for the procedure for selection of the independent auditors. The Board of Statutory Auditors must also inform the Board of Directors of the results of the audit and submit the additional report to the Board pursuant to Article 11 of Regulation (EU) No 537/2014 received from the independent auditors, accompanied by any remarks.

The Board of Statutory Auditors also monitors the independence of the independent auditors, ensuring compliance with existing regulations, and the nature and scale of non-audit services provided to the Company and its subsidiaries by the independent auditors and its network of entities. To carry out its responsibilities the Board of Statutory Auditors also works in conjunction with the Internal Control Department and with the Control and Risk Management Committee on matters of common interest through meetings and exchanges of information.

With all its members, the Board of Statutory Auditors attends meetings of the Control and Risk Management Committee.

## **8.5 Self-assessment of the Board of Statutory Auditors**

In compliance with the Code of Conduct for the Boards of Statutory Auditors of Listed Companies, published by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili – Cndcec, on 26 April 2018 the Board of Statutory Auditors completed an appraisal in relation to:

- membership suitability and adequate composition of the board, with reference to the professionalism, expertise, integrity and independence requirements of the regulations;
- availability of time and resources suited to the complexity of the position.

The Board of Statutory Auditors also performs periodic self-appraisals of its operations in relation to the actual planning of its activities.

The self-assessment of the Company's Board of Statutory Auditors was therefore based on guidelines issued by Italy's National Association of Accounting Professionals (CNDCEC) and, in particular, the 2019 self-assessment questionnaire was used based on indications in the document "Self-appraisal for Boards of Statutory Auditors", published by CNDCEC in May 2019.

The Chairperson of the Board of Statutory Auditors, with operating support from the relevant company departments, prepares the self-assessment report of the Board, which describes the methodology used and the different stages that constitute the self-

assessment process; lists those involved in the self-assessment; the results obtained, highlighting any strengths or weaknesses; the remedial actions suggested by the Statutory Auditors; and describes the progress or state of implementation of remedial actions stemming from the previous self-assessment. The self-assessment document is presented to the Board of Statutory Auditors for its approval and then agreed with the Board of Directors.

The self-assessment, instigated by the Chairperson of the Board of Statutory Auditors, was carried out by each Statutory Auditor completing a questionnaire; the results were presented to the Board of Statutory Auditors, which formalised it and it in an ad hoc document presented to the Board of Directors at its meeting of 11 February.

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

Each Statutory Auditor completed this questionnaire and the analysed results were aggregated and presented to the Board of Statutory Auditors in an anonymous format. The results were obtained through the active cooperation of all Statutory Auditors and were processed with operating support from the Secretariat of Fiera Milano.

In particular, each Statutory Auditor completed:

- the self-assessment questionnaire;
- the checklist certifying professional requirements and expertise;
- a personal details record;
- the curriculum vitae.

With reference to the requisites and personal and collective competences members of the Board of Statutory Auditors:

- all members meet the requisites under Article 2382 of the Italian Civil Code;
- each member of the Board of Statutory Auditors meets the independence requirements set forth by law and by regulatory provisions (i.e. Consolidated Finance Act);
- the Board of Statutory Auditors the diversity of its members; in particular:
  - o gender diversity is well represented on the Board, with more than one third of the auditors being female, i.e. the least represented gender;
  - o generational diversity is well represented on the Board, as members are from different age groups and professional backgrounds;
- each Auditor has good knowledge of and experience in at least three of the competency areas indicated;

With reference to the results of the self-assessment on the Board of Statutory Auditors' functioning:

- the size of the Board is adequate for it to carry out its functions;
- the composition of the Board is balanced, and diverse professional expertise guaranteeing appropriate oversight of different areas is well represented, including in particular the following:
  - o legal expertise;
  - o accounting expertise in consulting and interpreting financial reporting;
  - o financial expertise and expertise in extraordinary operations;
  - o expertise in risk management;
  - o expertise in statutory auditing;



- expertise in taxation;
- knowledge of internal audit processes;
- each member of the Board declares they have sufficient time available to carry out their duties, in view of the scope and complexity, and also the nature, dimension, sectors of activity, organisational configuration and other characteristics of the Company;
- the functioning of the Board is generally adequate for the operating requirements of Fiera Milano; in particular:
  - members always attend the Board's meetings;
  - members are actively involved in discussions;
  - the Board's meetings are specifically and clearly recorded in the minutes;
  - the minutes are adequate and the register of meetings is duly updated and kept;
  - there is a team spirit and mutual trust;
  - the maximum number of positions that may be held is observed;
  - the auditors are willing to take part in company activities;
  - the work carried out by the Board overall is effective;
- information flows between the Board of Statutory Auditors and other company boards are adequate, although –with a view to continual improvement, it is suggested to send documentation earlier;
- the Chairman of the Board's position is key; in particular:
  - meetings of the Board are managed effectively;
  - he/she has a steering function in the Board's organisation;
  - he/she coordinates with the Chairpersons of other company bodies and top managers of the Company;
  - information flows with company functions are correctly managed;
  - he ensures necessary leadership.

The Board has made a specific training proposal that could take place during the year to further improve its performance:

- further review of the Fiera Milano's reference market;
- cyber security;
- sustainability review;

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

### **9.1 Internal Dealing Code**

The Company has adopted an Internal Dealing Code, prepared in accordance with EU Regulation no. 596 of 16 April 2014 (Market Abuse Regulation – "MAR") and related implementing regulations (jointly "**Internal Dealing Regulations**").

Under the Internal Dealing Code, most recently updated on 15 December 2017, a number of relevant persons, and persons close to them, who have regular access to inside information and the power to make management decisions that could affect the performance and prospects of the listed issuer, are obliged to inform the market of any transaction involving listed financial instruments issued by the company. Relevant persons under the provisions of the Internal Dealing Code are those with administrative, direction and control responsibilities within Fiera Milano.

The relevant persons identified above must communicate to the Company and to Consob any transactions they have made or that have been made by Persons Closely Associated with them within three trading days of the date of the transaction.

Consistent with the requirements of the MAR, the current Internal Dealing Code provides for a black-out period of thirty days preceding the public announcement of interim results or year-end financial statements during which the relevant persons are prohibited from trading in financial instruments issued by the Company.

Communications made in compliance with the Internal Dealing Code (filing models) and the Internal Dealing Code itself are available on the Company website [www.fieramilano.it](http://www.fieramilano.it) in the section *Investors*.

## **9.2 Processing of Corporate Information**

The Company has adopted a "Procedure for the Internal Management and External Disclosure of Inside Information and for the Keeping of Records" (hereinafter, the "**Procedure**"), as well as the related "Implementing Measures of the Procedure for the Internal Management and External Disclosure of Inside Information and for the Keeping of Records" (hereinafter, the "**Implementing Measures**"), last updated by the Board of Directors on 18 June 2019, which implement the provisions of the regulations on market abuse.

In particular, compared to the version approved in 2018, the changes made to the Procedure and Implementing Measures were based on the annual assessment conducted pursuant to Article 9.2 of the Procedure by the CEO.

The Procedure contains specific sections covering the definition of relevant and inside information, the related management procedures, ways of managing so-called market rumours, governs instances of delays in disclosure to the market, the approval process for press releases, persons authorised to maintain external relations and persons obliged to maintain confidentiality.

The Procedure also covers the maintenance and updating of the Relevant Information List (RIL) and the Insider List, which identifies the responsibilities and ways of maintaining and updating it. The procedure identifies the individual responsible for managing the list, an info room committee and the individuals that can be registered in it; it also governs the procedures for initial inclusion and subsequent updating as well as aspects regarding confidentiality obligations, as well as how these are managed in the event that the procedure for delayed communication of inside information is activated.

## **9.3 Procedure on Related-party transactions**

The Company has a Procedure for Related-Party Transactions (the "**Procedure**"). The Procedure was adopted on 5 November 2010 and implemented from 1 January 2011. It was prepared in compliance with the Provisions relating to transactions with Related Parties approved by Consob Resolution no. 17221 of 12 March 2010, first amended by Consob Resolution no. 17389 of 23 June 2010 and later by Resolution no. 19974 of 27 April 2017 (the "Regulation"), with recommendations contained in the Corporate Governance Code and with the guidelines for application of the Provisions relating to transactions with Related Parties issued by Consob with Communication no. DEM/10078683 of 24 September 2010.

The current Procedure was reviewed twice in 2018. In particular, the amendments were agreed by Board of Directors decision of 19 February 2018 and again on 11 May 2018, also to align the document and its provisions to the amendments to the reference regulations and as regards the organisational structure of the Company.

In general, the Procedure provides rules and measures to be adopted to ensure transparency and the substantial and procedural correctness of related-party transactions carried out directly by Fiera Milano or through its subsidiaries. The Control and Risk Management Committee has been identified as the body designated to express a considered opinion on the interests of the Company and on the substantial fairness of the relevant conditions for the completion of related-party transactions.

The Procedure takes advantage of the exception granted in the Regulation that, without prejudice to provisions on public disclosure, allows smaller listed companies – or for those with balance sheet assets or revenues that do not exceed €500 million as shown in the most recently approved Consolidated Financial Statements – the possibility of applying to Transactions of Greater Importance the guidance and approval procedures for Transactions of Lesser Importance.

The Board of Directors of the Company will periodically, and in any event at least every three years, assess whether to update the Procedure taking into account, *inter alia*, any changes to its ownership structures, as well as the effective application of the rules and guidance in use.

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

The Company has also adopted Organisational Implementing Instructions with regard to the Procedure for Related-Party Transactions – that were updated during the Board of Directors meeting of 19 February 2018 – in order to:

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

With regard to the new version of the Instructions associated with the aforementioned Procedure, note that the main amendments aim to align its contents with the current organisational structure of the Company and with the European Commission's Market Abuse Regulation (MAR).

In particular, note that the Instructions define the new composition of the Advisory Committee on Related Parties.

## **10. Investor Relations**

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

The Company has an Investor Relations Department, headed by Gianna La Rana as Investor Relations Manager, responsible for relations with the financial community.

The methods adopted for financial disclosure are those of systematic contact with financial analysts, institutional investors and the specialist media in order to ensure a

full and proper understanding of trends in the Company's strategic direction, the implementation of strategy and the impact on the business results.

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

## **11. Shareholders' Meetings (Art. 123-Bis, Paragraph 2.C), Consolidated Finance Act)**

The Shareholders' Meeting represents all shareholders and its decisions, taken in accordance with the law and the Articles of Association, are mandatory and binding on all shareholders, including those who did not attend, abstained or dissented, although dissenting shareholders have rights of rescission under certain circumstances.

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

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

The Shareholders' Meeting is convened and deliberates, under the law and regulations for companies with listed shares, on matters that are its responsibility by law.

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

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

## **12. Additional Corporate Governance Practices (Art. 123-Bis, Paragraph 2.A), Consolidated Finance Act)**

### **12.1 Whistleblowing procedure for Fiera Milano and subsidiaries**

On 8 November 2016, a Management policy for whistleblowing, including anonymously, received by the Group companies was adopted. It was most recently updated at the

meeting of the Company's Board of Directors held on 11 May 2018. The Procedure governs the receipt, analysis and treatment of whistleblowing disclosures alleging irregularities, including those made anonymously or in confidence, from third parties or from Fiera Milano Group personnel.

The disclosures may include, inter alia: crimes, illicit or anomalous activities and/or behaviour of any kind, also omissive, attributable to the employees of the Fiera Milano Group or third parties that violate the Code of Ethics, the Models 231 adopted by companies of Fiera Milano Group, internal regulations issued by the Fiera Milano Group, laws or regulations or obligations issued by the Authorities or any acts that could cause damage or detriment of any kind to the Fiera Milano Group.

The latest review of the Procedure amended the composition of the Whistleblowing Committee, in which the Human Resources Director currently participates together with the Head of Security and the Internal Control Director. This Committee reports to the Supervisory Board on any checks that have been carried out when significant provisions of Legislative Decree 231/01 have been breached.

Although whistleblowing notifications may be made in any way, the Company has set up different channels of communication that include: the website, an e-mail address, a toll-free number and a postal address. The channels set up for direct disclosure to the Supervisory Committees of Group companies under Legislative Decree 231 remain valid (dedicated accounts).

## **12.2 Guidelines on Direction and Coordination**

The Company has adopted Guidelines on the exercise of management and coordination powers by the Parent Company (the "**Guidelines**"), which replaced the "Regulations on Direction and Coordination by the Parent Company" previously in force (the latest version of this document was approved by the Shareholders' Meeting in April 2013). Considering legal developments in the meantime, and despite the changes made to the organisational structure of the Fiera Milano Group, it was considered appropriate to revise this document.

This document was prepared to set guidelines for the direction and coordination activity of the higher authority over the subordinate entities, with the aim of providing a solid base for stronger research and development and more effective interrelationships.

The Guidelines identify precise responsibilities regarding, respectively, the Company and its subsidiaries, within an unambiguous and reciprocal assumption of duties, and it establishes precise governance procedures appropriately gauged to provide an equitable balance between requirements for centralisation and respect for the autonomous management of the subsidiaries. The Guidelines and any changes or additions are presented to the Boards of Directors of Group Companies for approval and are then notified to the shareholders' meetings of all Group Companies.

It should be noted that the Guidelines were approved by the Board of Directors of the Parent Company on 31 July 2019 and, subsequently, in order for them to be adopted, the Regulations were presented to the Shareholders' Meetings of the individual companies of the Group so that each could independently adopt them as the basis for their own operations.

They will also be presented, along with this report, at the next Shareholders' Meeting of Fiera Milano S.p.A.

### **13. Changes Subsequent To The End Of The Financial Year Under Review**

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

### **14. Recommendations of the Corporate Governance Committee for 2020 (letter dated 19 December 2019)**

By letter dated 19 December 2019, the Chairperson of the Corporate Governance Committee informed the top management of Italian listed companies of a number of recommendations to ensure a higher degree of alignment between corporate governance practices and instructions contained in the Corporate Governance Code. For 2020 in particular, in that letter, issuers were invited to focus on the following issues:

- a. sustainability;
- b. quality of information to the board of directors;
- c. independence;
- d. the remuneration of non-executive directors and members of the control body.

These recommendations – immediately brought to the attention of the Chairperson of the Board of Directors and the Board of Statutory Auditors – were shared with the entire Board of Directors of Fiera Milano at the meeting held on 23 January 2020. On that occasion, the Board of Directors verified that the Company is in alignment with the recommendations issued by the Corporate Governance Committee.

In particular, after reviewing the four recommendations, it considered that Fiera Milano:

#### *Areas of attention already identified in 2018*

1. quality of information to the board of directors: as already noted last year, Fiera Milano has already set a 3-day deadline in the Regulations of the Board of Directors for providing board directors and auditors with documents on items to discuss, apart from financial statement documents, which must be given to the Board at least one week beforehand (as stated in the Guidelines of the Financial Reporting Officer). With the adoption of the new digital system for managing board meetings, it will be even simpler for directors to review documentation to be discussed;
2. independence: in compliance with recommendations, greater attention was paid to assessing the positions of individual directors; they are still well represented (6/9), and their number is higher than that required in the articles of association (at least the majority);

#### *New areas of attention*

3. sustainability: with the aim of consolidating its own Corporate Social Responsibility policies, the 2018 Non-Financial Statement of Fiera Milano had already defined the objectives, actions and targets for each of the material topics (environment, people, social dimension, human rights, the fight against



active and passive corruption), included in the incentive system of main Group managers.

4. remuneration of non-executive directors and members of the control body: Fiera Milano acknowledges the commitment required of its non-executive directors to carry out their role. For this reason directors that sit on individual committees (Control and Risk Management Committee and Appointments and Remuneration Committee) receive additional remuneration. The remuneration paid to the Board of Statutory Auditors is instead specifically assessed by the Board itself and the company will highlight any considerations made in this regard by the Board.

## **Tables**

The two tables on the following pages summarise the Company's adherence to the main corporate governance requirements of the Corporate Governance Code.

The first table gives the structure of the Board of Directors and its internal committees. It lists the directors and their category (Executive, Non-executive and Independent). It also shows the composition of the various committees.

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

Both tables give information on the number of meetings held by the Board of Directors, the various committees and the Board of Statutory Auditors and the attendance rate of individual members. These are also detailed in the text of this Report and are used for the necessary checks to ascertain compliance with Cumulation of Office rules.

**Table 1****Structure of the Board of Directors and its internal committees****TABLE 1. STRUCTURE OF THE BOARD OF DIRECTORS AND OF ITS COMMITTEES**

BOARD OF DIRECTORS													Control and Risk Management Committee		Appointments and Remuneration Committee	
Position	Member	Year of birth	Date first appointed	In office from/until	List	Exec.	Non-exec.	Independent under the Code	Independent under the Cons. Fin. Act	BoD attendance *	No. of other positions held **	***	*	***	*	
Chairperson	Lorenzo Caprio	1957	21.04.2017	a	b		X		X	9/9	1					
Chief Executive Officer	Fabrizio Curci <sup>o</sup>	1972	25.07.2017	a	b	X				9/9	0					
Director	Marina Natale <sup>*</sup>	1962	21.04.2017	a	b		X		X	8/9	3			M	5/5	
Director	Alberto Baldan	1960	21.04.2017	a	b		X	X	X	9/9	3			M	5/5	
Director	Stefania Chiaruttini	1962	21.04.2017	a	b		X	X	X	7/9	4	P	10/10			
Director	Gianpietro Corbari	1961	21.04.2017	a	b		X	X	X	5/9	1					
Director	Francesca Golfetto	1950	21.04.2017	a	b		X	X	X	9/9	2	M	10/10			
Director	Angelo Meregalli	1967	21.04.2017	a	b		X	X	X	6/9	0	M	9/10			
Director	Elena Vasco	1964	21.04.2017	a	b		X	X	X	9/9	2			P	5/5	

  

	Board of Directors	Control and Risk Management Committee	Appointments and Remuneration Committee
<b>Number of meetings held in the financial year ended 31 December 2019</b>	9	10	5
<b>Shareholding required by non-controlling shareholders to present lists (under Article 147-ter of the TUF):</b>		2,50%	

**NOTES**

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

\*\* This column shows the number of other positions of Director or Statutory Auditor held in listed companies, banks or in companies of material size on regulated markets, including those outside Italy.

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

\*This indicates the Director responsible for the internal control and risk management system.

<sup>o</sup> Ms Marina Natale held the position of Chief Executive Officer of the Company until 31 August 2017.

<sup>a</sup> Appointed by the Shareholders' Meeting of 21 April 2017 for a three-year period ending with the approval of the Financial Statements at 31 December 2019. The Board of Directors took office on 2 May 2017. Mr Curci was appointed Chief Executive Officer at the Shareholders' Meeting of 25 July 2017 when the number of Directors was increased to nine. Mr Curci's mandate runs from 1 September 2017 until the date the mandate of the other Directors expires.

<sup>b</sup> Appointed from the only list presented by the controlling shareholder Fondazione E. A. Fiera Internazionale di Milano.

**Table 2****Structure of the Board of Statutory Auditors**

BOARD OF STATUTORY AUDITORS								
Position	Member	Year of birth	Date first appointed	In office from/until	List	Independent under the Code	Attendance at meetings of the Board of Statutory	No. of other positions held**
Chairperson	Riccardo Raul Bauer	1951	23/04/2018	a	b	X	16/16	1
Statutory Auditor	Daniele Federico Monarca	1959	23/04/2018	a	b	X	16/16	0
Statutory Auditor	Mariella Tagliabue	1970	23/04/2018	a	b	X	16/16	2
Substitute Auditor	Daniele Beretta	1980	23/04/2018	a	b			
Substitute Auditor	Marina Scandurra	1969	23/04/2018	a	b			
<b>Number of meetings held in the financial year to 31 December 2019</b>							16	
<b>Shareholding required by non-controlling interests to present lists of candidates (under Article 148 of the Consolidated Finance Act)</b>							2,50%	

**NOTES**

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

\*\* This column shows the number of positions held as Director or Statutory Auditor under Article 148-bis of the TUF.

For a complete list of the positions held by each member of the Board of Statutory Auditors, please refer to the information published on the Consob website in accordance with Article 144-quinquedecies of the Consob Issuers' Regulations.

**a** Appointed by the Shareholders' Meeting of 23 April 2018 for a three-year period ending with the approval of the Financial Statements at 31 December 2020.

**b** Appointed from the only list presented by the controlling shareholder Fondazione E. A. Fiera Internazionale di Milano.