

GUIDELINES
OF THE BOARD OF DIRECTORS
TO THE SHAREHOLDERS
ON MANAGEMENT AND PROFESSIONAL PROFILES

(Published on 27th March 2020)



1. INTRODUCTION

The Self-Regulation Code, adopted by the Corporate Governance Committee in July 2018 (the “Code”), asks management bodies to conduct an assessment at least once a year of, among other things, their size and composition, also taking into account factors such as the professional characteristics, experience, including managerial, and gender of their members. In light of this self-assessment process, the Code asks them to provide the Shareholders, before the appointment of the new Board of Directors, with their guidelines on the management and professional profiles of the Directors considered suitable to sit on the Board, also in consideration of the diversity criteria recommended in art. 2 of the Code⁽¹⁾.

In accordance with the provisions of the Code, the Board of Directors of Equita Group S.p.A. (“Equita” or the “Company”) currently in office⁽²⁾ launched at the beginning of 2020 a self-assessment process and prepared – on the basis of the results of this process – these guidelines for Company Shareholders on the size, composition and the management and professional profiles considered appropriate for the Board (“Guidelines”).

2. SIZE OF THE BOARD OF DIRECTORS

Pursuant to art. 11 of Equita’s By-laws, the Company is governed by a Board of Directors consisting of **7 (seven) to 11 (eleven) members**.

Following the self-assessment process, the Board of Directors first of all considers that the current **size** of the Board, consisting of **7 (seven) directors** – as established by the Company’s Ordinary Shareholders’ Meeting of 15 June 2017, with effect from 1 July 2017 – is still **appropriate** and should therefore be maintained. This **size** ensures suitable diversification and an appropriate balance of skills and experience within the Board, taking into account the size, type and complexity of the business conducted by the Company.

⁽¹⁾ See Art. 1.C.1. lett. g) and lett. h) of the Self-Regulation Code.

⁽²⁾ The mandate of Equita’s current Board of Directors is due to expire at the next Shareholders’ Meeting, called to approve the financial statements for the year ending 31 December 2019.

3. COMPOSITION OF THE BOARD OF DIRECTORS

Pursuant to art. 11 of Equita's By-laws, all Directors must meet the requirements of eligibility, professionalism and integrity set out in applicable legal and regulatory provisions, and at least 2 (two) Directors – when the Board has 7 (seven) or 8 (eight) members – or at least 3 (three) Directors – when the Board has between 9 (nine) and 11 (eleven) members – must meet the requirements of independence pursuant to art. 148, paragraph 3, of Legislative Decree 58 of 1998 (the “TUF”), and as referred to in art. 147-ter, paragraph 4, of the TUF.

The Company's Board of Directors currently consists of:

- 5 (five) **non-executive** directors– of which 3 (three) are **independent** directors ⁽³⁾ – and 2 (two) **executive** directors;
- 2 (two) **female** directors;
- a **non-executive** Chairman and Vice-Chairman.

Given that over the three years of the mandate, **(i)** this composition has ensured the proper functioning of the Board, and an appropriate *ratio* in terms of the executive and non-executive components, independence and gender, and also **(ii)** enabled each category of director to have an appropriate weight in board discussions, at the end of the self-assessment process, the Board of Directors considers it may be useful – with a view to further improving the functioning and composition of the Board to be appointed – to increase the **non-executive** and **female** components, it being understood that Directors' “abilities” and “professionalism” are the fundamental requisites – to be considered as a priority – for the appropriate composition of the Board.

That said, the **composition** of the Board to be appointed, should, in general:

- ✓ ensure appropriate representation of both genders (and this also regardless of the gender requirements relating to the composition of management bodies provided for by the legislation in force at any time);
- ✓ ensure appropriate diversification in terms of age and length of service;
- ✓ ensure an appropriate balance between the executive, non-executive and independent components, also in accordance with the legal provisions in force, the Company's By-laws and the

⁽³⁾ Specifically, the Board of Directors consists of 2 (two) Independent Directors pursuant to art. 147-ter, paragraph 4, of the TUF and art. 3 of the Self-Regulation Code, and 1 (one) Independent Director pursuant to art. 147-ter, paragraph 4, of the TUF.

Self-Regulation Code, so as to guarantee that each component may carry a significant weight in making board decisions.

As regards the **management and professional profiles** considered to be of benefit to the Board, following the self-assessment, the Board of Directors considers that each Director should ideally:

- ✓ have different and complementary skills and professionalism, acquired – in national and/or international environments – in listed and/or financial companies, professional and/or consultancy firms, as well as academic or institutional roles (notwithstanding in any case the possession of the requirements of integrity and professionalism required by the legislation in force);
- ✓ have a high level of skills and knowledge in the financial sector and of the corporate governance of listed companies, as well as sensitivity towards risk management;
- ✓ have appropriate seniority for the office to be held;
- ✓ hold a number of positions in external companies and/or other companies of the Equita Group, which are compatible with the proper performance of the mandate, and which give them sufficient time to conduct the duties assigned to them diligently, taking into account any participation in internal board committees.

In addition to the characteristics listed above for Directors, the **Chairman of the Board of Directors** specifically should:

- ✓ have significant experience in corporate governance, as well as the authority necessary to ensure board activities are conducted efficiently, correctly and transparently;
- ✓ have an appropriate standing and reputation to enable them to effectively play the role of guarantor for all Shareholders;
- ✓ have the personal characteristics that promote integration and cohesion among the members of the Board of Directors;
- ✓ have excellent skills in financial markets and issues of strategic importance.

Finally, the **Chief Executive Officer** – in addition to the characteristics of the Directors indicated above – should:

- ✓ have an in-depth knowledge of the Company's business and structure;
- ✓ possibly, although it is not strictly necessary, have already held the role of Chief Executive Officer in a listed company;
- ✓ have significant strategic and planning capacities;
- ✓ have excellent abilities in managing relations with Shareholders;

- ✓ have experience, authority, leadership, excellent motivational and communication skills.

The Shareholders are therefore recommended, upon submitting the lists for the appointment of the new Board of Directors (in accordance with art. 12 of Equita's By-laws and the legal provisions in force), to take these Guidelines into account in identifying the management and professional profiles to be proposed within the lists themselves.

The Board of Directors of Equita Group S.p.A.