



**Alkemy S.p.A.**

Registered office in Milan, at via San Gregorio 34, Milan - share capital Euro 587,589.00 fully paid up  
Registration number with Milan Companies House, tax code and VAT number 04642290961 - Economic  
and Administrative Index (REA) no. 1763158

Institutional website: [www.alkemy.com](http://www.alkemy.com)

**Report on Corporate Governance and Ownership Structures**

**relative to FY 2019**

(Traditional administration and auditing model)

Approved by the Board of Directors on 24 March 2020 Published on the website: [www.alkemy.com](http://www.alkemy.com),  
sections Corporate Governance



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## GLOSSARY

**Alkemy:** Alkemy S.p.A., with registered office at via San Gregorio 34, Milan, VAT number, tax code and registration number with Milan Companies House 04642290961, the company to which this Report refers;

**Code/Code of Corporate Governance:** the Code of Corporate Governance for listed companies approved in July 2018 by the Corporate Governance Committee and brought into effect by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

**Civil Code/c.c.:** the Italian Civil Code.

**Board:** the Issuer's Board of Directors;

**Trading Start Date:** the date on which Alkemy shares began trading on the STAR segment (i.e. 17 December 2019);

**Report Date:** the date of this Report, i.e. 24 March 2020;

**Issuer/Company:** Alkemy, i.e. the issuer of the Issuer of securities to which the Report refers;

**Financial Year:** the company financial year to which the Report refers;

**Consob Issuer Regulation:** the Regulation issued by Consob with resolution no. 11971 of 1999 (and subsequent amendments) on the matter of issuers;

**Consob Market Regulation:** the Regulation issued by Consob under the 2017 resolution no. 20249 relating to markets.

**Consob Related Parties Regulation:** the Regulation issued by Consob with resolution no. 17221 of 12 March 2010 (and subsequent amendments) on related party transactions.

**Report:** the corporate governance and corporate structure report that companies are required to draw up pursuant to article 123-bis of the Consolidated Law on Finance.

**Consolidated Law on Finance or TUF:** Italian Legislative Decree no. 58 of 24 February 1998.



## 1. ISSUER PROFILE

Alkemy's shares have been listed on the STAR segment of the telematic stock market (MTA) of Borsa Italiana since 17 December 2019; previously (on 05 December 2017), they had been admitted to the multilateral trading facility of AIM Italia.

The Company operates on the digital and technological innovation market segment, where it offers services aiming to improve the market position and competitiveness of large and medium enterprises, stimulating the evolution of their business models, in line with technological innovation and consumer conduct.

In this area, partly thanks to the various specialisations developed by it and by its subsidiaries (the “**Alkemy Group**”), Alkemy integrates competences in the areas of Strategy, Communication, Design, Performance, Technology, Insights & Analytics, with a range designed for the post-digital context, which covers the entire value chain, from strategy to implementation.

The Alkemy Group first started operating and made its market debut in May 2012, on the initiative of a group of entrepreneurs with significant previous experience in the world of business consultancy and technological innovation, accrued with leading international companies. Its aim was to assist medium-large Italian and foreign businesses with the processes of transforming their business model and the management of internal activities and those for customers, that had become necessary due to the constant, progressive increase in the digitisation of the range of services and communication techniques.

In the pursuit of the growth strategy implemented by the management team since the very start of operations, the Company has implemented various aggregations that over the years have allowed the Company to expand upon the areas of operations and its business model, with the aim of extending its range and strengthening both its know-how and its presence in other countries, like Spain, Mexico and the countries of the Balkans.

The Group intends to pursue its growth and development strategy by internal lines and, if completed, also by external lines, maintaining its specialisation on the market of technological and digital innovation, first and foremost increasing oversight of the Italian territory and then strengthening its position abroad, where it can use the know-how it has built up over time.

More specifically, the Group intends to pursue a strategy aimed at providing customers with innovative services offering high added value and that can improve corporate economic performance (also in terms of better margins), affirming its solid image of constant collaboration in regard to customers.

The Alkemy corporate governance system, which adopts a traditional administration and auditing system, as per Articles 2380-*bis et seq.* of the Italian Civil Code, is characterised by the presence of the following corporate bodies:

- (i) the Board of Directors, appointed to manage the corporate business and which operates in compliance with principle 1.P.1 of the Code;
- (ii) the Board of Auditors, appointed to monitor: (i) observance of the law and the Articles of Association and compliance with principles of correct administration; (ii) the adequacy of the internal control system and the administrative-accounting system, as well as the latter's reliability in terms of providing a correct representation of the operating events; (iii) the concrete implementation of the rules of corporate governance set out in the Code of Corporate Governance; (iv) the adequacy of the instructions given to subsidiaries in connection with the obligations regarding the communication of inside information; and (v) the financial disclosure process, the effectiveness of the internal control systems, internal audit and risk management, the statutory audit of the annual accounts and consolidated accounts and the independence of the independent auditing firm;
- (iii) a Control, Risks and Sustainability Committee with an advisory and investigative role in connection with the decisions by the Board of Directors on the Internal Control and Risk Management System, with the approval of the regular financial reports and offering advice and suggestions in assessments and decisions relating to sustainability and with advisory powers on transactions with related parties and



associates and in regard to the Board of Auditors (the “BoA”), on the statutory audit of the accounts, in compliance with the provisions of Italian Legislative Decree no. 39 of 27 January 2010;

- (iv) a Remuneration Committee with an advisory and proactive role in connection with the decisions of the Board of Directors on the remuneration of executive directors and any other directors assigned specific duties, after consulting with the Board of Auditors on the setting of performance objectives correlated with the potential variable component of said remuneration Committee and the general criteria of remuneration Committee and incentives proposed for all employees and, in particular, for managers and top management, by the chief executive officers, and on the remuneration policy and its correct, adequate implementation;
- (v) the Shareholders' Meeting, competent to resolve on matters reserved to it by the law or the Articles of Association.

The statutory audit of the annual accounts and consolidated accounts is entrusted to an independent auditing firm (KPMG S.p.A.) registered on the list of statutory auditors and statutory auditing firms, established in accordance with Art. 2, paragraph 1 of Italian Legislative Decree no. 39/2010, appointed on 17 December 2019 until approval of the financial statements as at 31 December 2027.

The Company’s Corporate Governance System is structured in compliance with the recommendations given in the Code of Corporate Governance, to which Alkemy adheres, as well as with provisions of law and regulations governing listed Italian companies; it is hinged, in consideration of the above governance structure, on four pillars: (i) the central role of the administrative and auditing bodies; (ii) the effectiveness and transparency of the managerial choices; (iii) careful, aware monitoring of related party transactions and the processing of inside information; and (iv) all the values defined, recognised and shared, fixed in the Alkemy Code of Ethics (the “**Code of Ethics**”), an integral part of the “Organisation, Management and Control Model” envisaged by Art. 6 of Italian Legislative Decree no. 231 of 08 June 2001, on the “Regulation of the administrative liability of legal entities”, both published on the website [www.alkemy.com/governance/modello-organizzativo](http://www.alkemy.com/governance/modello-organizzativo).

More specifically, the Code of Ethics identifies all values, principles and conduct with which employees and collaborators must comply, as well as the directors of the Board and Alkemy’s Board of Auditors, in going about their work.

The main objectives of the Code of Ethics include, essentially, the moralisation and economic efficiency of both inter-company relations (senior management, management, employees and collaborators) and relations outside the Company (e.g. between it and the market), with the aim of fostering unambiguous guidelines to conduct and economic benefits brought about by the consolidation of a positive business reputation.

As mentioned in the Information Prospectus published on the website [www.alkemy.com](http://www.alkemy.com) in the *Investor Relations/MTA Information Prospectus* section, Alkemy can be classified as an “SME” in accordance with Art. 1, paragraph 1, letter w-quater.1) of the Consolidated Law on Finance, in view of the following data:

- (a) according to the consolidated financial statements as at 31 December 2018, turnover of Euro 71.6 million, also determined in line with the provisions of the Appendix, paragraph 1.1 of the Regulation on the Sanction Proceedings adopted by Consob by resolution no. 18750 of 19 December 2013;
- (b) Group turnover of Euro 89.8 million, coming from the pro forma financial information as at 31 December 2018;
- (c) capitalisation of approximately Euro 61 million as at the Information Prospectus Date.

Below are: (i) the value of capitalisation calculated in accordance with Art. 2-ter of Consob’s Issuers’ Regulation; and (ii) the value of turnover, as resulting from the financial statements approved by the Board of Directors on 23 March 2020:



- (a) Group turnover of Euro 84 million and 520 thousand referring to the draft financial statements as at 31 December 2019;
- (b) capitalisation of approximately Euro 23,953 thousand.

## **2. INFORMATION ON THE OWNERSHIP STRUCTURES (PURSUANT TO ART. 123-BIS, PARAGRAPH 1 OF THE CONSOLIDATED LAW ON FINANCE AS AT 23 MARCH 2020)**

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

As at 23 March 2020, Alkemy S.p.A.'s subscribed and paid-up share capital came to Euro 587,589 and numbered 5,609,610 ordinary shares.

More specifically, the Company's share capital is represented by 5,609,610 ordinary shares, conferring a total of 7,198,120 voting rights and, specifically:

- (i) 4,021,100 ordinary shares, with no increased vote, conferring 4,021,100 voting rights;
- (ii) 1,588,510 ordinary shares, with increased vote, conferring 3,177,020 voting rights.

Reference is made to the information given in the Information Prospectus, the Articles of Association and the Report on Remuneration prepared in accordance with Art. 123-ter of the Consolidated Law on Finance (the "**Report on Remuneration**"), published in the Corporate Governance/Committees section of the Company's website [www.alkemy.com](http://www.alkemy.com), for full details on the share-based incentive plans approved by the Company.

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

There are no limits envisaged to the free transfer of shares nor indeed limits to their possession, nor are there any approval clauses for purchasing investments in Alkemy's share capital in accordance with the law or the Articles of Association.

Please note that the Shareholder Agreement (as defined herein) envisages certain merely informative commitments if a Shareholder intends to sell their share in Alkemy, accounting for at least 1% of voting rights, to a third party.

For full details, refer to the extract taken from the Shareholder Agreement communicated to CONSOB in accordance with Art. 122 of the Consolidated Law on Finance, available for consultation in the "Issuers" section of the CONSOB website [www.consob.it](http://www.consob.it) and to the essential information, pursuant to Art. 130 of Consob's Issuers' Regulation, published on the Company's website [www.alkemy.com](http://www.alkemy.com), in the Corporate Governance/Ownership Structures section.

### **i. Significant investments in share capital (pursuant to Art. 123-bis, paragraph 1, letter c) of the Consolidated Law on Finance)**

According to that recorded by the Company on the basis of communications received pursuant to Art. 120 of the Consolidated Law on Finance, as at 23 March 2020, the subjects holding more than 5% of the subscribed capital, represented by shares with voting rights, are:

- **Duccio Vitali**, number of shares: 546,660 equal to 9.75% of the share capital.
- **Jakala Group S.p.A.**, number of shares: 441,340 equal to 7.87% of the share capital.
- **StarTIP S.r.l.**, number of shares: 425,000 equal to 7.58% of the share capital.
- **CIP Merchant Capital Limited**, number of shares: 380,267 equal to 6.78% of the share capital.



- **Riccardo Lorenzini**, number of shares: 344,220 equal to 6.14% of the share capital.
- **O2E S.r.l. and Francesco Beraldi**, number of shares: 315,570 equal to 5.63% of the share capital.

Please refer to the information given in Table 1 for more details on the percentage vote due to each holder of significant shareholdings.

As at the Report Date, no one controls the Issuer in accordance with Articles 2359, paragraph 1, point 1 and 2 of the Italian Civil Code and 93 of the Consolidated Law on Finance.

Please also note that as a result of the increase in voting rights assigned to the shareholders Duccio Vitali, Jakala Group S.p.A, Riccardo Lorenzini and O2E S.r.l., in accordance with Art. 14 of Alkemy's Articles of Association, they also hold the percentages and numbers of voting rights shown below:

TABLE OF INCREASED VOTES			
Declarant	Direct shareholder	% share of ordinary share capital	% share of voting share capital
Duccio Vitali	Duccio Vitali	9.75%	14.86%
Matteo de Brabant	Jakala Holding spa	7.87%	12.26%
Riccardo Lorenzini	Riccardo Lorenzini	6.14%	9.56%
Francesco Beraldi	O2E srl	5.63%	8.28%

**c. Securities carrying special rights (pursuant to Art. 123-bis, paragraph 1, letter d) of the Consolidated Law on Finance)**

No securities have been issued that confer special rights of control, nor are there any holders of special powers in accordance with current provisions of regulations and the Articles of Association.

**Increased vote (pursuant to Art. 127-quinquies of the Consolidated Law on Finance)**

In accordance with Article 14 of the Articles of Association, each Alkemy Share gives the right to double votes (and, therefore, two votes per share), if both the following conditions are met:

1. The voting right is due to the same subject, by virtue of a right in rem giving entitlement to the exercise of the voting right (full ownership with voting right or bare ownership with voting right or usufruct with voting right, the "**Legitimizing Right in Rem**") for a continuous period of at least twenty-four months (the "**Significant Period**"), without prejudice to the fact that for the purpose of calculating the Significant Period, the period of continuous possession of shares is also counted, running from the start date of trading of the Company's ordinary shares on the AIM Italia organised by Borsa Italiana S.p.A. (i.e. 05 December 2017) and the date of registration on the List (as defined herein) (the "**AIM Italia Vesting Period**");
2. the meeting of the criteria set out under point 1 above, is certified by:
  - (a) the continuous registration, for a period of at least twenty-four months, on the special list duly established and regulated by this Article (the "**List**"); or
  - (b) in order to consider the AIM Italia Vesting Period in calculating the Significant Period, from the continuous registration on the List and, to calculate the AIM Italia Vesting Period, by a specific communication issued by the intermediary with which the shares are deposited in accordance with





current legislation, attesting to the ownership of the Legitimizing Right in Rem for the period prior to the date of registration on the List.

The increase in the vote takes effect:

- (i) from the fifth trading day of the calendar month falling after that of the Significant Period from the registration on the List, as long as the communication certifying ownership of the Legitimizing Right in Rem, for the purpose of achieving an increase in vote, is received by the Company within three trading days of the calendar month following that of the Significant Period from registration on the List; or
- (ii) if the communication certifying ownership of a Legitimizing Right in Rem should reach the Company after the deadline specified above, from the fifth trading day of the calendar month after that in which the Second Communication reached the Company;
- (iii) in order to attend the Company Shareholders' Meeting and in derogation from the foregoing, from the Record Date as long as by that date the Company has received the communication attesting to the ownership of the Communication Legitimizing Right in Rem.

The rules of operation are set out in the Articles of Association published on the website [www.alkemy.com](http://www.alkemy.com) in the Corporate Governance/Articles of Association and Deed of Incorporation section and in the Increased Vote Regulation adopted by the Company on 02 October 2019 by the Board of Directors available for consultation on the website [www.alkemy.com](http://www.alkemy.com) in the Corporate Governance/Ownership Structure section.

As at the date of this report, 4 (four) Shareholders have requested registration on the List (prepared in accordance with Art. 127-quinquies of the Consolidated Law on Finance), all of whom hold significant shareholdings.

As at the date of this Report, there are no other Shareholders registered on the List, other than those for whom the increase has already taken effect, indicated in the Table of Increased Votes given at letter c above.

**d. Shareholding by employees: mechanism for exercising voting rights (pursuant to Art. 123-bis, paragraph 1, letter e) of the Consolidated Law on Finance)**

As at the date of this Report, the Company has adopted remuneration plans for Group Directors and employees described in the Report on Remuneration and in the information documents prepared in accordance with Art. 114--bis of the Consolidated Law on Finance and Art. 84-bis of Consob's Issuers' Regulation, available on the Company's website [www.alkemy.com](http://www.alkemy.com), in the Corporate Governance/Shareholders' Meeting section.

These plans do not envisage the attribution of voting rights to anyone other than the related beneficiaries, nor any particular mechanisms for exercising voting rights.

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

There are no restrictions on voting rights.

**f. Shareholder agreements (pursuant to Art. 123-bis, paragraph 1, letter g) of the Consolidated Law on Finance)**

On 09 December 2019, a shareholders' agreement (the "Shareholder Agreement" or "Agreement" was stipulated between Duccio Vitali ("DV"), Jakala Holding S.p.A. ("Jakala"), Riccardo Cesare Lorenzini ("RCL"), O2E S.r.l. ("O2E") and Lappentrop S.r.l. ("Lappentrop") regarding ordinary shares of Alkemy, aimed at regulating the members of corporate bodies to be appointed by the shareholders' meeting approving



the financial statements for the year ended as at 31 December 2021 (or before that date if, for any reason, they should forfeit office before their natural expiry).

The Shareholder Agreement is effective from the start date of trading of Alkemy Shares on the MTA (the “**Date of Effect**”) and shall remain in force for three years. At expiry, the Shareholder Agreement is automatically renewed for subsequent periods of 3 years each, unless terminated by either party with notice given to the other Parties no later than 4 (four) months before each end date.

The Shareholders adhering to the Agreement have agreed that the Shareholder Agreement will cease all effect early, ahead of the above term, in regard to the adhering subject that has ceased, for any reason, holding at least 50,000 voting rights conferred to the Shareholder Agreement.

With the Shareholder Agreement, the parties have also decided to agree to fully dissolve, starting from the Date, the previous shareholders' agreement that had been signed by the same shareholders on 24 November 2017 aimed, amongst other aspects, at establishing a voting syndicate for the Company's shares, with specific procedures for preventive consultation and at establishing shared provisions on the circulation of shares owned by the Parties.

The shareholders' agreements contained in the Shareholder Agreement were originally deposited with Milan Companies House on 17 December 2019 and updated on 12 February 2020.

The extract of the Shareholder Agreement was notified to CONSOB in accordance with Art. 122 of the Consolidated Law on Finance and is available from the “Issuers” section of the CONSOB website, [www.consob.it](http://www.consob.it).

The essential information relating to the shareholders' agreements set out in the Shareholder Agreement, as updated in accordance with Art. 131 of the Issuers' Regulation, following the increase in the voting rights of the participants in the Agreement as per letters c) and d) above, and the related updates are published, in accordance with Art. 130 of the Consob Regulation, on the Company's website ([www.alkemy.com](http://www.alkemy.com)), in the Corporate Governance/Ownership Structures section.

**g. Change of control clause (pursuant to Art. 123-bis, paragraph 1, letter h) of the Consolidated Law on Finance) and provisions of the Articles of Association about takeover bids (pursuant to Art. 104, paragraph 1-ter and 104-bis, paragraph 1)**

As regards the presence of change of control clauses in the agreements stipulated by the Company and/or its subsidiaries, please note the following:

➤ Alkemy - DGI investment contract:

The Investment Contract stipulated on 16 July 2019 (the “**Investment Contract**” between Alkemy and Messrs Edgardo Angelini, Sigurdur Thorsteinsson and Peter James Newbould (the “**DGI Shareholders**”), currently the majority shareholders of the company Design Group Italia I.D. S.r.l. (“**DGI**”) and regarding the purchase by Alkemy of 100% of the shares of DGI held by said DGI Shareholders in three phases, envisages that the DGI Shareholders have the right to purchase the share held by Alkemy, equal to 20% of the share capital of DGI at the purchase price if, before Alkemy has purchased the additional share of 31% of DGI, there should be a change of control in Alkemy following: (i) a public takeover bid of Alkemy, carried out in accordance with Italian Legislative Decree no. 58 of 24 February 1998 (the Consolidated Law on Finance); or (ii) if Alkemy should be delisted, the direct or indirect acquisition by a third party, in any way such may be carried out, of at least a 51% stake in Alkemy's share capital.

Should such a change of control occur after Alkemy's purchase of an additional 31% of the share capital of DGI, there shall also be an acceleration of the exercise of the put and call options over the additional 49% share of DGI, at a price equal to 7 and a half times the average EBITDA resulting from the last two annual financial statements approved by the Company +/- NFP resulting from the last



approved financial statements.

Moreover, in accordance with the provisions of the directors' contracts stipulated between DGI and Messrs Edgardo Angelini, Sigurdur Thorsteinsson and Peter James Newbould, as directors of the same company, should there be a change of control in Alkemy, at the terms described above, this will constitute just cause for dismissing them from the office of directors of DGI.

➤ Alkemy - Ontwice investment contract:

The shareholders' agreement stipulated on 19 July 2018 between Alkemy and Messrs David Bravo, Luis Alberto Vegas, Manuel Mercader and Ignacio Tortosa, minority shareholders in the Spanish company Ontwice Interactive Services, S.L. ("**Ontwice**") establishes that the change of control of Alkemy, in accordance with Art. 42 of Spanish Law, determines an acceleration of the exercise of the put and call options to allow Alkemy (which currently holds 51%) to acquire 100% of the share capital of Ontwice for a price equal to 7 times the EBITDA.

➤ Alkemy - Nunatac investment contract:

The Investment Contract stipulated on 19 April 2018 (the "**Investment Contract**") between Alkemy and Messrs Guido Cuzzocrea, Alberto Saccardi, Massimo Saputo, Francesco Fiocca, Michele Gaudenzi, Gianluca Passerone, Massimiliano Trotta and Melissa Tosi, currently the minority shareholders of Nunatac S.r.l. ("**Nunatac**") establishes that where any of the following hypotheses of change of control should occur: (ii) the purchase by a third party, in any way such may take place, of at least 51% of the share capital of Nunatac; (iii) any other extraordinary transaction regarding at least 51% of the share capital of Nunatac (e.g. mergers, spin-offs, etc.); and (iii) a public takeover bid over Alkemy, carried out in accordance with Italian Legislative Decree no. 58 of 24 February 1998 (the Consolidated Law on Finance), there shall be an acceleration of the exercise of the put and call options envisaged by the Investment Contract, regarding Alkemy and the Minority Shareholders, for the purchase of the additional 30% of the share capital of Nunatac, held by the Minority Shareholders.

As a result of the exercise of the put and call options, upon onset of any of the above-specified hypotheses of change of control, Alkemy may end up holding 100% of Nunatac.

Moreover, in accordance with the provisions of the directors' contracts stipulated under the scope of the entire investment regulated by the Investment Contract, between Nunatac and Messrs Guido Cuzzocrea and Alberto Saccardi, as directors of the same company, should there be a change of control, at the terms described above, this will constitute just cause for dismissing them from the office of directors of Nunatac.

➤ Bank loan contracts:

The medium-term bank loan contracts described in the Report on Operations, under section "*Significant events during the year*", assign the banks the right to demand the early repayment of the loan in the event of a change of control in Alkemy.

In addition to the foregoing agreements, Alkemy and its subsidiaries have not stipulated any other contracts and joint venture agreements, supply and cooperation agreements or loan contracts with change of control clauses.

The Articles of Association do not derogate from the provisions regarding the passivity rule provided for by Art. 104, paragraphs 1 and 1-*bis*, of the Consolidated Law on Finance and do not provide for the application of the neutralisation rules contemplated by Art. 104-*bis*, paragraphs 2 and 3, of the Consolidated Law on Finance.



**h. i) Delegated powers to increase the share capital and authorise the purchase of treasury shares (pursuant to Art. 123-bis, paragraph 1, letter m) of the Consolidated Law on Finance)**

➤ **Delegated powers to increase the share capital**

Extraordinary shareholders' meeting of 09 March 2016

The Extraordinary Shareholders Meeting held on 09 March 2016 resolved to assign the Board of Directors, for five years from the date on which the resolution was registered with Companies House, in accordance with Art. 2443, second paragraph of the Italian Civil Code, the faculty to increase the share capital in exchange for payment, for up to Euro 15,000 (fifteen thousand), by means of the issue of up to 15,000 (fifteen thousand) new shares, for a price of Euro 8.80 (eight euros and eighty cents) each, including premium, without prejudice to the fact that the amount allocated to share capital for each share shall be no less than accounting parity, to be allocated to a Stock Option Plan called the "Alkemy 2017-2020 Stock Option Plan" to the benefit of employees and Directors of Alkemy and the Group companies, in accordance with the procedures, terms and conditions described in the resolution.

On 09 March 2017, in response to the delegation conferred by the extraordinary shareholders' meeting held on 09 March 2016, the Board of Directors resolved to increase the share capital by up to Euro 8,500 by means of the issue of up to 85,000 shares, for the price of Euro 10 per share subscribed, including premium, without prejudice to the fact that the amount allocated to share capital for each share shall be no less than accounting parity, with the shares reserved for subscription by directors and/or employees of Alkemy S.p.A. and the Group Companies, in accordance with the terms and conditions of the "Alkemy 2017-2020 Stock Option Plan" approved by the Board of Directors, with said increase to be executed by 31 December 2020. As at the Information Prospectus Date, the shares to be assigned under the scope of said incentive plan, had been assigned as follows:

2017:

<b>Directors</b>	<b>750</b>
<b>Employees</b>	<b>7,750</b>
<b>Total 8,500</b>	

Extraordinary shareholders' meeting of 16 November 2017:

The Extraordinary Shareholders Meeting held on 16 November 2017 resolved to increase the share capital in exchange for payment, with the exclusion of option rights in accordance with Art. 2441, paragraph 5 of the Italian Civil Code, for the purpose of listing for admission to the trading of Alkemy shares on AIM Italia, for up to Euro 189,981 (plus premium), in accordance with that established by the Board of Directors, by means of the issue, in one or more tranches and in a divisible fashion, of up to 1,851,665 ordinary shares.

In execution of said shareholders' meeting resolution, the director Duccio Vitali, by virtue of the powers conferred upon him by the Board of Directors on 16 November 2017, determined the increase of the share capital by Euro 187,000 and the subscription price of ordinary shares for listing as Euro 11.75 each, of which Euro 0.11 for share capital and Euro 11.64 by way of premium, with the issue of up to 1,700,000 Shares to be used for said increase;

By this same resolution, the Shareholders' Meeting also resolved to increase the share capital in exchange for cash payment, in a divisible manner, for up to Euro 22,798 (plus premium), in accordance with that to be established by the Board of Directors, by means of the issue of up to 222,200 shares with no nominal value and regular enjoyment, to be released in cash, fully, at the time of subscription, in one or more tranches and in a divisible fashion, with the exclusion of the option right in accordance with Art. 2441, fifth and eighth paragraph of the Italian Civil Code, insofar as reserved to employees, collaborators and executive directors of the Company or subsidiaries, beneficiaries of the "2018-2020 Stock Option Plan", to be executed by 16



November 2022. As at the Information Prospectus Date, the shares to be assigned under the scope of said incentive plan, had been assigned as follows:

	<b>2018</b>	<b>2019</b>
Directors	1,200.42	0
Employees	6,463.80	15,133.50
<b>Total</b>	<b>7,644.22</b>	<b>15,133.50</b>

On 23 July 2018, the Company's share capital went from Euro 566,961, equal to 5,403,330 ordinary shares, to Euro 573,861, equal to Euro 5,472,330 ordinary shares, following the exercise of 6,900 options of the 12,150 assigned to Company employees - equal to 69,000 options of the 121,500 options following the splitting to allow for admission of Alkemy shares onto the AIM - as part of the "2015 - 2018 Stock Option Plan" in response to the delegation conferred by the Company's extraordinary shareholders' meeting on 30 April 2014 and exercised by the Board of Directors on 18 February 2015.

#### Extraordinary shareholders' meeting of 25 June 2019

On 25 June 2019, the Extraordinary Shareholders Meeting resolved to attribute the faculty to the Board of Directors, in accordance with Art. 2443 of the Italian Civil Code, to increase the share capital in exchange for payment, on one or more occasions, by 25 June 2024, for up to Euro 10,000,000.00, including premium, by means of the issue of up to 800,000 ordinary shares, in respect of the option right in accordance with Art. 2441 of the Italian Civil Code, or with the exclusion of option rights in accordance with Art. 2441, paragraph 4 of the Italian Civil Code, with the conferral in kind of movable or immovable assets and conferring businesses, with the corporate object of the Company and its subsidiaries or connected with the digital sector, as well as assets and business complexes that can offer IT services in support of such businesses, and in accordance with Art. 2441, paragraph 5 of the Italian Civil Code (and Art. 2441, paragraph 4, second sentence of the Italian Civil Code, where applicable), insofar as to be reserved to potential industrial partners, in the context of transactions that are consistent with the Groups' growth strategy by external lines, and the faculty, in accordance with Art. 2420-ter of the Italian Civil Code, to issue bonds convertible into ordinary shares of the company, for the same period of time, to apply to the same maximum equivalent value and the same maximum number of new-issue shares as specified above and, therefore, for a maximum amount of Euro 10,000,000.00, together with the faculty to resolve the related increase in share capital for the purpose of the conversion, by means of the issue of up to 800,000 ordinary shares, in respect of the option rights in accordance with Art. 2441 of the Italian Civil Code or even with the exclusion of option rights in accordance with Art. 2441, paragraph 5 of the Italian Civil Code, insofar as to be reserved to potential industrial partners, in the context of transactions that are consistent with the Groups' growth strategy by external lines, all in compliance with all provisions of law applicable at the time the resolution is passed to increase the share capital and/or issue the convertible bonds. As at the date of this Report, this delegation had not yet been executed.

#### ➤ Purchase of Treasury Shares

On 07 May 2019, the Company's ordinary shareholders' meeting resolved to authorise, in accordance with and pursuant to Art. 2357 *et seq.* of the Italian Civil Code, after cessation of the effects of the previous shareholders' meeting resolution passed on 16 November 2017, for the part not yet executed, the purchase of the Company's own shares, according to the procedure described hereto.

Treasury shares can be purchased, on one or more occasion, within 18 months of the date of cessation of the effect of the authorisation granted by shareholders' meeting resolution passed on 16 November 2017 (and, therefore, from 16 May 2019), up to a maximum amount of treasury shares that, also taking into account the shares held over time in the portfolio of the Company and its subsidiaries, shall not, in total, exceed the limit



of 15% of the share capital (and, in any case, less than the provisions of Art. 2357, paragraph 3 of the Italian Civil Code, where criteria applies for its application), for a price that shall be no lower than 20% lower, at the minimum, and no higher than 20% higher, at the maximum, of the reference price the security registers in the stock market session held the day before each individual purchase, without prejudice to where the shares are exchanged, conferred, assigned or otherwise disposed of without cash, in which case, the economic terms of the transaction will be determined, in compliance with current legislation, according to the nature and characteristics of the transaction - in any case at a price, per individual transaction, that may not exceed the highest price of the price of the last independent transaction and the price of the highest current independent offer of purchase at the trading site where the purchase is made (even if the shares should be traded at different trading sites) and in any case for a maximum equivalent value, at any time, of a total of Euro 250,000 and without prejudice to the fact that the daily volume of purchases cannot, under any circumstances, exceed 25% of the average daily volume of shares at the trading site where the purchase is made, determined in accordance with applicable regulations. The trading limits deriving from applicable regulations are understood as automatically adjusted to any different limits that may be introduced following changes to current legislation.

The purchase may be made, in any case assuring equal treatment of shareholders, in the manner, to be chosen over time at the discretion of the Board of Directors, in any case in compliance with provisions of law and regulation in force, according to the market on which the Company's shares are listed, also in compliance with EU Regulation no. 596/2014 and the related implementing regulations, insofar as applicable, and "market practices" admitted by Consob, or in accordance with primary and secondary legislation in force and applicable over time, depending on the market on which the Company's shares are listed.

As at the date of this Report, the Company holds 82,536 Treasury Shares, accounting for 1.47 of the share capital.

**i. Management and coordination activities (pursuant to Art. 2497, et seq., of the Italian Civil Code)**

The Company is not managed or coordinated pursuant to Art. 2497 *et seq.* of the Italian Civil Code.

The information required by Art. 123-*bis*, paragraph one, letter i) of the Consolidated Law on Finance ("*agreements between companies and their directors (...) that provide for remuneration in the case of their resignation or dismissal without just cause or if their relationship is discontinued following a takeover bid*") is set out in the Report on Remuneration published pursuant to Art. 123-*ter* of the Consolidated Law on Finance, in the Corporate Governance/Committees section of the website [www.alkemy.com](http://www.alkemy.com).

It is also stressed that the information required by Art. 123-*bis*, first paragraph, letter l) of the Consolidated Law on Finance ("*the rules applicable to the appointment and replacement of directors and to amendment of the articles of association, if different from the legislative and regulatory rules applicable in a supplementary manner*") is described in the subsequent section of the Report dedicated to the Board of Directors (Section 4.1).

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

The Issuer's corporate governance system is compliant with the relevant provisions of the Consolidated Law on Finance, in the applicable regulatory provisions and in the Code of Corporate Governance (latest edition, July 2018) available on the Corporate Governance Committee website on page <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

The Company has not adopted or adhered to any codes of corporate governance other than that promoted by Borsa Italiana.

This Report aims to provide information about Alkemy's corporate governance and the degree of adhesion by the Company to the Code of Corporate Governance.



In compiling the Report, the Company made significant use of the format distributed by Borsa Italiana S.p.A. in January 2019 (edition VIII), applying the principle “comply or explain” (indicating, in particular (i) if and how it has disregarded/differed from one or more recommendation; (ii) describing the reasons for the discrepancy and how the decision to differ from the recommendation was made by the Company; (iii) if there is a precise time frame for the discrepancy and how the choice “in derogation” to the Code helps assure the Company’s proper corporate governance; (iv) indicating the corporate governance practices effectively applied by the Company, beyond the obligations envisaged by provisions of law or regulation, in accordance with Art. 123-bis of the Consolidated Law on Finance and Art. 89-bis of the Issuers' Regulation).

Neither the Company nor its subsidiaries of strategic relevance are subject to non-Italian provisions of law that impact the Alkemy Group Corporate Governance structure.

#### 4. BOARD OF DIRECTORS

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

In accordance with Article 19 of the Articles of Association, the Company can be administered by a Board of Directors numbering between 5 (five) and 9 (nine) members, determined with resolution of the ordinary shareholders' meeting at the time of appointing the Board of Directors or amended with subsequent resolution.

Directors remain in office for a period of time established by the shareholders' meeting of no more than three financial years, standing down from office on the date of the shareholders' meeting convened to approve the financial statements relating to the last year of their office; they may be re-elected.

All directors must satisfy the eligibility, professionalism and integrity requirements set by the applicable regulatory provisions. At least one director (or two directors if the board numbers more than seven members) must meet the independence requirements laid down by Article 147-ter, paragraph 4 of the Consolidated Law on Finance (the “**Independence Requirements**”).

The Board of Directors is appointed by the ordinary shareholders’ meeting based on the lists presented by the shareholders, according to the procedure specified in Art. 19 of the Articles of Association and unless otherwise or further required by mandatory legal or regulatory provisions.

The following can present a list for the appointment of directors: (i) shareholders that, at the time of list submission, hold, alone or jointly, at least the portion of shares determined by Consob in accordance with applicable provisions of law and regulations; and (ii) the Board of Directors.

By resolution no. 28 passed on 30 January 2020, CONSOB determined, in accordance with Art. 144-*quater* of the Consob Issuers' Regulation, that the stake required for the presentation of the lists to the ordinary shareholders’ meeting of Alkemy, is equal to 4.5%.

Each list:

- (i) must contain a number of candidates not exceeding 9 (nine), listed according to progressive numbering;
- (ii) must contain and expressly indicate at least one director who meets the Independence Requirements, without prejudice to the fact that if the list contains more than 7 (seven) candidates, it must specify at least two directors meeting these requirements;
- (iii) for the period of application of the regulations and legislation in force *pro tempore* on gender balance, if there are at least 3 (three) candidates
- (iv) must also include candidates of both genders, at least in the minimum proportion required by provisions of laws and regulation in force *pro tempore*, as specified in the notice calling the shareholders’ meeting.



Additionally, the following must be attached to each list:

- (a) the CVs of candidates;
- (b) the declarations whereby each candidate accepts their candidacy and certifies, at their own responsibility, that there is no reason why they should be ineligible or incompatible and that the requirements are met as prescribed by current legislation to hold the office of Company director, including the declaration of the possession of independence requirements;
- (c) the indication of the identity of the shareholders presenting the lists and the total percentage investment share held;
- (d) any other declaration, information and/or document provided by applicable legislation and regulations.

Shareholders other than those individually or jointly holding a control or relative majority share must also submit a declaration attesting to the absence of relations with the latter, as envisaged by the law.

Any list submitted by the Board of Directors must: (i) be deposited and published in the manner envisaged by regulations applicable to the lists submitted by shareholders, by the thirtieth day prior to the date of the Shareholders' Meeting at first or only call, without prejudice to the terms of the law for the deposit regarding calls subsequent to the first, and must be made available to the public in accordance with the provisions of law in force *pro tempore* of the shareholders' lists; and (ii) meet, *mutatis mutandis*, the requirements laid down for the submission of lists by shareholders.

Each shareholder, as well as the shareholders belonging to a same corporate group and the shareholders participating in a relevant shareholders' agreement pursuant to Article 122 of the Consolidated Law on Finance may not present or contribute to presenting, not even via proxy or a trust company, more than one list or vote for different lists. Each person with voting rights may vote for one list only. The vote of each shareholder will concern the list and hence all the candidates appearing in the list, without any provision for modifications or exclusions. Any votes expressed in violation of this prohibition will not be attributed to any of the lists.

Each candidate may be present in only one list, at risk of ineligibility.

A list that fails to fulfil the foregoing requirements is considered as though it had never been submitted.

- A) If two or more lists have been presented, these are voted on and the Board of Directors is formed based on the provisions below:
  - 1. candidates from the two lists with the highest number of votes will be elected, according to the following criteria: (i) from the list that obtained the highest number of votes (the "**Majority List**"), a number of directors are taken, according to the progressive order of presentation, equal to the total number of components to be elected minus one; (ii) from the second list that obtained the highest number of votes and that is not connected, not even indirectly, with the shareholders who submitted, or with those who voted for, the Majority List (the "**Minority List**"), a director is taken, in the person of the candidate indicated with the first number in the same list.
  - 2. However no account is taken of the lists that did not obtain a number of votes at least equal to half the number of shares corresponding to the portion requested for the submission of the lists.
  - 3. In the event of a tie of votes among the lists, the meeting votes once again, exclusively with regard to the tied lists, with the list that obtains the highest number of votes prevailing.
  - 4. If, with the methods specified above, the provisions on Independence Requirements are not met, any candidate not meeting the Independence Requirements elected last in progressive order from the list that had obtained the most votes, will be replaced by the first candidate meeting the Independence Requirements not elected from the same list, in progressive order.

Finally, if said procedure does not assure the presence of the necessary number of Director meeting the Independence Requirements, the replacement will take place by resolution passed by the Shareholders'





Meeting by majority vote, after the submission of candidacies of subjects meeting the Independence Requirements.

5. If, with the methods specified above, the provisions with regard to gender balance established above are not met, the candidates of the most represented gender, elected as the last one in progressive order, from the Majority List are replaced with the first unelected candidates, taken from the same list, from the other gender; if this forming procedure cannot be implemented, in order to guarantee compliance with the above provisions in force from time to time with regard to gender balance, the missing directors will be elected by the meeting with the ordinary majorities and methods, without applying the list voting mechanism.
- B) If a single list was submitted, the shareholders' meeting votes on it and, if it obtains the majority of votes, all members of the Board of Directors are drawn from that list, in compliance with provisions of the law and regulations in force *pro tempore* over time, and the provisions on gender balance set out above.
- C) If no list has been presented or if only one has been presented and this does not obtain the majority of the votes or if the number of the directors elected on the basis of the presented lists is lower than the number of the members to be elected or if not the entire Board of Directors needs to be renewed or if it is not possible, for whatever reason, to appoint the Board of Directors with the methods set forth in this Article, the members of the Board of Directors are appointed by the meeting with the ordinary majorities and methods, without applying the list voting mechanism, notwithstanding the minimum number of directors who meet the Independence requirements and the compliance with the provisions on gender balance.

The candidate potentially indicated as such on the list that obtained the most votes, or on the only list submitted, shall be elected as Chairman of the Board of Directors. For lack thereof, the chairman is appointed by the shareholders' meeting with the ordinary legal majorities, without prejudice to the fact that the Board of Directors can appoint its Chairman, itself.

If, during the year, one or more directors should cease office, as long as the majority continues to be directors appointed by the Shareholders' Meeting, as per Article 2386 of the Italian Civil Code, the Board of Directors will proceed with the replacement with another member of the same list to which the director who has resigned belonged, meeting the same requirements as those of the directors who have ceased office and the Shareholders' Meeting shall resolve with the legal majorities, respecting this criterion.

If no candidates should remain on said list, not previously elected, or no candidates meeting the necessary requirements or in any case when, for any reason, it is not possible to use the names on the list to which the directors who have resigned belonged, the Board of Directors shall organise the replacement, and subsequently ruled by the Shareholders' Meeting, with the legal majorities and without list voting.

In any case, the Board and, subsequently, the Shareholders' Meeting shall proceed with the appointment so as to ensure (i) the presence of Independent Directors in the minimum total number required by the currently applicable regulation and (ii) compliance with the currently applicable regulation in the matter of balanced proportion of genders.

The shareholders' meeting may, however, resolve to reduce the number of Board members to that of the directors in office for the residual term of their mandate, without prejudice to the need to assure a suitable number of independent directors and respect for regulations in force over time regarding gender balance.

The loss of the Independence Requirements by the director shall only involve his resigning from office, pursuant to Article 147-ter, paragraph 4 of the Consolidated Law on Finance, if this should cause the minimum number of directors who meet the Independence requirements, as set by the provision, not to be reached.



If the shareholders' meeting fails to do so, the Board shall elect, from amongst its members, and for the same term as the Board of Directors, a Chairman and potentially a Deputy Chairman, to act as Chairman with the same powers in the event of the Chairman's absence or impediment.

In case of absence or impediment of the Chairman, the board meeting is chaired by the Deputy Chairman, if appointed; in case of absence of the latter, by the most elderly Chief Executive Officer in attendance at the board meeting, and, in case of absence of the latter, by the most senior director.

The Company is represented by the Chairman of the Board of Directors and, if absence or otherwise engaged, by the Deputy Chairman, if appointed, and up to the limits of the management power delegated over time, by each Chief Executive Officer, the Chairman of the Executive Committee and the directors to whom certain acts or categories of acts or duties have been delegated.

The power of representation also lies with the General Manager, where appointed, and any other commercial representatives, in accordance with the law, and with any third parties on whom proxies have been conferred for certain acts or categories of acts.

The Company is not subject to any additional provisions on the members of the Board of Directors, with respect to the provisions established by the Italian Civil Code, the Consolidated Law on Finance and the Code of Corporate Governance.

#### **Succession Plans**

With the resolution passed on 02 October 2019, in view of the imminent listing of the Company on the MTA market, and also in consideration of the related ownership structure, the structure and size of the Company and the experience and competences of the current executive directors and the system of delegations of power implemented within the Board of Directors, the Board of Directors has chosen and resolved not to adopt a succession plan for executive directors pursuant to Art. 5.C.2. of the Code of Corporate Governance.

#### **4.2. Members (pursuant to Art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)**

The Board in office as at the Report date was appointed by the Shareholders' Meeting on 25 June 2019 and will remain in office for three financial years, i.e. until the date of the shareholders' meeting called to approve the Financial Statements for the year ended as at 31 December 2021, and has the following members:

<i>Office</i>	<i>Name and surname</i>
Chairman (2)	Alessandro Mattiacci
Chief Executive Officer (2)	Duccio Vitali
Director (3)	Riccardo Lorenzini
Director (2)	Vittorio Massone
Director (3)	Francesco Beraldi
Director (1)(3)	Giorgia Abeltino
Director (1)(3)	Giulia Bianchi Frangipane
Director (1)(3)	Andrea Di Camillo
Director (1)(3)	Serenella Sala



- (1) meeting the independence requirements in accordance with the combined provisions of Art. 147, paragraph 4 and Art. 148, paragraph 3 of the Consolidated Law on Finance and Art. 3 of the Code of Corporate Governance;
- (2) executive director;
- (3) non-executive director;

According to the Articles of Association, the Board of Directors has appointed Alessandro Mattiacci as Executive Chairman, Francesco Beraldi as Deputy Chairman and Duccio Vitali as Chief Executive Officer.

On 25 June 2019, the Independent Directors, Andrea di Camillo, Giorgia Abeltino, Giulia Bianchi Frangipane and Serenella Sala, declared that they met the independence requirements envisaged by Art. 147-ter, paragraph 4 of the Consolidated Law on Finance (which recalls Art. 148, paragraph 3 of the Consolidated Law on Finance) and Art. 3 of the Code of Corporate Governance. As at that same date, the Board of Directors assessed the requirements of integrity and independence.

No member of the Board of Directors was a family relation, in accordance with Art. 144-ter of the Issuers' Regulation, of the other members of the Issuer's Board of Directors, of the members of the Board of Auditors or the main Company managers.

All members of the Board of Directors have formally accepted their office and are domiciled for the purpose at the Issuer's registered office.

A brief curriculum vitae of each director is provided below, showing the skills and experience obtained in company management.

**Alessandro Mattiacci** – University graduate in Economics. Founder and CEO of iResearch S.p.A., a start-up operating in the digital sector and, in particular, focussed on the development of on-line research systems. For seven years, he was also VP Strategic Development at Jakala Holding S.p.A. and since 2012, CEO of Jakala eBusiness.

Alessandro Mattiacci has been a member of the Alkemy Board of Directors since 18 May 2012 and an executive director of Alkemy since 2012. On 03 May 2018, he was appointed Chairman of the Board of Directors after the resignation from the office of Chairman tendered by Riccardo Lorenzini.

**Duccio Vitali** – Graduated in Engineering from Milan Polytechnic University. He achieved a masters in business administration (MBA) from the Commercial Luigi Bocconi University of Milan. For ten years, he provided professional consultancy at *Bain&Co*, as partner in the Technology, Media & Telecommunication area for the Milan, Dallas and Dubai offices. He is also a visiting professor at the Commercial Luigi Bocconi University on matters relating to the digital sector.

Duccio Vitali has been a member of the Alkemy Board of Directors since 18 May 2012 and a Chief Executive Officer of Alkemy since 2012; he still holds this role as at the date of this Report.

**Riccardo Lorenzini** – He has been working for almost forty years as a professional in advertising and communication. From 1979 to 1994, he worked for *Saatchi & Saatchi*, from 1992 to 1994 holding the office of Chief Executive Officer. He was then Chief Executive Officer for *Lowe Pirella Goettsche* from 1994 to 1997 and, at the same time, member of the European Board of Directors of the Lowe Group. Co-founder and CEO of the D'Adda, Lorenzini, Vigorelli agency in 1997, his appointment ended in 2008. From 2005 to 2008, he was also a member of the Worldwide Board of Directors of BBDO Worldwide, one of the world's largest networks of advertising agencies, a member of the Omnicom Group. He is one of the founding members and, from 2012 until 03 May 2018, was Chairman of Alkemy S.p.A.

Riccardo Lorenzini has been a member of the Alkemy Board since 18 May 2012. As at the date of this Report, he is a non-executive director of Alkemy.

**Francesco Beraldi** – In 1988, he graduated in Information Sciences from the University of Pisa. From 1987 to 1996, he worked professionally for various companies: Olivetti, IBM-Italia, Diagram-Tas and Oracle. In



1998, at the dawn of the internet revolution and at the same time as the open source movement gained standing, he founded Orangee, to offer an alternative open source model on the System Integration market to that of proprietary software. He was Chief Executive Officer of Orangee until 2012, even after the business was acquired by Finmeccanica in 2008. In 2013, he adhered with O2e to the TSC Consulting project, which in 2015 became part of the Alkemy Group, as Alkemy Tech. Through Alkemy Tech and O2e, he promotes initiatives in the favour of the younger generation and innovation, supporting networks of talents, innovative start-ups and spin-offs in the digital sector, with the aim of creating economic value through the spread of the digital culture, open source, open innovation and the principles of virtuous Italian entrepreneurship.

Francesco Beraldi - As at the date of this report, he has been a member of Alkemy's Board since 07 May 2015. After having tendered his resignation from the office of Deputy Chairman on 13 February 2020, as at the date of this Report, he is a non-executive director of Alkemy.

**Vittorio Massone** - He graduated in Economics and Business from La Sapienza University of Rome and achieved an MBA from Bocconi University of Milan; Vittorio Massone can today boast more than 25 years of experience in strategic consulting. In 1994, Mr Massone joined Bain & Company, a company in which he became a partner in 1999 and Director in 2004, becoming a reference figure in the sector of telecommunications, media/entertainment, digital, industrial services, government and automotive, operating with high profile customers. In 2010, Mr Massone moved to Johannesburg, where he was appointed Managing Partner of Bain & Company Africa until 2018, where he relaunched the company's operations in the region, taking the team to 200 members and opening a new office in Nigeria.

Since 13 February 2020, Vittorio Massone has been executive director and Deputy Chairman of the Board of Directors of Alkemy, an appointment to which he was co-opted by the Board of Directors.

**Andrea Di Camillo** - Born in Biella in 1970, he began his professional career with Olivetti, which he joined in 1995, to deal with the marketing of ItaliaOnline, a pioneering company in the Italian digital market. In 1999, he was one of the founding members of Vitaminic and in 2006 of Banzai. This latter company rapidly gained standing as the second most important Italian web company. He has more than fifteen years of experience as venture capitalist and entrepreneur, having worked for Kiwi I, Cir Ventures and Principia SGR. He has also invested in more than forty companies, including Yoox, Venere and Viamente. From 2010 to 2012, he managed the turnaround of the funds Principia I and Principia II, investing more than 40 million euros and redefining the asset management company's investment strategy. He has invested personally in numerous start-ups over the year, including Cortilia, Iubenda, Fubles and Viamente, which in 2012 was acquired by a US industrial group. In 2013, he launched P101, of which he is a managing partner. Thereafter, he took part in the launch of the first venture capital fund in Italy, Kisi I, with which he made some of his most successful investments in the digital sector, like Yoox and Venere.

Andrea di Camillo has been a member of the Alkemy Board since 05 December 2017. As at the Report Date, he is a member of the Board of Directors and of the Remuneration Committee (an office he has held since 18 December 2017) and of the Control, Risks and Sustainability Committee (of which he is also Chairman). During the year, Mr Di Camillo was also a member of the Related Party Transactions Committee; for information on this, please see Section 12 below.

**Giorgia Abeltino** – She graduated in Law from Federico II University of Naples and began her professional career with the Bonelli Erede law firm. After a short time spent with the European Commission, from 2004 to 2008, she collaborated with Sky Italia, dealing with regulatory affairs, before then moving to New York, where she worked for News Corporation. She began collaborating with Google in 2010, where she held the office of director of public affairs for Italy, France, Greece and Malta and director of external relations.

Giorgia Abeltino has been a member of the Alkemy Board since 25 June 2019. As at the Report date, she is a member of the Board of Directors and of the Control, Risks and Sustainability Committee.

**Giulia Bianchi Frangipane** – She graduated in Law from the University of Bologna in 2001 and then continued her studies at Fordham University of New York, achieving an LLM in 2004. After a first experience



with a leading Italia law firm, in 2005 she began collaborating with the Bonelli Erede law firm, becoming a partner in 2016. She has experience in various sectors of corporate law, including private equity, capital markets, M&A and extraordinary finance transactions. She is also a member of the dedicated “Innovation and Digital Transformation” focus team of the Bonelli Erede firm.

Giulia Bianchi Frangipane has been a member of the Alkemy Board since 25 June 2019. As at the Report Date, she is a member of the Board of Directors and of the Remuneration Committee and Control, Risks and Sustainability Committee.

**Serenella Sala** – She graduated in Physics in 1986 and thereafter gained a masters in business administration from Bocconi University. Right after graduating, she went to Max-Planck Institut di Mainz (Germany) to carry out chemical-physical research. She then continued her professional career with IBM Italia and Mckinsey & co., where she held the role of Engagement Manager in the area of strategic organisational consultancy. From 1994 to 2015, she collaborated with other companies in the consulting and strategic development sector, before, in 2015, founding Serenella Sala & Associates, a consultancy firm focussed on executive development, team coaching and personal counselling.

Serenella Sala has been a member of the Alkemy Board since 25 June 2019. As at the Report Date, she is a member of the Board of Directors and of the Remuneration Committee (which she also chairs).

The table below shows all the capital companies or partnerships in which the members of the Issuer's Board of Directors are members of the administrative, management or supervisory bodies, or shareholders, or have been in the last five years, indicating the status of the office and/or investment held as at the Information Prospectus Date.

Details of the Board members are given in Table 2 of the appendix.

Please note that as at the year end date and, more specifically, on 13 February 2020, Board Director Matteo de Brabant and Director Francesco Beraldi tendered their resignations from the offices listed hereto: (i) the first from the office of non-executive director of the Company and member of the Remuneration Committee, due to onset additional professional commitments; (ii) the second from the office of Deputy Chairman only.

Again by resolution passed on 13 February 2020, in consideration of the new challenges connected with the growth and industrialisation of the business model, and with the favourable opinion of the Board of Auditors, the Board co-opted Vittorio Massone, a manager with vast experience in the transformation of the business models of some of the most important companies in Italy and worldwide as new executive director, also appointing him Deputy Chairman and conferring specific delegations on him for Business and Corporate Development.

We would refer you to the text of the press release given on 13 February 2020, as integrated on 19 February 2020, published on the website [www.alkemy.com](http://www.alkemy.com), in the Investor Relations/Price Sensitive Releases section, for more information.

### **Diversity criteria and policies**

In July 2018, the Code of Corporate Governance was updated and supplemented to include recommendations on diversity, including gender diversity, in the members of the administrative body (principle 2.P.4 of the Code of Corporate Governance and related application criteria), in respect of the priority objective of assuring suitable competence and professionalism for the Board members, and with the aim of safeguarding the effects of Italian Law no. 120/2011 on the members of corporate bodies of listed companies, asking the companies to apply the new recommendations starting from the first renewal of the corporate offices after the cessation of effect of Italian Law no. 120/2011.

In line with the provisions set out by principle 2.P.4 of the Code of Corporate Governance and the related comments and application criteria, as well as in compliance with Art. 147-ter, paragraph 1-ter of the Consolidated Law on Finance, the Company has already implemented the diversity, including gender diversity, criteria in the members of the Board of Directors.



In this regard, please note that today's Board numbers 9 members and the less represented gender is female, with 3 directors out of 7, in line with the requirements set out by Art. 147-ter, paragraph 4 of the Consolidated Law on Finance.

As regards the diversity policies envisaged by Art. 123-bis, paragraph 2, letter d-bis) of the Consolidated Law on Finance, please note that by resolution passed on 02 October 2020, the Company's Board resolved not to adopt specific policies and/or practices on diversity matters in connection with the members of the administrative, management and control bodies, in compliance with Art. 123-bis, paragraph 2, letter d-bis) of the Consolidated Law on Finance.

The Board's decision takes into account the Company's structure and size, as well as the ownership structure and list voting mechanism envisaged by the Articles of Association, which assures a transparent appointment procedure and a balance in the members of the administrative body. Indeed, the Board of Directors has not considered it necessary to adopt policies and/or practices governing matters of diversity in respect of the members of the administrative, management and auditing bodies in regard to aspects such as age, gender balance and training and professional careers.

More specifically, with reference to gender balance, the Articles of Association envisages that, amongst other aspects, each list, for the period of application of legislation and regulations in force *pro tempore* on gender balance, where 3 (three) or more candidates are listed, the list must include candidates of both genders, at least in the minimum proportion called for by provisions of law and regulations in force *pro tempore*, as specified in the notice convening the shareholders' meeting. Additionally, in accordance with Art. 19.13, if, through the "list voting" mechanism, for the appointment of the members of the Board of Directors, the provisions on gender balance specified above should not be respected, the candidates of the more represented gender elected last in progressive order from the Majority List, shall be replaced with the first non-elected candidates, drawn from the same list, of the other gender; if this is not possible, in order to guarantee compliance with the above provisions on gender balance, the missing directors will be elected by the shareholders' meeting by ordinary majority vote, with no application of the list voting mechanism. Provisions on gender balance must be respected by the Shareholders' Meeting, even if it is not possible to proceed with the list voting mechanism.

Additionally, despite the fact that the above statutory provisions shall apply from the first renewal after the Trading Start Date on the MTA, as already mentioned, until that date, the Issuer has in any case complied with the regulations of Article 147-ter, paragraph 1-ter of the Consolidated Law on Finance on gender balance, despite the fact that this rule shall only apply to the first renewal of the Board of Directors after the trading start date.

Italian Law no. 160 of 27 December 2019 (the "**2020 Budget Law**") has modified the provisions pursuant to Articles 147-ter and 148 of Italian Legislative Decree no. 58/98 (Consolidated Law on Finance) on the balance of gender in the bodies of listed companies, with effect from 1 January 2020.

The former Articles 147-ter, paragraph 1-ter and 148, paragraph 1-bis of the Consolidated Law on Finance required companies with listed shares to comply with a criterion of gender balance on which basis, the less represented gender should make up at least a third of members of the administrative and auditing bodies. This allocation criterion applied for three consecutive mandates from the coming into force of said law or from the admission to listing after said coming into force. Finally, in order to make application of the regulations gradual, it was established that for the first renewal, the portion to be reserved to the less represented gender should be at least one fifth of the total number of members of each corporate body.

The 2020 Budget Law envisaged a different portion reserved to the less represented gender, of "at least two fifths" and ruled that this allocation shall apply for "six consecutive mandates". Moreover, limited to newly-listed companies, it established that "for the first renewal after the trading start date", the percentage to be reserved to the less represented gender shall be "at least one fifth" of the members. This new provision shall apply "starting from the first renewal of the administrative and auditing bodies of companies listed on regulated markets after the date of coming into force of this law", which took place on 1 January 2020.



For the Company, therefore, it is established that “for the first renewal after the trading start date”, the percentage to be reserved to the less represented gender shall be “at least one fifth” of the members.

Thus said, in respect of gender balance in the Board of Directors, it is also reported that the members of the Board of Directors respect the diversity criteria pursuant to Art. 2 of the Code of Corporate Governance.

Indeed, the Board is made up of executive and non-executive directors, all with suitable, diversified competence and professionalism, who contribute their specific experience to the board discussions. The Board members are, in fact, suitably diversified, with the presence of individuals of different genders, ages and with a balance of complementary skills/training/experience.

In terms of personal details, moreover, the Board of Directors consists of members of different generations, aged between 43 and 63. The average age is 52 years old. In terms of seniority of appointment, please note that some members of the Board and, in particular Duccio Vitali, the Chairman Alessandro Mattiacci and Mr Lorenzini, have been Board members since 18 May 2012, whilst Francesco Beraldi joined the Board in 2015.

The director Andrea Di Camillo has been a member of Alkemy’s Board since the Company was admitted for listing on the AIM Italia, whilst directors Vincenzo Massone, Giulia Bianchi Frangipane, Giorgia Abeltino and Serenella Sala were appointed later, precisely in order to enrich and diversify the professional skills and genders of the Board, in compliance with that required by current regulations and the Code of Corporate Governance.

#### **Limit of engagements**

In accordance with the provisions of Art. 1 of the Code of Corporate Governance, each member of the Board of Directors is required to deliberate with knowledge of the facts and in autonomy, pursuing the objective of creating value for the shareholders over a medium to long-term horizon, and undertakes to devote to the post held in the Company the time needed to ensure a diligent performance of his duties, regardless of the positions held outside the Alkemy Group, with full awareness of the responsibilities inherent to the office held.

To this end, each candidate for the position of Director is to carry out, prior to accepting the post at the Company and independent of the limitations established by the provisions of law and regulation regarding the accumulation of posts, an assessment of his ability to perform the tasks assigned to him with due attention and effectiveness, taking into account, in particular, the overall commitment required by the posts held outside of the Alkemy Group.

Each member of the Board of Directors is also required to inform the Board promptly of any acceptance of offices as Director or Auditor in other companies, so as to allow for the fulfilment of disclosure obligations laid down by applicable laws and regulations.

In its meeting held on 02 October 2019, the Board of Directors decided that there was no need to define general criteria relative to the maximum number of administrative and auditing appointments that could be held in other companies.

#### ***Induction Programme***

In consideration of the listing procedure, which was completed in December 2019, and of the competences and experience of the Company’s Directors and Auditor in office as at the date of admission of the Company’s shares for trading, the Chairman of the Board of Directors decided that there was no need to implement a specific induction programme during the year, in addition to the specific training and refresher initiatives carried out for listing purposes, involving directors and auditors.



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

During the year, eleven meetings of the Board of Directors were held (with an average duration of approximately 1.5 hours).

As at the Report Date, 2 Board meetings had already been held and at least four meetings were envisaged for FY 2020 (one of which is that held at the date of this Report), as per the Corporate Events Calendar published on the Company's website [www.alkemy.com](http://www.alkemy.com) in the Investor Relations section.

The Board of Directors is convened by the Chairman every time deemed appropriate or when at least two of its members request it. In case of absence or impediment of the Chairman, the Board is convened by the Deputy Chairman, if appointed; in case of absence of the latter, by the most elderly Chief Executive Officer.

The power to convene the Board of Directors is also given, pursuant to Article 151 of the Consolidated Law on Finance, to the board of auditors or also individually to each regular auditor.

The resolutions of the Board of Directors are passed at the presence of the majority of the directors in office, with the favourable vote of the majority of the directors in attendance. If votes are equal, the vote of the chair shall prevail.

The promptness and completeness of the pre-board information is guaranteed by means of the involvement of the competent corporate duties that prepare and coordinate the documentation as necessary for the specific items on the agenda, with the support of the consultants appointed by the Company and in respect of the deadline of 3 days prior to the meeting, envisaged by Art. 21.4 of the Articles of Association for the convening of the Board; this deadline is respected in almost all cases. The suitability of this deadline will be specifically assessed during the board evaluation, which the Company plans to carry out for the board meeting envisaged to approve the related interim financial report. At each meeting, and in particular at meetings convened in urgent cases or at which it was not possible for the competent departments to provide the necessary information in respect of the 3-day deadline indicated above, the Chairman of the Board of Directors makes sure that suitable, timely information is given during the meetings.

As a rule, on the invitation of the Chairman, the Company's Chief Financial Officer attends the meetings of the Board of Directors, sometimes acting as secretary, as well as the Company's external legal consultants or the VPs of the various Issuer's business units, in connection with extraordinary or ordinary transactions requiring their operative involvement for completion.

In compliance with statutory provisions and the Code of Corporate Governance, the Company acknowledges that the Board plays a key role in its governance system.

In accordance with Art. 22 of the Articles of Association, the management of the company business lies exclusively with the Board of Directors, which has the most extensive powers to carry out all acts considered necessary or appropriate to the implementation of the company object.

In accordance with Art. 20 of the Articles of Association, the Deputy Chairman acts as a substitute of the Chairman and has the same powers in case of absence or impediment of the Chairman.

In addition to the attributes due it in accordance with the law and the Articles of Association, the Board reserves to its exclusive competence all the most important economic and strategic decisions and those with considerable structural impact on operations or which are functional to the monitoring and guiding of the Company and the Group and creating sustainable value over the medium/long-term.

It has the power and indeed the duty to guide and direct the company, pursuing the objective of maximising value for shareholders. To this end, the Board resolves on the transactions necessary to implement the corporate object, save what is expressly reserved by the law or the Articles of Association to the Shareholders' Meeting.

In addition to exercising the powers assigned it by the law, the Board of Directors is also competent to resolve, in accordance with Art. 22.3 of the Articles of Association, on:





- (i) mergers and spin-offs in the cases envisaged by Articles 2505 and 2505-bis of the Italian Civil Code;
- (ii) the creation and closing of secondary branches;
- (iii) the reduction of capital in the event of the withdrawal of one or more shareholders;
- (iv) adaptations of the Articles of Association to bring them into line with provisions of law;
- (v) the transfer of registered office elsewhere within national territory; and
- (vi) the issue of convertible bonds or warrants following indirect procedures or when the conversion or option regards the Company's treasury shares or outstanding shares.

The following are also reserved to the exclusive competence of the Board of Directors:

- a. the adoption of the Company's rules of corporate governance and the definition of the Group's corporate governance guidelines;
- b. the approval and monitoring of the adequacy of the Company's organisational, administrative and general accounting structure and that of the subsidiaries of strategic relevance, with specific reference to the Risk Management and Internal Control System (RMICS) and the management of conflicts of interest;
- c. the attribution and revocation of delegations on Chief Executive Officers, defining the relevant limits and exercise methods; the additional definition of the frequency, in any case no less than once a quarter, with which the delegated bodies are required to report back to the Board on the work carried out in the exercise of the delegations conferred upon them;
- d. the definition, on the basis of the proposals made by the Remuneration Committee, of the Company's Remuneration Policy in accordance with Art. 123-ter of the Consolidated Law on Finance;
- e. the determining, having examined the proposals made by the Remuneration Committee and heard the opinion of the Board of Auditors, of the Chief Executive Officers' remuneration and that of the other Directors assigned specific duties, as well as, where the Shareholders' Meeting has not so resolved, the sub-division of the total remuneration due to Board members;
- f. the evaluation of the general management trend, taking specific account of the information received by the appointed bodies, and comparing the results obtained with those forecast, from time to time;
- g. the examination and preventive approval of the Company's transactions and those of its subsidiaries, when these transactions have significant strategic, economic, equity or financial relevance to the Company, paying particularly close attention to situations where one or more Directors have a personal or third party interest, and, more generally, to related party transactions in accordance with the RPT Regulation and the procedures on related party transactions adopted by the Company in accordance with said regulation;
- h. the establishment and appointment of the Remuneration Committee and the Control, Risks and Sustainability Committee, as well as any other internal committees assigned an advisory and proactive role;
- i. the appointment and revocation of the Chief Financial Officer, having consulted with the Board of Auditors, in compliance with Art. 29 of the Articles of Association;
- j. the approval of the procedures and internal organisational measures envisaged by applicable rules of law and regulation and recommended by the Code of Corporate Governance (such as, merely by way of example, the Related Party Transactions Procedure, the Internal Procedure for the management and holding of the Insider Register and the processing of confidential information and the Internal Dealing Procedure);



- k. the approval of related party transactions to which the Company and/or Alkemy Group companies are party, in accordance with the provisions of the law and regulations in force over time, as well as of the related party transactions procedures adopted by the Company in accordance with said regulation;
- l. the assumption, change and extinguishing of contracts with managers and key managers, in both cases reporting directly to the Chief Executive Officer;
- m. the approval of stock option plans and incentive plans in general, in accordance with the provisions of the law and regulations in force over time and in compliance with the Company's Remuneration Policy;
- n. the preparation, examination and approval of the budgets and strategic, industrial and financial plans of both the Company and the Group;
- o. the exercise of the delegation to increase the share capital conferred by the Ordinary Shareholders' Meeting and the implementation of treasury share buyback plans approved by the Shareholders' Meeting, as envisaged under Section 2, letter I) above;
- p. the evaluation of the suitability of the general organisational, administrative and accounting structure of the Company and its subsidiaries having strategic relevance, with particular reference to the internal audit and risk management system;
- q. the assessment of the size, members and function of the Board and its Committees, also in consideration of elements such as professional characteristics, experience, including managerial experience, and the gender of its members, as well as their seniority in office and also in relation to any diversity criteria as may be adopted;
- r. the task of reporting back to the Shareholders in their Meeting; of providing information, in the Corporate Governance Report, amongst others, on the members, activities, self-assessment process and implementation of diversity criteria;
- s. at the end of each year, prepares a calendar of corporate events for the following year;
- t. takes ultimate responsibility for the function and effectiveness of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001.

\* \* \*

Also taking into account the measures adopted and the successful conclusion of the controls and checks implemented under the supervision of the competent authorities for the purpose of listing, the Board of Directors has deemed it necessary to defer to this year all checks and assessments regarding:

- a) the adequacy of the Company's organisational, administrative and accounting structure prepared by the Chief Executive Officer, with specific reference to the internal control and risk management system in compliance with the application criterion 1.C.1, letter c) of the Code;
- b) the Board's own assessment of its function and that of its committees, as well as their size and members, also taking into account elements such as the professional characteristics, managerial and other experience and gender of its members, as well as their seniority in office ,in compliance with the application criterion 1.C.1., letter g) of the Code.

As regards the transactions of the Company and its subsidiaries, when such transactions are of strategic, economic, equity or financial importance for the Company, as described above, they are reserved to the exclusive competence of the Board of Directors, which applies the general criteria and limits described and recalled above. In adhesion to the recommendations of Art. 1.C.1, letter e) of the Code of Corporate Governance, the Chief Executive Officer reported back to the Board of Directors and the Board of Auditors on the general performance of operations during the meeting held on 13 February 2020.

Finally, please note that the Shareholders' Meeting has not, in a general and pre-emptive manner, authorised exemptions from the prohibition against competition provided for by Art. 2390 of the Italian Civil Code.



#### **4.4. Delegated bodies**

##### **Chief Executive Officers**

Pursuant to Articles 20.4 and 20.5 of the Articles of Association, the Board of Directors may delegate parts of its assignments to an Executive Committee comprising minimum of 3 (three) and maximum of 5 (five) directors, determining the limits of the delegation, the number of members and the methods of operation of the committee. The Board of Directors may not delegate - neither to each Chief Executive Officer, nor to individual directors, nor indeed to the Executive Committee (if appointed) - decisions under Article 2381 of the Italian Civil Code and any other decisions that must be taken, by law or according to regulations, with the vote of the entire Board of Directors.

The Company has attributed specific operative delegations to some directors and, in particular, to the Chairman of the Board of Directors, Alessandro Mattiacci, and the Chief Executive Officer Duccio Vitali.

The choice to assign operative delegations to the Chairman of the Board of Directors is justified by the particular competences acquired by Mr Mattiacci and the value shown in identifying and developing growth opportunities by external lines of Alkemy.

The Chairman of the Board of Directors shall have all powers envisaged by the law and the Articles of Association, with specific reference to the guiding role and the management of the works of the corporate bodies, as well as the Company's representation.

By resolution passed on 25 June 2019, the Chairman of the Board of Directors was assigned the following powers, to be exercised up to the budget limits approved annually by the Company:

##### **A. COMMERCIAL SALES**

By individual and separate signature, up to Euro 3,000,000 per individual transaction or multiple inter-connected transactions.

By joint signature together with that of another director with suitable powers, for transactions (also inter-connected) worth more than Euro 3,000,000.

1. to stipulate, for and on behalf of the company, framework agreements with customers and to take part in temporary consortia;
2. to prepare offers and quotations, to stipulate contracts for the supply of goods and services, to arrange for the issue of invoices, debit and credit notes, to sign such and issue receipt thereof, and also to demand amounts, including by means of mandates, issuing receipts and waivers thereof.

##### **B. PURCHASES**

By individual and separate signature up to Euro 500,000 per individual transaction or multiple inter-connected transactions.

By joint signature together with that of another director with suitable powers, for transactions (also inter-connected) worth more than Euro 500,000 and up to Euro 1,000,000.

By joint signature together with that of two more directors with suitable powers, for transactions (also inter-connected) worth more than Euro 1,000,000.

1. to stipulate, sign and potentially cancel purchase orders and contracts for goods necessary for the regular operation and growth of the Company, collecting and refusing goods, accepting or rejecting supplier invoices;
2. to purchase, sell and exchange movable assets entered on public registers, including motor vehicles relative to the Company's business, office equipment, hardware and software;



3. to sign and stipulate, for and on behalf of the Company, regulatory agreements and contracts for the purchase of goods or services and the supply or sub-supply of services of any type, as long as relevant to the corporate business;
4. to stipulate (with all the appropriate clauses, including arbitration clauses), to amend and terminate contracts and agreements relating to the company business, including, merely by way of example, rental contracts, transport contracts, tenders, free loan, procurement, delivery and deposit agreements;
5. to stipulate contracts for the lease of assets, including financial leases but only for movable assets, with the exclusion of leases for more than nine years applicable to real estate, as envisaged by Art. 1572 of the Italian Civil Code.

### **C. EMPLOYMENT CONTRACTS**

By individual and separate signature up to Euro 80,000 (in terms of gross annual remuneration) per individual transaction or multiple inter-connected transactions.

By joint signature together with that of another director with suitable powers, for transactions (also inter-connected) worth more than Euro 80,000 and up to Euro 100,000 (in terms of gross annual remuneration).

1. to hire and dismiss company employees, with the exception of the appointment, hiring and dismissal of managers, establishing duties and qualifications and determining the gross annual remuneration, within the above limit, to sign letters of employment and requests for clearance from the Ministry of Employment and job centres;
2. to be party to and sign any acts, including collective bargaining agreements, and all formalities relating to staff management (excluding managers), their organisation and use, including disciplinary actions, also arranging for their transfer from one production unit to another, where appropriate and legitimate;
3. to represent the Company before any trade union, welfare or category association or entity;
4. to represent the Company before the Employment Offices;
5. to pay, for and on behalf of the Company, expense notes, reimbursements and advances to company employees.

### **D. BANK, POST OFFICE AND FINANCIAL TRANSACTIONS**

By joint signature together with that of the Company's Chief Financial Officer, for transactions (also inter-connected) worth more than Euro 400,000 and up to Euro 600,000.

By joint signature together with that of the Company's Chief Financial Officer, and that of another director with suitable powers, for transactions worth more than 600,000.

1. to open and close bank current and postal accounts;
2. to operate with credit institutes in connection with the following transactions:
  - (i) opening of credit facility on current account;
  - (ii) orders and withdrawals from correspondence current accounts, including by means of bank cheques to the order of the third parties, against liquid funds or loans granted or in any case overdrafts;
  - (iii) establishment of caution deposits;
  - (iv) transfer of receivables;
  - (v) bank and insurance bonds;
  - (vi) issues of direct promissory notes and bills drawn;



- (vii) orders of foreign exchange and security transactions, with the faculty to transfer the securities and demand the revenues;
- (viii) establishment of securities deposits under custody or administration;
- (ix) withdrawals from custody deposits or deposits under administration of securities, even if extracted or favoured by premiums, with the faculty to demand the relevant principal and premiums;
- (x) to stipulate lease contracts, contracts for the use and termination of safety boxes, cabinets and sections in safes, establishment and withdrawal of closed deposits;
- (xi) to sign all other documents necessary or useful to the completion of the procedures relating to the above transactions.

By joint signature together with that of the Company's Chief Financial Officer, or alternatively that of the Chief Executive Officer, for transactions worth more than 500,000.

1. to make payments to subsidiaries.

#### **E. MISCELLANEOUS**

1. To draft and sign all Company correspondence and all other documents requiring the Company's signature.
2. To sign letters of confidentiality relating to confidential information given and received by the Company.
3. To take and defend any action, case or proceedings to which the Company is or may be party, before any legal authority, whether civil, including the employment magistrate, criminal, administrative or tax, at any stage and level, including enforcement, interim and urgent proceedings; to this end, to appoint lawyers and confer the relevant powers of attorney, to elect addresses for service, to act and defend in any proceedings, to sign acts, summonses, petitions, suits, statements and notices, acts of appeal and all other types of appeal and encumbrance, to make declarations, to respond to free and formal cross-examinations, to receive amounts and property, to issue the relevant receipts thereof, to settle and conciliate disputes and to sign the related settlement deeds, to waive acts and rights and to sign acts of waiver, to withdraw suits and all other powers necessary or even merely appropriate to ensuring the full jurisdictional protection of the Company for the conciliation and settlement of all disputes, without any able to claim that the appointed director is lacking determined powers, all hereby with the promise of ratification and validation and to be completed in multiplex contexts;
4. To carry out all preliminary, connected, consequential and in any case necessary or useful acts to the exercise of the powers conferred;
5. To represent the Company in the shareholders' meetings of investees.
6. Within the limits of the powers conferred upon him, to issue special powers of attorney for certain acts or categories of acts.

Please note that in light of the limited powers conferred on the Chairman of the Board of Directors, he is not classed as the Company Chief Executive Officer, as he is not the main party responsible for business management; therefore, the Issuer has not appointed a lead Independent Director in accordance with the application criteria 2.C.4 and 2.C.5 of the Code of Corporate Governance.

By resolution passed on 25 June 2019, the Board appointed director Duccio Vitali as the Company's Chief Executive Officer, conferring upon him the powers listed below, to be exercised within the budget limits approved annually by the Company:

#### **A. COMMERCIAL SALES**



**By individual and separate signature, up to Euro 3,000,000 per individual transaction or multiple inter-connected transactions.**

**By joint signature together with that of another director with suitable powers, for transactions (also inter-connected) worth more than Euro 3,000,000.**

1. to stipulate, for and on behalf of the company, framework agreements with customers and to take part in temporary consortia;
2. to prepare offers and quotations, to stipulate contracts for the supply of goods and services, to arrange for the issue of invoices, debit and credit notes, to sign such and issue receipt thereof, and also to demand amounts, including by means of mandates, issuing receipts and waivers thereof.

## **B. PURCHASES**

**By individual and separate signature up to Euro 500,000 per individual transaction or multiple inter-connected transactions.**

**By joint signature together with that of another director with suitable powers, for transactions (also inter-connected) worth more than Euro 500,000 and up to Euro 1,000,000.**

**By joint signature together with that of two more directors with suitable powers, for transactions (also inter-connected) worth more than Euro 1,000,000.**

1. to stipulate, sign and potentially cancel purchase orders and contracts for goods necessary for the regular operation and growth of the Company, collecting and refusing goods, accepting or rejecting supplier invoices;
2. to purchase, sell and exchange movable assets entered on public registers, including motor vehicles relative to the company's business, office equipment, hardware and software;
3. to sign and stipulate, for and on behalf of the company, regulatory agreements and contracts for the purchase of goods or services and the supply or sub-supply of services of any type, as long as relevant to the corporate business;
4. to stipulate (with I the appropriate clauses, including arbitration clauses), to amend and terminate contracts and agreements relating to the company business, including, merely by way of example, rental contracts, transport contracts, tenders, free loan, procurement, delivery and deposit agreements;
5. to stipulate contracts for the lease of assets, including financial leases but only for movable assets, with the exclusion of leases for more than nine years applicable to real estate, as envisaged by Art. 1572 of the Italian Civil Code.

## **C. EMPLOYMENT CONTRACTS**

**By individual and separate signature up to Euro 80,000 (in terms of gross annual remuneration) per individual transaction or multiple inter-connected transactions.**

**By joint signature together with that of another director with suitable powers, for transactions (also inter-connected) worth more than Euro 80,000 and up to Euro 100,000 (in terms of gross annual remuneration).**

1. to hire and dismiss company employees, with the exception of the appointment, hiring and dismissal of managers, establishing duties and qualifications and determining the gross annual remuneration, within the above limit, to sign letters of employment and requests for clearance from the Ministry of Employment and job centres;
2. to be party to and sign any acts, including collective bargaining agreements, and all formalities relating to staff management (excluding managers), their organisation and use, including disciplinary actions, also arranging for their transfer from one production unit to another, where appropriate and legitimate;



3. to represent the Company before any trade union, welfare or category association or entity;
4. to represent the Company before the Employment Offices;
5. to pay, for and on behalf of the Company, expense notes, reimbursements and advances to company employees.

**D. BANK, POST OFFICE AND FINANCIAL TRANSACTIONS.**

**By individual signature and with no limit to amount**

1. to transfer for collection, for and on behalf of the company, cheques, bills of exchange and documents for collection or discount to be credited to the company's current accounts, to make transfers between bank and post office current accounts held by the Company;
2. to make payments for tax and contribution requirements.

**By individual signature and within the limits of the overdrafts and facilities granted:**

1. to use the bank overdrafts and facilities granted and resolved in the company's favour.

**By individual and separate signature up to Euro 400,000 per individual transaction or multiple inter-connected transactions.**

**By joint signature together with that of the Company's Chief Financial Officer, for transactions (also inter-connected) worth more than Euro 400,000 and up to Euro 600,000.**

**By joint signature together with that of the Company's Chief Financial Officer, and that of another director with suitable powers, for transactions worth more than 600,000.**

1. to open and close bank current and postal accounts;
2. to operate with credit institutes in connection with the following transactions:
  - (i) opening of credit facility on current account;
  - (ii) orders and withdrawals from correspondence current accounts, including by means of bank cheques to the order of the third parties, against liquid funds or loans granted or in any case overdrafts;
  - (iii) establishment of caution deposits;
  - (iv) transfer of receivables;
  - (v) bank and insurance bonds;
  - (vi) issues of direct promissory notes and bills drawn;
  - (vii) orders of foreign exchange and security transactions, with the faculty to transfer the securities and demand the revenues;
  - (viii) establishment of securities deposits under custody or administration;
  - (ix) withdrawals from custody deposits or deposits under administration of securities, even if extracted or favoured by premiums, with the faculty to demand the relevant principal and premiums;
  - (x) to stipulate lease contracts, contracts for the use and termination of safety boxes, cabinets and sections in safes, establishment and withdrawal of closed deposits;
  - (xi) to sign all other documents necessary or useful to the completion of the procedures relating to the above transactions.

**By individual and separate signature up to Euro 500,000 per individual transaction or multiple inter-connected transactions.**



**By joint signature together with that of the Company's Chief Financial Officer, or alternatively that of the Chairman of the Board of Directors, for transactions worth more than 500,000.**

To make payments to subsidiaries.

#### **E. RELATIONS WITH PUBLIC OFFICES AND THE LEGAL AUTHORITIES**

**By individual signature:**

1. To represent the Company in Italy and abroad, before any public or private entity and in all its relations with the Public Administration; in particular before: any state or para-state office and entity, Ministries, the Italian Exchange Office, the Chambers of Commerce, the Public Motor Vehicles Registry, the Office of Regions, Provinces and Municipalities and local districts, the offices of the Issues Institute, Cassa Depositi e Prestiti, the Public Debt offices, Treasuries and Treasury Coffers, the Insurance company and transport offices, both state and under concession, Customs offices, making deliveries and collections, setting and releasing goods and valuable from restrictions; the Revenue Agency, the Financial Administration in general, the Regional, municipal and provincial offices for local tax;
2. To draft and sign the declarations and communications to Ministries, the Revenue Agency and the Customs, the Chambers of Commerce, Stock Markets and other public and private entities and offices, regarding requirements laid down for the Company by laws and regulations; to propose, accept and sign agreements with the State Financial Administration and local entities.
3. To carry out all acts and operations in tax, currency, anti money laundering, fiscal and duty matters, in regard to the central and outlying bodies and offices of the State financial administration and to represent the Company in such matters before the tax commissions and in cassation, all with the most extensive faculties in terms of presenting claims, documents, reports, petitions, challenges, negotiating and defining all cases, also in relation to assessments carried out by the financial offices, the adhesion to their requests, requests for reimbursements, signing all deeds, documents and receipts as may be necessary for the foregoing.
4. To sign all declarations and deeds and carry out all activities and fulfil all requirements laid down for the Company by law in regard to Consob, Borsa Italiana, the Bank of Italy, the Italian Exchange Office, the Protection Authorities, the Chambers of Commerce and, more generally, the State Public Administrations.
5. To carry out, at public administrations, public offices and entities, all acts and operations as may be necessary to obtain registrations, variations, administrative concessions, licences and authorisation deeds in general, as necessary to achieving the company object; to stipulate and sign disciplinary records, agreements, acts of submission and any other preparatory deeds for such provisions.
6. To represent the Company in any bankruptcy and insolvency proceedings.
7. To take and defend any action, case or proceedings to which the Company is or may be party, before any legal authority, whether civil, including the employment magistrate, criminal, administrative or tax, at any stage and level, including enforcement, interim and urgent proceedings; to this end, to appoint lawyers and confer the relevant powers of attorney, to elect addresses for service, to act and defend in any proceedings, to sign acts, summonses, petitions, suits, statements and notices, acts of appeal and all other types of appeal and encumbrance, to make declarations, to respond to free and formal cross-examinations, to receive amounts and property, to issue the relevant receipts thereof, to settle and conciliate disputes and to sign the related settlement deeds, to waive acts and rights and to sign acts of waiver, to withdraw suits and all other powers necessary or even merely appropriate to ensuring the full jurisdictional protection of the Company for the conciliation and settlement of all disputes, without any able to claim that the appointed director is lacking determined powers, all hereby with the promise of ratification and validation and to be completed in multiplex contexts.





## F. PRIVACY

### By individual signature:

1. all powers to ensure that personal data is processed in compliance and complete respect of Italian Legislative Decree no. 196/2003 (the “**Code**”) and Regulation EU 679/2016 (the “**Regulation**”) and, in general, all current legislation, to ensure, merely by way of example, fulfilment of the following legal requirements:
  - (i) to implement all measures laid down by the Code and the Regulation;
  - (ii) to represent the Company in all relations with the natural persons to whom the personal data refers, as well as with their delegated representatives;
  - (iii) to represent the Company in all relations with the technicians, consultants and other external collaborators, as well as with suppliers and other subjects with which it may be necessary or useful to entertain relations in order to better implement current legislation;
  - (iv) if necessary, to identify and appoint one or more persons in charge of the processing and to provide them with detailed operating instructions;
  - (v) to monitor compliance with the instructions given;
  - (vi) to fulfil all disclosure obligations and obligations relating to the acquisition of consent, in accordance with Art. 13 of the Regulation;
  - (vii) to guarantee that data subjects can effectively exercise the rights envisaged under Art. 15 *et seq.* of the Regulation;
  - (viii) to promptly process all requests made for information by the Data Protection Authority;
  - (ix) to ensure the preparation and update of a security system that is able to ensure compliance with the indications and instructions given in the Code and Regulation;
  - (x) to appoint and revoke, under the scope of the powers conferred, special powers of attorney for individual acts or categories of acts.

## G. MISCELLANEOUS

1. To draft and sign all Company correspondence and all other documents requiring the Company’s signature.
2. To sign letters of confidentiality relating to confidential information given and received by the Company.
3. To carry out all preliminary, connected, consequential and in any case necessary or useful acts to the exercise of the powers conferred.
4. To represent the Company in the shareholders' meetings of investees.
5. Within the limits of the powers conferred upon him, to issue special powers of attorney for certain acts or categories of acts.

The Chief Executive Officer Duccio Vitali is named Chief Executive Officer and does not hold any position as Director in any other listed issuer in which a Company Director is named Chief Executive Officer.

Please also note that the Chief Executive Officer Duccio Vitali was appointed Director in charge of the Risk Management and Internal Control System (the “**RMICS**”) by Board resolution passed on 10 July 2019, also in accordance with and pursuant to the application criterion 7.C.4 of the Code of Corporate Governance.

For more details on the powers and duties of the Director in charge of the RMICS, please refer to section 11.2 further down in this Report.



**Executive Committee (pursuant to Art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)**

At at the Report Date, no Executive Committee has been established.

**4.5. Other Executive Directors**

By resolution passed on 25 June 2019, the Deputy Chairman **Francesco Beraldi** was attributed the following powers:

**A. COMMERCIAL SALES**

**By individual and separate signature up to Euro 500,000 per individual transaction or multiple inter-connected transactions.**

**By joint signature together with that of the Chief Executive Officer or the Chairman of the Board of Directors, for transactions (also inter-connected) worth more than Euro 500,000.**

1. To stipulate, for and on behalf of the company, framework agreements with customers and to take part in temporary consortia.
2. To prepare offers and quotations, to stipulate contracts for the supply of goods and services, to arrange for the issue of invoices, debit and credit notes, to sign such and issue receipt thereof, and also to demand amounts, including by means of mandates, issuing receipts and waivers thereof.

**B. PURCHASES**

**By individual and separate signature up to Euro 300,000 per individual transaction or multiple inter-connected transactions.**

**By joint signature together with that of the Chief Executive Officer or the Chairman of the Board of Directors, for transactions (also inter-connected) worth more than Euro 300,000 and up to Euro 1,000,000.**

**By joint signature together with that of another 2 directors with suitable powers, as long as with the signature, at least, of the Chief Executive Officer or the Chairman of the Board of Directors, for transactions (also inter-connected) worth more than Euro 1,000,000.**

1. to stipulate, sign and potentially cancel purchase orders and contracts for goods necessary for the regular operation and growth of the Company, collecting and refusing goods, accepting or rejecting supplier invoices;
2. to purchase, sell and exchange movable assets entered on public registers, including motor vehicles relative to the company's business, office equipment, hardware and software;
3. to sign and stipulate, for and on behalf of the company, regulatory agreements and contracts for the purchase of goods or services and the supply or sub-supply of services of any type, as long as relevant to the corporate business.
4. to stipulate (with I the appropriate clauses, including arbitration clauses), to amend and terminate contracts and agreements relating to the company business, including, merely by way of example, rental contracts, transport contracts, tenders, free loan, procurement, delivery and deposit agreements.

**C. EMPLOYMENT CONTRACTS**

**By individual and separate signature up to Euro 60,000 (in terms of gross annual remuneration) per individual transaction or multiple inter-connected transactions.**

**By joint signature together with that of the Chief Executive Officer or alternatively that the Chairman of the Board of Directors, for transactions (also inter-connected) worth more than Euro 60,000 and up to Euro 100,000 (in terms of gross annual remuneration).**



1. to hire and dismiss company employees, with the exception of the appointment, hiring and dismissal of managers, establishing duties and qualifications and determining the gross annual remuneration, within the above limit, to sign letters of employment and requests for clearance from the Ministry of Employment and job centres;
2. to be party to and sign any acts, including collective bargaining agreements, and all formalities relating to staff management (excluding managers), their organisation and use, including disciplinary actions, also arranging for their transfer from one production unit to another, where appropriate and legitimate;
3. to represent the Company before any trade union, welfare or category association or entity;
4. to represent the Company before the Employment Offices;
5. to pay, for and on behalf of the Company, expense notes, reimbursements and advances to company employees.

#### **D. BANK, POST OFFICE AND FINANCIAL TRANSACTIONS.**

##### **D.1. By individual signature and with no limit to amount**

1. to transfer for collection, for and on behalf of the company, cheques, bills of exchange and documents for collection or discount to be credited to the company's current accounts, to make transfers between bank and post office current accounts held by the Company;
2. to make payments for tax and contribution requirements.

##### **D.2. By individual and separate signature up to Euro 400,000 per individual transaction or multiple inter-connected transactions.**

**By joint signature together with that of another director with suitable powers for transactions (also inter-connected) worth more than Euro 400,000 and up to Euro 600,000.**

**By joint signature together with that of another 2 directors with suitable powers, as long as with the signature, at least, of the Chief Executive Officer or the Chairman of the Board of Directors, for transactions (also inter-connected) worth more than Euro 600,000.**

1. to open and close bank current and postal accounts;
2. to operate with credit institutes in connection with the following transactions:
  - (i) opening of credit facility on current account;
  - (ii) orders and withdrawals from correspondence current accounts, including by means of bank cheques to the order of the third parties, against liquid funds or loans granted or in any case overdrafts;
  - (iii) establishment of caution deposits;
  - (iv) transfers of receivables;
  - (v) bank and insurance bonds;
  - (vi) issues of direct promissory notes and bills drawn;
  - (vii) orders of foreign exchange and security transactions, with the faculty to transfer the securities and demand the revenues;
  - (viii) establishment of securities deposits under custody or administration;
  - (ix) withdrawals from custody deposits or deposits under administration of securities, even if extracted or favoured by premiums, with the faculty to demand the relevant principal and premiums;
  - (x) to stipulate lease contracts, contracts for the use and termination of safety boxes, cabinets and sections in safes, establishment and withdrawal of closed deposits;



- (xi) to sign all other documents necessary or useful to the completion of the procedures relating to the above transactions.

## **E. RESEARCH AND DEVELOPMENT PROJECTS**

### **By individual signature:**

To represent the Company before the Central and Regional Public Administration, the European Union and Authorised Entities and Banks for all activities relating to tenders called for the presentation, operation and development of research and development projects in a regimen of subsidised finance, with participation both individually and in the form of associations and the faculty to participate in partnerships, to stipulate agreements for temporary Spas and/or businesses and network contracts, which also entail the assumption of loans in the form of subsidised credit and contributions towards expenses. The delegations conferred include all actions useful to completing or developing projects, including, merely by way of example, the signing of Concession Decrees, Deeds of Obligation, the presentation of integrations, observations and counterclaims, and the faculty to settle.

Following the resignation tendered on 13 February 2020, Mr Berardi renounced the above powers and the board attributed the following powers to the newly-appointed Deputy Chairman Mr Massone:

### **COMMERCIAL SALES**

**By individual and separate signature, up to Euro 500,000 per individual transaction or multiple inter-connected transactions.**

**By joint signature together with that of another director with suitable powers, for transactions (also inter-connected) worth more than Euro 500,000.**

1. to stipulate, for and on behalf of the company, framework agreements with customers and to take part in temporary consortia;
2. to prepare offers and quotations, to stipulate contracts for the supply of goods and services, to arrange for the issue of invoices, debit and credit notes, to sign such and issue receipt thereof, and also to demand amounts, including by means of mandates, issuing receipts and waivers thereof.

## **4.6. Independent Directors**

In compliance with the independence requirements established by applicable legislation, in the number established by applicable provisions of laws and regulations, there are currently four independent directors on the Board of Directors, namely Andrea di Camillo, Giorgia Abeltino, Giulia Bianchi Frangipane and Serenella Sala (the “**Independent Directors**”), who:

- (i) do not control the Issuer, directly or indirectly, or through subsidiaries, trustee companies or a third party nor are they able to exercise significant influence over it;
- (ii) do not participate, directly or indirectly, in any shareholders' agreement through which one or more individuals can exercise control or significant influence over the Issuer;
- (iii) are not, and have not been in the previous three financial years, significant representatives (meaning the Chairman, a legal representative, Chairman of the board, Executive Director or a Key Manager) of the Issuer, a strategically significant subsidiary of the latter, a company which is subject to joint control, a company or an entity which, including with others through a shareholders' agreement, controls the Issuer or is able to exercise significant influence over the Issuer;
- (iv) do not hold, and have not held in the previous year, directly or indirectly (for example through subsidiaries or companies in which they act as significant representatives, in the sense indicated under point (iii) above, or as partners of a professional concern or a consulting company), a significant commercial, financial or professional relationship: (a) with the Issuer, a subsidiary, or any significant



representatives, pursuant to point (iii) above, thereof; (b) with an individual which, including jointly with others through a shareholders' agreement, controls the Issuer, or if this is a company or an entity, with significant executives, in the sense indicated under point (iii) therein or (c) they do not hold and have not held in the previous three years an employment relationship with the aforementioned entities and individuals;

- (v) notwithstanding the indications under (iv) above, they do not have any freelance or employment relations, or any other relations of a pecuniary or professional nature such that their independence would be compromised: (a) with the Issuer, its subsidiaries or parent companies or company subject to joint control; (b) with the Directors of the Issuer; (c) with individuals that have a spouse, parental relationship or kinship up to the fourth Decree with the directors of the companies under point (a);
- (vi) do not receive, and nor have they received in the preceding three years, from the Issuer or a company that is the latter's subsidiary or parent company, any significant additional remuneration compared to the "fixed" emolument payable to a non-executive director of the Issuer, including participation in incentive schemes which are connected to company performance, including stock based plans;
- (vii) have not been Directors of the Issuer for more than nine of the last twelve years.

The Independent Directors entirely form the Remuneration Committee and the Control and Risks Committee. These same Independent directors have been chosen, as members of the Control and Risks Committee, also as members of the Related Party Transactions Committee, identified in the relevant procedure.

During the first meeting held after its renewal on 25 June 2019, the Board of Directors, as a whole, verified, with reference to the indications given by each of them, that said Directors meet the independence requirements envisaged by Article 147-ter, paragraph 4 of the Consolidated Law on Finance (which recalls Article 148, paragraph 3 of the Consolidated Law on Finance) and Article 3 of the Code of Corporate Governance.

The Independent Directors also undertake to promptly notify the Board of Directors should any situation arise that causes them to lose their independence requirements and to consequently allow it to make the necessary and/or consequent decisions. The Board of Auditors shall verify the correct application of the criteria and procedures for assessment adopted by the board to annually assess the independence of its members, disclosing the results of said controls in its report to the shareholders' meeting. As part of the periodic controls carried out during the year, the Board of Auditors did not note any reason why the independence of the Independent Directors should not be assessed in accordance with regulations currently in force.

#### **4.7. Lead Independent Director**

As, as at the Report Date, the criteria pursuant to criterion 2.C.4 of the Code of Corporate Governance are not met, the Company has not designated an independent director as Lead Independent Director.

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

On 10 July 2019, the Alkemy Board of Directors adopted the "Internal Inside Information Management Procedure" (the "**Inside Information Procedure**"), in compliance with applicable European Community and national legislation on the prevention and fight against market abuse and public communications, as well as in adhesion to the recommendations pursuant to application criterion 1.C.1 (j) of the Code of Corporate Governance, intended to regulate: (a) the management and processing of inside information as defined by the processing; (b) the establishment and keeping of the Insider Register.

The Procedure for the processing of Inside Information and the establishment and keeping of the Insider Register defines, amongst others, (i) the identification of the subjects called to comply with the provisions set out therein; (iii) the competences and responsibilities of the Board of Directors and other subjects identified by the procedure; (iv) the identification and management of inside information; (v) the procedure for activating



the late public disclosure procedure of inside information and the verification that conditions are met for the delay thereafter; and (iv) the method by which inside information is spread and communicated to the market.

With reference to the keeping of the Insider Register, the Procedure for the processing of Inside Information and the establishment and keeping of the Insider Register, regulates: (i) the identification of the parties responsible for keeping said register; (ii) the criteria for identifying the persons to be entered on the Insider Register (both in the “occasional section” and the “permanent section”); (iii) the methods and function of the Insider Register; (iv) the contents and notification of the registration; and (v) the update of the Insider Register.

With specific reference to the inside information pursuant to Art. 7 of the Market Abuse Regulation. In order to apply the Inside Information Procedure, the Company takes into account the interpretations and applicative indications given in the Consob Guidelines to the management of inside information, no. 1/2017 (October 2017).

On this same date, the Company also adopted the Internal Dealing Procedure pursuant to Article 19 of the MAR, aimed at regulating the information obligations in regard to Consob and the public, connected with the carrying out by “relevant subjects” and “closely related persons” and “relevant shareholders” and “closely related persons”, identified in accordance with the MAR, the Consolidated Law on Finance and the Issuers' Regulation, of transactions concerning financial instruments issued by the Company.

Full details of the procedures are given on the Company's website [www.alkemy.com](http://www.alkemy.com), in the Governance/Documents and Procedures section.

## **6. INTERNAL BOARD COMMITTEES (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTER D) OF THE CONSOLIDATED LAW ON FINANCE)**

In its meeting of 02 October 2019, the Board of Directors established the Control, Risks and Sustainability Committee in accordance with Art. 7 of the Code of Corporate Governance and the Remuneration Committee in accordance with Art. 6 of the Code of Corporate Governance.

With effect starting on the first day of listing on the MTA (therefore starting 17 December 2019), the Control, Risks and Sustainability Committee also acts as Related Party Transactions Committee, in lieu of the committee appointed by resolution passed on 25 June 2019. A summary explanation of the Related Party Transactions Procedure is given in Section 12 below.

Considering the Company's structure and size, also due to the related ownership structure, and the list voting mechanism envisaged by the Articles of Association, which assures a transparent appointment procedure and a balance in the members of the Board of Directors, also with reference to the presence of a suitable number of independent directors, the Board of Directors has not considered there to be any need for an Appointments Committee to be established within the Board of Directors. The related duties, as indicated in the Code of Corporate Governance, will therefore be carried out by the Board of Directors, coordinated by the Chairman.

There are at least three non-executive directors in the committees, the majority of whom are independent and meetings are minuted. In going about their activities, the committees have the faculty to access the information and corporate departments necessary to go about their duties and can ask non-members to attend.

The Control, Risks and Sustainability Committee prepares an economic budget, which is approved by the Board. The Control, Risks and Sustainability Committee and the Remuneration Committee in any case have extra spending faculties over and above the budget when this is required by specific activities carried out.

## **7. APPOINTMENTS COMMITTEE**

Where the criteria is met as laid down by Principle 4.C.2 (i), (ii) and (iii) of the Code of Corporate Governance, the Board has chosen, for now, not to establish an Appointments Committee, also in view of the results that emerged from the self-assessment on the balanced membership of the Board and its professional contents acquired, reserving the related duties to the Board as a whole, coordinated by the Chairman.



## 8. REMUNERATION COMMITTEE

Please refer to the **Remuneration Report** published on the Corporate Governance/Committees section of the website [www.alkemy.com](http://www.alkemy.com).

*Section I, paragraph A) “Bodies and subjects involved in the preparation and approval of the Remuneration Policy” and paragraph B) “Remuneration Committee: members, competences and operating procedures”*

## 9. REMUNERATION OF DIRECTORS

Please refer to the **Remuneration Report** published on the Corporate Governance/Committees section of the website [www.alkemy.com](http://www.alkemy.com).

### *Section I*

- *Chapter D) “Objectives and principles of the Remuneration Policy”*
- *Chapter E) “Fixed and variable components of the remuneration”*
  - *paragraph 1 “Directors”;*
  - *paragraph 2 “Key Management Personnel”;*
- *Chapter L) “Policy on benefits in the event of resignation or termination of employment”*
- *Chapter N) “Remuneration policy applied for: (i) Independent Directors, (ii) participation in committees and (iii) performance of particular duties”*

### *Section II*

- *Chapter 1) “Fixed remuneration”*
  - *Paragraph 1.1 “Details of the fixed remuneration of directors and auditors”*
- *Chapter 5) “Incentive plans based on financial instruments”*
- *Chapter 6) “2020-2023 Long-Term Incentive Plan”*
- *Chapter 7) “Agreements envisaging indemnity in the event of the early termination of the contract of employment”.*

## 10. CONTROL, RISK AND SUSTAINABILITY COMMITTEE

In accordance with Article 7.P.4 of the Code, on 02 October 2019, the Board of Directors has established an internal Control, Risks and Sustainability Committee, with effect from the Trading Start Date.

### **Members and operation of the Control, Risks and Sustainability Committee**

The Control and Risks Committee is made up of the following 3 non-executive directors with suitable professional experience and preparation for carrying out the duties assigned to the committee, all of whom are independent: Andrea Di Camillo (Independent Director and Chairman of the Control, Risks and Sustainability Committee), Giulia Bianchi Frangipane (Independent Director) and Giorgia Abeltino (Independent Director).

At least one member of the Committee has suitable accounting and financial experience. More specifically, Andrea Di Camillo has said suitable experience.

The Committee shall remain in office for the entire mandate of the Board of Directors.

The Committee has its own Regulation governing its members and appointment, duties and operating procedures of the Committee, in compliance with the application criteria and principles contained in the Code of Corporate Governance for listed companies.



The Chairman of the Board of Auditors (or another Auditor designated by him) attends the meetings of the Committee; the other auditors may also attend. To this end, the notice convening the meeting is also sent to the Chairman of the Board of Auditors. The Chief Executive Officer and/or the Director appointed to head the Internal Control System and, only by invitation of the Chairman, the Chairman of the Supervisory Body, other members of the Board of Directors, the Head of the Internal Audit Department (who was appointed on 13 February 2020), the managers of the other company departments, the Manager appointed to prepare the company's accounting documents and other persons whose presence is considered useful, may also attend meetings.

Considering that the Committee was established with effect from the Trading Start Date, the Committee only started operating in FY 2020, with the aim of that year fully exercising the duties assigned it.

For FY 2020, at least four quarterly meetings of the Control, Risks and Sustainability Committee are scheduled, in addition to those considered necessary by the Committee for the correct fulfilment of its duties. To this latter end, as at the Report Date, the Control, Risks and Sustainability Committee had met three times, on 13 February, 3 March and 17 March.

### **Duties attributed to the Control, Risk and Sustainability Committee**

The Control and Risks Committee supports the Board of Directors in deciding in respect of the Internal Control and Risk Management System as well as in approving the regular financial reports, in accordance with the provisions of Art. 7 of the Code of Corporate Governance.

More specifically, the Control, Risks and Sustainability Committee, in assisting the Board of Directors in compliance with the provisions of Art. 7 of the Code of Corporate Governance, has the task, amongst others, of:

- (i) supporting, investigating appropriately, the assessments and decisions of the Board of Directors relative to the internal control and risk management system as well as relative to the approval of the periodic financial reports, such as, merely by way of example, the interim financial report and the annual financial statements;
- (ii) playing an advisory role in terms of transactions with related parties and associates, in accordance with the terms and conditions set out in the specific Related Party Transaction Procedure;
- (iii) playing an advisory role, duly investigating as necessary, in regard to the Board of Auditors on the statutory auditing of the accounts, in compliance with the provisions of Italian Legislative Decree no. 39 of 27 January 2010;
- (iv) assisting the Board of Directors, investigating, making proposals and providing advice in assessments and decisions relating to sustainability.

Additionally, with reference to its assistance of the Board of Directors in assessments and decisions relating to sustainability, the Control, Risks and Sustainability Committee:

- (i) makes proposals to the Board of Directors on matters of sustainability policies, aimed at ensuring the creation of value over time for all shareholders and other stakeholders, over a medium/long-term frame in compliance with principles of sustainable development;
- (ii) makes proposals to the Board of Directors with reference to the guidelines, objectives and consequent processes, of sustainability and with reference to sustainability reporting;
- (iii) oversees initiatives relating to the evolution of sustainability, also in light of the international guidelines and standards in the matter, reporting back to the Board of Directors;
- (iv) assesses the Sustainability Report, containing non-financial information, in accordance with European Directive 2014/95/EU and Italian Legislative Decree no. 254/2016.





In compliance with the provisions of Art. 7 of the Corporate Governance Code, the Control, Risks and Sustainability Committee also issues its own opinion to the Board of Directors regarding, amongst others:

- (i) the determination of strategic and general guidelines and the adequacy of the internal control and risk management system, with respect to the business characteristics and the risk profile assumed, as well as its effectiveness, paying close attention to all instrumental and necessary activities so that the Board of Directors can correctly and effectively determine the risk governance policies;
- (ii) work plan prepared by the head of the Internal Audit Department Manager and the other departments assigned specific responsibilities in regard to regulatory compliance;
- (iii) monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Audit Department and the other departments assigned specific responsibilities in regard to regulatory compliance;
- (iv) compliance with the principles that must be taken as a basis on which to prepare the internal control system and the corporate organisation and the requirements that must be met by the corporate control departments, drawing attention to any weaknesses and the consequent corrective action to be taken;
- (v) the results returned by the independent auditing firm in any letter of suggestions and in its report on fundamental issues that emerged during their statutory audit; and
- (vi) the proposal relative to the appointment, revocation and remuneration of the Internal Audit Department Manager, as well as regarding the adequacy of the resources assigned to the latter for the fulfilment of his or her duties.

The Control, Risks and Sustainability Committee is entitled to access the necessary information and company departments required for it to fulfil its duties and to use external consultants, within the limits set by the Board of Directors.

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

In compliance with principle 7.P.1 of the Corporate Governance Code, and taking into account the recent listing, the Issuer is adjusting, in the manner described hereto, the internal control and risk management system so as to allow it to identify, measure, manage and monitor the main risks in line with best domestic and international practices.

The internal control and risk management system is managed and monitored by the following corporate subjects involved in various ways and with various responsibilities in the Internal Control and Risk Management System. Each is assigned specific duties, as described further on:

- Board of Directors;
- Director Responsible for the Internal Control and Risk Management System;
- Board of Auditors;
- Supervisory Body;
- Control and Risks Committee;
- Internal Audit Department Manager (“**Head of Internal Audit**”).

In addition to those specified above, it is recalled that other subjects intervene in various ways and with different levels of responsibility in the management of the Internal Control and Risk Management System:

- the Manager appointed to prepare the company's accounting documents in accordance with Italian Legislative Decree no. 262/05;
- the Independent auditing firm.

As already specified, the Company's shares were admitted to trading on the MTA on 17 December 2019, when the provisions on internal control and risk management took effect. Considering the complexity of operations



and that the assumption of risk is intrinsic to the corporate business, the Board of Directors has considered the importance of identifying and preventively mapping the main risks and of adopting suitable tools by which to govern such and reduce the relevant impact and/or probability of occurrence. To this end, in its meeting held on 13 February 2020, in addition to appointing Mr Anaclerio as Head of Internal Audit, the Board of Directors also appointed the company Deloitte & Touche S.p.A. (“**Deloitte**”), to perform a risk assessment with a view to defining all risks relevant to the entire group and having the Head of Internal Audit define the Audit Plan.

Given that completion of risk assessment is expected for late April, in its meeting held on 17 March 2020, the Control, Risks and Sustainability Committee resolved to postpone its own assessment of the adequacy of the internal control and risk management system, reporting back to the Board of Directors when it was convened to approve the interim financial report (according to the current corporate calendar, this should be this coming 11 September 2020) and also established that the Committee shall meet by the end of this coming May, with the Head of Internal Audit in attendance, to be updated on the results of the risk assessment carried out by Deloitte and the preparation of the Audit Plan.

### **11.1. Executive Director responsible for the Internal Control and Risk Management System**

To support the Issuer’s internal control and risk system in addition to the Control and Risks Committee, on 10 July 2019 the Company’s Board of Directors appointed Duccio Vitali, effective as from the Trading Start Date, as the director responsible for the internal control and risk management system (the “**Appointed Director**”), with the duties set forth in the application criterion 7.C.4 of the Corporate Governance Code. To this end, the Issuer believes that the appointment of Duccio Vitali to this position is in line with the provisions of the Corporate Governance Code, which outlines the positive aspects connected to a choice of this type, also due to the specific knowledge in possession of the appointed individual.

The Appointed Director has been attributed the following powers:

- a) to identify the main business risks, considering the characteristics of the issuer’s and its subsidiaries’ activities, and periodically submitting those risks to the Board of Directors for its examination;
- b) to execute the guidelines defined by the Board of Directors, following up the planning, realisation and management of the internal control and risk management system and verifying adequacy and efficacy on an ongoing basis;
- c) to ensure the adjustment of the internal control and risk management system to fit with the dynamics of the operating conditions and the legislative and regulatory context;
- d) to request the internal audit department to carry out verifications of specific operating areas and compliance with the internal rules and procedures in executing the corporate operations, concurrently informing the Chairman of the Board of Directors, the chairman of the Control and Risk Committee and the Chairman of the Board of Auditors;
- e) to promptly report to the Control and Risk Committee (or to the Board of Directors) on issues and problems emerging in the course of his activities or which have otherwise come to his attention, in order that the Committee (or the Board) may take appropriate action.

In accordance with application criterion 7.C.1, the Appointed Director proposes to the Board, after obtaining the favourable opinion of the Control and Risks Committee and consulted with the Board of Auditors:

- the appointment and revocation of the Internal Audit Department Manager;
- the remuneration of Internal Audit, in line with corporate policy;
- to make sure that adequate resources are assigned for the fulfilment of his or her responsibilities.



## **11.2. Internal Audit Department Manager**

On 13 February 2020, on the proposal of the Appointed Director and after consulting with the Control, Risks and Sustainability Committee, the Board of Directors appointed Mario Anaclerio as the Company's Internal Audit Department Manager. This same Board meeting, in application of application 7.C.1 of the Code, also defined the remuneration to be received by the Head of Internal Audit, in line with the corporate policies normally applied, and assigned a budget suitable to the fulfilment of the responsibilities.

In application of criterion 7.C.6 of the Code of Corporate Governance, the Company has chosen to entrust the task of performing the internal audit to an independent third party, so as to avoid any overlays of operative roles that could impact its independence, finding such a choice to be in line with the best practices adopted by other comparable companies with Alkemy listed on the MTA and the best match with the Company's organisational choices.

The Head of Internal Audit, which is not headed by any operative department and in going about his internal audit duties answers hierarchically to the Board of Directors, is appointed to verify that the Internal control and risk management system is functional and adequate and operates in substantive compliance with application criterion 7.C.5 of the Code. More specifically:

- (i) he verifies that the internal control and risk management system is functional and adequate;
- (ii) he verifies, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the functioning and suitability of the Internal Control and Risk Management System, through an audit plan, approved by the Board of Directors, based on a structured process of analysis and prioritization of the key risks;
- (iii) he prepares periodic reports containing information on his own activities, the methods used for risk management, compliance with the risk mitigation plans, and on as well as an assessment of the suitability of the internal control and risk management system;
- (iv) he prepares timely reports on events of major importance;
- (v) he submits these reports to the Chairmen of the Board of Auditors, the Control and Risks Committee and the Board of Directors as well as to the Director in charge of the Internal Control and Risk Management System; and
- (vi) he verifies, as part of the audit plan, the reliability of information systems including the accounting systems.

The Head of Internal Audit has direct access to all information useful for going about the duties and, where considered necessary, also has access to the documentation produced by third parties to whom control appointments have been entrusted in the Company or other subsidiaries.

The Head of Internal Audit goes about his duties, also carrying out sample checks on the processes regulating corporate activities, extending the verification to include all Alkemy Group companies.

Starting from the appointment made on 13 February 2020, the Head of Internal Audit launched the activities preliminary to the preparation of the Company's Internal Audit Plan, in collaboration with Deloitte, the company appointed by the Company to perform the risk assessment and took part in the launch of the project to adjust to comply with Italian Law no. 262/2005.

## **11.3. Organisational Model pursuant to Italian Legislative Decree no. 231/2001**

Italian Legislative Decree no. 231 of 08 June 2001, setting out the "*Regulation of the administrative liability of legal entities, companies and associations even without legal personality*" introduced into the Italian legal system, a regimen of administrative liability lying with companies for crimes committed in the interests or to the benefit of the company itself, by directors, managers or employees.



The Board of Directors, in a decision made on 26 July 2016, adopted an “Organisation, Management and Control Model” in accordance with Italian Legislative Decree no. 231/2001 (the “**Model**”) and the Code of Ethics, of which it forms an integral part, in order to clearly define all the values recognised, accepted and shared by the Issuer, as well as all rules of conduct and principles of legality, transparency and correctness to apply in pursuing its business and the various relations with third parties.

The Model has been prepared with a view to preventing the committing of crimes envisaged by the Legislative Decree and is inspired by the guidelines used to prepare the Organisational Models issued by Confindustria and other reference trade associations.

The Model consists of a “General Part” and a “Special Part”. The general part essentially lays down the guiding principles for carrying out the corporate business, describing how the Supervisory Body is established and how it operates and explaining the sanction system. The special part explains the control protocols of corporate business considered “sensitive” in accordance with Italian Legislative Decree no. 231/2001 and includes some procedures for their timely discipline.

The adoption of the Model provides a tool that fosters the conduct of company business according to principles of correctness and transparency, thereby protecting the company's image, the work of employees and collaborators and, at the same time, fostering greater efficiency.

The Organisational Model is, by definition, “dynamic”: every year, the need is assessed to update the Organisational Model in respect of regulatory and organisational changes as well as with reference to any breaches thereof. Application checks are also carried out.

The Model is regularly updated, most recently by resolution passed by the Board of Directors on 27 May 2019, to take into account both new legislation on predicate offences and the changes that have been made in the meantime to the Company’s organisational structure.

In the version currently in force, the most sensitive activities have been identified as relations with the public administration, corporate crimes and market abuse.

By resolution of 27 May 2019, the following were appointed as members of the Supervisory Body:

- Stefano Goldstein (Chairman)
- Gabriele Gualeni (Company regular auditor)
- Berardo Marchini (employee of Alkemy).

During the year, the Supervisory Body met seven times:

- 12 February;
- 25 March;
- 16 April;
- 19 June;
- 23 July;
- 1 October;
- 18 December.

The Supervisory Body and the Board of Auditors have shared an open communication channel to facilitate a continuous exchange of information and the attendance by the Board of the regular meetings.

Taking into account the work of the Supervisory Body, the Board of Directors assigns it an annual budget to be spent on going about its activities, in complete financial and managerial autonomy. This budget is updated over time, as necessary, depending on the specific needs that may arise, as noted by the Supervisory Body.



The Supervisory Body will notify the Board of Directors of any overrun of the budget brought about by specific needs.

#### **11.4. Independent auditing firm**

The company appointed to perform the statutory audit of the Issuer's accounts is KPMG S.p.A. ("**KPMG**" or the "**Independent Auditing Firm**"), with registered and administrative office in Milan, at via Vittor Pisani, n. 25, registered with the Register of Statutory Auditors pursuant to Articles 6 *et seq.* of Italian Legislative Decree no. 39/2010, as amended by Italian Legislative Decree no. 135 of 17 July 2016.

More specifically, the Issuer's Shareholders' Meeting held on 03 May 2018, appointed the Independent Auditing Firm to perform the statutory audit regarding (i) the audit of the accounts underlying the Company's financial statements and the consolidated financial statements for each of the three years ending from 31 December 2018 to 31 December 2020; (ii) the verification during the year of the regular keeping of the company accounts and correct noting of operating events in the accounting records; (iii) the verification of the consistency of the report on operations with the financial statements and with the consolidated financial statements; and (v) the voluntary audit of the interim accounting position for half-years closing from 30 June 2018 to 30 June 2020.

On 25 June 2019, the Issuer's Shareholders' Meeting, in view of the listing and consequent assumption of the status of public interest entity in accordance with Art. 16 of Italian Legislative Decree no. 39 of 27 January 2010 as subsequently amended, resolved to appoint the Independent Auditing Firm, with effect from the Trading Start Date, to perform the statutory audit of accounts (including the verification that accounts were kept properly and events correctly noted in the accounting records) in accordance with Articles 13 and 17 of Italian Legislative Decree no. 39 of 2010, for the duration of nine financial years.

#### **11.5. Chief Financial Officer**

On 10 July 2019, the Board of Directors appointed Claudio Benasso as the manager appointed to prepare the company's accounting documents (the "**Chief Financial Officer**"); his appointment took effect on the trading start date (17 December 2019). On this occasion, the Board of Directors acknowledged that Claudio Benasso was fit to hold this office, also in view of the professionalism required by Art. 29 of the Articles of Association, in accordance with which the Chief Financial Officer must be an expert in administration and control matters or in the performance of managerial or consulting duties in listed companies and must meet the requirements of integrity established for auditors.

In accordance with Art. 154-bis of the Consolidated Law on Finance, the Chief Financial Officer:

- prepares written declarations accompanying the Company's acts and communications to the market and relating to accounting disclosures, including interim versions;
- prepares adequate administrative and accounting procedures for the drafting of the annual financial statements and, where required, the consolidated financial statements and any other financial disclosure;
- certifies, with a specific report on the annual financial statements, the condensed interim financial statements and, where prepared, the consolidated financial statements: (i) the adequacy and effective application of the administrative and accounting procedures for the preparation of the annual financial statements; (ii) that the documents are prepared in compliance with applicable international accounting standards recognised by the European Community in compliance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002; (iii) that the documents are consistent with the results of the accounting books and ledgers; (iv) the suitability of the documents to providing a truthful and correct representation of the Issuer's equity, economic and financial position and that of all companies included in the consolidation; (v) for the annual and consolidated financial statements, that the report on operations includes a reliable analysis of the operating result and performance, as well as of the position of the issuer and all companies included in the consolidation, together with a



description of the main risks and uncertainties to which they are exposed; and (vi) for the condensed interim financial statements, that the interim report on operations contains a reliable analysis of the information pursuant to Art. 154-ter, paragraph 4 of the Consolidated Law on Finance.

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

At present, the Company has considered there to be no need to provide for formal methods of coordination between the various subjects involved in the internal control and risk management system, operating in a spirit of mutual collaboration.

### **12. INTERESTS OF THE DIRECTORS AND RELATED PARTY TRANSACTIONS**

During the year, Alkemy applied the provisions of the Related Party Transaction Procedure in force since 16 November 2017, prepared in compliance with the AIM Related Parties Provisions. Alkemy has applied the provisions of the Related Party Transaction Procedure approved by the Board of Directors on 10 July 2019 (the “**RPT Procedure**”) in compliance with the provisions of the Related Party Transaction Regulation adopted by Consob by resolution no. 17221 of 12.3.2010 since the Trading Start Date, assuring its transparency and substantive and procedural correctness.

The RPT Procedure is available for consultation in the Corporate Governance/Documents and Procedures section of the website [www.alkemy.com](http://www.alkemy.com).

The Company believes there is no need to adopt, in addition to the RPT Procedure and the disclosure obligations laid down by Art. 2391 and Art. 2391-bis of the Italian Civil Code, as amended by Italian Legislative Decree no. 49 of 10.05.2019, any specific procedure and/or operating solutions by which to identify and suitably manage situations in which a Director has a personal or third party interest.

### **13. APPOINTMENT OF AUDITORS**

As specified by Art. 25 of the Articles of Association, the Board of Auditors numbers three regular auditors and two alternate auditors, who remain in office for three financial years, may be re-elected and stand down on the date of the shareholders' meeting convened to approve the financial statements for the third year of office.

The members of the Board of Auditors must fulfil the requirements of integrity, professionalism and independence as well as the requirements relating to the limit in the number of other appointments in accordance with the provisions, including the regulatory provisions, in force *pro tempore*. Matters pertaining to commercial law, corporate law, tax law, business economics, corporate finance, disciplines with the same or similar purpose, and subjects and areas pertaining to the Company's business sector, are considered closely related to the Company's scope of operations.

Auditors are appointed by the shareholders' meeting on the basis of lists submitted by shareholders.

The list for the appointment of the auditors may be submitted by those shareholders who, at the time of presenting the list, are the holders, on their own or jointly, of a number of shares that is at least equal to the shareholding determined by Consob in accordance with the applicable regulatory provisions, for the purpose of presenting the list for the appointment of the Board of Directors set out previously.

The lists shall be submitted within the period prescribed by the applicable legislation *pro tempore* referred to in the convocation notice, at the Company's registered office or through remote communication means, as stated in the notice, and made public within the time and in the manner laid down by applicable legislation and regulations in force *pro tempore*.



If only one list has been filed on the deadline set for the presentation of the lists, additional lists can be presented until the third day after this date, by the shareholders who, at the time of presenting the list, are the holders, on their own or jointly, of a number of Shares that is at least equal to half of the minimum shareholding requested by the foregoing provisions.

Each list:

- must specify the name of one or more candidates to the office of regular auditor and of one or more candidates to the office of alternate auditor, marked in each section ("regular auditors" section, "alternate auditors" section) by a progressive number, in a number not exceeding the members of the body to be elected;
- must specify, if containing a number of candidates that in total is equal to or exceeding 3, a list of candidates in both sections that is such to guarantee that the composition of the Board of Auditors, both in the regular and alternate component, respects the legal and regulatory provisions in force from time to time with regard to male and female gender balance, notwithstanding that this must be rounded up if the application of the gender quotas does not result in a whole number;
- must have an attachment for the documentation required by the Articles of Association and any other additional or different declarations, information and/or document envisaged by the law and applicable regulatory provisions.

Each shareholder, as well as the shareholders belonging to a same corporate group and the shareholders participating in a relevant shareholders' agreement pursuant to Article 122 of the Consolidated Law on Finance, may not present or contribute to presenting, not even via proxy or a trust company, more than one list or vote for different lists.

Each candidate may be present in only one list, upon penalty of ineligibility.

- A) If one or more lists have been presented, these are voted on and the Board of Auditors is formed based on the provisions below:
- candidates from the two lists with the highest number of votes will be elected, according to the following criteria: (i) from the list that obtained the highest number of votes ("**Majority List for the Board**"), 2 regular auditors and 1 alternate auditor are taken, according to the progressive order in which they are listed in the list; (ii) from the second list that obtained the highest number of votes and that is not connected, not even indirectly, with the shareholders who submitted, or with those who voted for, the Majority List for the Board, the third regular auditor ("**Minority Auditor**"), who becomes the Chairman of the Board of Auditors, and the second alternate auditor ("**Minority Alternate Auditor**") are taken, according to the progressive order in which they are listed in the list;
  - in the event of a tie of votes among the lists, the meeting votes once again, exclusively with regard to the tied lists, with the list that obtains the highest number of votes prevailing;
  - if, with the methods specified above, the legal and regulatory provisions in force from time to time are not met with regard to gender balance, including the rounding up if the application of the gender quotas does not result in a whole number, the candidate to the office of standing or alternate auditor of the most represented gender, elected as the last one in progressive order, from the Majority List is excluded and replaced by the next candidate to the office of standing or alternate auditor taken from the same list, from the other gender.
- B) If only one list has been presented, the meeting casts its vote on it and, if this obtains the majority of the votes, three regular auditors and two alternate auditors specified in the list as candidates for these offices are elected, in accordance with the regulatory provisions in force from time to time, also with regard to gender balance, including the rounding up if the application of the gender quotas does not result in a whole number.



- C) In the absence of lists or if it is not possible to appoint the board of auditors with the methods required by this article for whatever reason, the three regular auditors and the two alternate auditors are appointed by the meeting with the ordinary majorities required by law, in accordance with the legal and regulatory provisions in force from time to time, also with regard to gender balance, including the rounding up if the application of the gender quotas does not result in a whole number.

If a regular auditor should stand down from office, for any reason and without prejudice to compliance with the provisions of law and regulations in force over time on gender balance, proceed as follows: (i) if a regular auditor taken from the Majority List for the Board should cease office, the alternate auditor taken from the Majority List for the Board shall take over from him; (ii) if the Minority Auditor, and Chairman of the Board, should cease office, he is replaced by the Minority Alternate Auditor, who takes over the role of Chairman. If, for whatever reason, the terms specified above cannot be complied with, the shareholders' meeting must be called to supplement the board with the ordinary majorities and methods, without applying the list voting mechanism, notwithstanding the compliance with the legal and regulatory provisions in force from time to time with regard to gender balance (male and female).

#### **14. MEMBERS AND OPERATION OF THE BOARD OF AUDITORS (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTERS D) AND D-BIS OF THE CONSOLIDATED LAW ON FINANCE)**

The Board of Auditors appointed on 25 June 2019 shall remain in office until approval by the Shareholders' Meeting of the financial statements for the year ended as at 31 December 2021, with the following members:

<b>Name and date of birth</b>	<b>Office</b>	<b>In office since - Seniority</b>
Mauro Dario Riccardo Bontempelli	Chairman	18 May 2012
Gabriele Ernesto Urbano Gualeni	Regular	18 May 2012
Daniela Elvira Bruno	Regular	25 June 2019
Marco Garrone	Alternate	18 May 2012
Mara Luisa Sartori	Alternate	25 June 2019

\* \* \*

**Mauro Dario Bontempelli** – He graduated in Business Economics in 1978 from “Bocconi” University of Milan. He has been registered on the Official List of Registered Accountants of Milan since 1979; he has been an official auditor of accounts since 1995, technical consultant for the Court of Milan since 1997 and banking conciliator. His professional consultancy work involves corporate, tax and accounting matters for Italian and foreign companies, as senior partner in the Bontempelli Accountancy Firm. He has acted, and continues to act, as Auditor for various companies. He has also held the following positions: Auditor of the Accounts of the Province of Milan from June 1997 to June 2000; Chairman of the Board of Auditors of the Accounts of the Province of Milan from June 2000 to July 2003; Head of the (newly-established) Inspectorate Service of the Province of Milan from January 2004 to September 2004; director of the company Isagro S.p.A., listed on the Milan stock exchange from 2003 to 2008; Auditor of the Accounts of the Municipality of Cesano Maderno (MB) from July 2010 to July 2013.

**Gabriele Gualeni** – He graduated in Law in 1998 from the University of Milan. In 2000, he achieved the "15th Masters in Tax IPSOA" from the "Infor" Training School. In 2003, he earned qualification to act as forensic expert and registration with the Official List of Lawyers of Milan. In 2016, he registered with the Special List of Lawyers admitted for advocacy before the Court of Cassation and other Superior Jurisdictions. After having collaborated from June 1998 to October 1998 with the Pearlman & Associates law firm of London, from





November 1998 to November 1999 he collaborated with the law firm of Prof. Riccardo Villata of Milan, dealing with administrative disputes. From October 2000 to December 2015, he was partner in the Valenti Law and Tax Firm of Milan, offering tax and corporate consulting, tax litigation and international tax planning. Since January 2016, he has been collaborating with the Cornelli Gabelli and Associates law and tax firm of Milan. He has acted, and continues to act, as Auditor and Director for various companies.

**Daniela Bruno** – She graduated in Business Economics in 1993 from Bocconi University in Milan and then continued her studies, obtaining a masters in Corporate Tax Law and a masters in International Tax Law, as well as, in 2013, a degree in law from the Catholic University of Milan. In 1993, she began her professional career as tax specialist, registered accountant and auditor with various tax firms and, in 2012, became a partner of the CGP law and tax firm. Since 2013, she has been teaching post-graduate masters and refresher courses for the Il Sole 24 ore Group and since 2018, she has been teaching for the Associazione Nazionale Tributaristi Italiani (Italian National Association of Tax Experts).

**Marco Garrone** – He graduated in Business Economics from the Luigi Bocconi Commercial University of Milan. He has been registered with the official list of registered accountants of Milan since 1999 and was appointed statutory auditor in 2002. He is a partner in the Bontempelli Accountancy Firm. His professional consultancy work involves corporate, tax and accounting matters for Italian and foreign companies. He has acted, and continues to act, as Auditor for various companies. He has been a technical consultant for the Court of Milan since 2004.

**Mara Luisa Sartori** – She graduated in Law in 1995 from the University of Milan before then continuing her studies and, in 2002, achieving a research doctorate in international law and, in 2012, a masters in international mergers and acquisitions from the College of Law of England and Wales. She began her career in 1999, collaborating with various law firms and providing legal assistance and consultancy to Italian and foreign industrial groups in the negotiation of ordinary and extraordinary corporate operations. Since 2016, she has been collaborating with the Cornelli Gabelli and Associates law firm.

Reference is made to Table 3 “Structure of the Board of Auditors” given at the foot of this Report for additional details about the members of the Board of Auditors.

The Auditors meet the requirements of integrity, professionalism and independence set by the law, the Articles of Association and the Code of Corporate Governance.

The Board of Auditors assessed the independence of its members at the first opportunity after their appointment during the meeting of 25 October 2019. Similarly to the self-assessment process carried out by the Board of Directors, the Auditors have also assessed the members and operation of the Board of Auditors (also in compliance with the “Rules of conduct of the Board of Auditors of listed companies” of the Consiglio Nazionale dei Dottori Commercialisti e Revisori Contabili (Italian National Board of Registered Accountants and Auditors), April 2018 ed., standard Q.1.1.). Upon completion of the process, general satisfaction was recorded with how the body operated and its general contribution, as well as a positive climate within the Board of Auditors. An effective relationship was also seen with the Board and extensive collaboration with the internal structures of Alkemy. The topics concerned by the review also included analysis of those relating to diversity aspects of the control body, also relevant in accordance with Art. 123-bis, paragraph 2, letter d-bis of the Consolidated Law on Finance.

The Board of Auditors met eight times during the year; meetings lasted an average of two hours. For FY 2020, the Board of Auditors has scheduled seven meetings, some of which have already been held, on 24 January 2020, 10 February 2020, 13 February 2020 and 17 March 2020.

The Board of Auditors goes about its duties professionally and independently in compliance with the law, the articles of association and the regulations adopted by the Issuer in application of the Code of Corporate Governance.

The Board of Auditors maintains a constant exchange of information with the independent auditing firm and monitors that it remains independent, as it was at the time the appointment was made.



The Chairman of the Board of Auditors, or an Auditor he delegates, has attended all meetings of the Control, Risks and Sustainability Committee and the Remuneration Committee. There has also been a constant exchange of information with the Supervisory Body.

The remuneration of Auditors is commensurate to the commitment required, the importance of the role as well as the dimensional and sectoral characteristics of the business. For more details on the remuneration of the Board of Auditors, please refer to the information given in the Report on Remuneration published in the Corporate Governance/Committees section of the website [www.alkemy.com](http://www.alkemy.com).

In going about its duties, in view of the approval of the financial statements for the year, it liaised and continues to liaise regularly with the Internal Audit Department (since its appointment), with the Control and Risks Committee, with the Director in charge of the internal control and risk management system and with the Chief Financial Officer.

The Company has not presently considered it necessary to formalise and establish procedures for the obligation for the auditor, on his own behalf or for third parties, with an interest in a given Company transaction, to promptly and fully inform the other auditors and the Chairman of the Board of Directors of the nature, terms, origin and scope of such an interest, seeing that there is full collaboration and dialogue in this respect with all Auditors, who act transparently, in compliance with the provisions of the law and with the recommendations of the Code of Corporate Governance.

### **Diversity policies**

The Articles of Association envisage the presence of a number of auditors of the gender less represented, of at least one third of the total number and that, if a list contains at least 3 (three) names of candidates, it must include a list of candidates in both sections (i.e. “*regular auditors*” and “*alternate auditors*”) that is such to guarantee that the composition of the Board of Auditors, both in the standing and alternate component, respects the legal and regulatory provisions in force from time to time with regard to male and female gender balance, notwithstanding that this must be rounded up if the application of the gender quotas does not result in a whole number. Although these rules will only apply to the first renewal of the Board of Auditors after that currently in office (appointed prior to admission to the MTA), the members of the Board of Auditors as at today’s date is already compliant with the regulations laid down by Article 148, paragraph 1-bis of the Consolidated Law on Finance on gender balance; this adjustment was in fact made voluntarily and will not be taken into account in terms of calculating the three consecutive mandates envisaged by way of period of application of gender balance rules.

## **15. SHAREHOLDER RELATIONS**

The Board of Directors will endeavour to provide timely information and relevant documents for shareholders. To this end, the Company updates its website, which dedicates a specific section to Investor Relations. This section is easily accessible from the home page of the institutional website.

Matilde Cucuzza heads the Investor Relations Department, managing the flow of information towards shareholders, financial analysts and retail and institutional investors, guaranteeing complete compliance with the principles of transparency and equal treatment of all parties in respect of the rules established for corporate disclosures.

The Company is very much committed to ensuring the correct information for investors, the financial market in general and the press, in respect of the laws and regulations and with specific reference to legislation governing inside information. In this regard, press releases are issued regularly, regular meetings held with institutional investors and the financial community, conference calls, participation in industry conferences and the constantly updated documentation is made available on the Company’s institutional website.



## **16. SHAREHOLDERS' MEETINGS (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTER C) OF THE CONSOLIDATED LAW ON FINANCE)**

In both an ordinary and extraordinary session, shareholders' meetings are held at a single call, in accordance with Article 2369, paragraph 1 of the Italian Civil Code, but the Board of Directors can, if it sees fit and by duly indicating this in the call notice, establish that the shareholders' meeting (ordinary and/or extraordinary) shall be held in multiple calls, in which case the majorities envisaged by the law for shareholders' meetings with multiple calls of companies with shares traded on regulated markets, shall apply.

The Board of Directors is in charge of calling the meeting, notwithstanding the power of the Board of Auditors or of at least two members of it to proceed with the call, pursuant to Article 151 of the Consolidated Law on Finance and the other applicable regulatory provisions.

In accordance with Article 12 of the Articles of Association, entitlement to attend the shareholders' meeting is certified by a Company communication, made by the intermediary qualified to keep the accounts in accordance with the law, on the basis of the evidence of the accounting records relative to the end of the accounting day of the seventh trading day prior to the date scheduled for the shareholders' meeting at sole call, and received by the Company by the legal deadline.

Those entitled to intervene in the meeting may be represented by proxy according to the law. The electronic notification of the proxy may be made, according to the methods specified in the notice of call, via e-mail to be sent to the certified e-mail address stated in the notice itself or by using any other methods specified therein.

The Company may designate, for each shareholders' meeting, with indication contained in the notice of call, a subject who the shareholders may delegate with voting instructions on all or some proposals on the agenda, according to the terms and methods established by law.

The shareholders' meeting can be held with interventions in several separate places, that may be nearby or distant, audio/video connected, as long as the collegial method and principles of good faith and equal treatment of shareholders are respected, as well as all other conditions laid down by the Articles of Association.

The Shareholders' Meeting shall adopt decisions, at both ordinary and extraordinary Shareholders' Meetings, regarding the matters reserved for it by law and the Articles of Association, and with the majorities established by law.

The shareholders' meeting is chaired by the Chairman of the Board of Directors. In the event of the absence or impediment of the latter, the Deputy Chairman, if appointed, shall preside, or in the event of the absence or impediment of the latter, the person designated by the Shareholders' Meeting.

The tasks, powers and duties of the Chairman are governed by the law.

In accordance with Art. 17 of the Articles of Association, the Chairman is assisted by a secretary designated by the shareholders' meeting, on his proposal, who is tasked with drawing up the minutes of the meeting.

In extraordinary shareholders' meetings, and when the Chairman in any case deems it appropriate, the role of secretary is entrusted to a notary, in accordance with the law, designated by the Chairman.

The minutes of the meeting are drawn up in compliance with Article 2375 of the Italian Civil Code and other current provisions of law and regulations.

Meetings are held in compliance with the law and Articles of Association and governed by the Meeting Regulation approved by the Shareholders' Meeting held on 25 June 2019, with effect subject to the Trading Start Date of the Company's shares on the telematic stock market organised and managed by Borsa Italiana S.p.A. and published on the Company's website [www.alkemy.com](http://www.alkemy.com) in the Corporate Governance/Shareholders' Meeting/Shareholders' Meeting 24-25 June 2019 section.

The Meeting Regulation has been adopted with a view to regulating the orderly, functional conduct of meetings and to facilitate the exercise of rights by shareholders.



More specifically, in accordance with Art. 11 of the Meeting Regulation, all those intending to speak must ask for permission from the Chairman or the Secretary, explaining which subject they wish to discuss. The request can be made as long as the Chairman has not declared the discussion on the subject to which the request for intervention refers, over.

The Chairman shall direct and regulate discussion, ensuring that debate takes place correctly and preventing any disturbance of the regular conduct of the meeting.

Considering the subject and importance of the individual items on the agenda, the Chairman shall determine at the start of the meeting, how long shall be assigned to each speaker for their interventions. This provision shall also apply in the event of the unitary discussion on multiple items of the agenda.

The Chairman reminds those in attendance to respect to limits set in advance for their interventions and to keep to the items on the agenda. In the event of excess and/or abuse, the Chairman has the right to prevent the person responsible from continuing and, in more serious cases, to order that they be removed from the room for the remainder of the discussion.

Attendees may request the floor a second time during the course of the same discussion, but for no more than five minutes and only to reply or make declarations relating to voting.

Members of the Board of Directors and Auditors may also intervene in discussion; on the request of the Chairman, managers and employees of the Company or Group companies and other persons whose presence is held to be useful in connection with the subjects for discussion, may also take the floor to provide answers to any requests for clarification.

The shareholders' meetings held during the year were attended by all directors in office. The administrative body has also always striven to ensure that shareholders receive suitable information, both before the Shareholders' Meetings and during, on all elements necessary to allow them to make informed decisions in implementation of application criterion 9.C.2, in particular through the publication on the website of documentation relating to the items on the agenda, including the Directors' Report on the items on the agenda.

Over the course of the financial year, there have been no significant changes in the Issuer's market capitalisation. Further details on the Issuer's shareholdings are given in Section 2, letter c) above.

## **17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTER A) OF THE CONSOLIDATED LAW ON FINANCE)**

There are no additional corporate governance practices over and above those described in the previous Sections.

## **18. CHANGES SINCE THE CLOSURE OF THE REFERENCE FINANCIAL YEAR**

After year end, the following changes took place regarding corporate governance.

18.1. During the meeting of the Board of Directors held on 13 February 2020, following the resignation tendered by the director Matteo de Brabant and in consideration of the new challenges linked to the growth and industrialisation of the business model, the administrative body, with the favourable opinion of the Board of Auditors, co-opted, as new executive director of Alkemy, Vittorio Massone, a manager with vast experience in the transformation of the business models of some of the most important domestic and international companies, appointing him Deputy Chairman and conferring special delegations on him for business and corporate development.

The relationship between the Company and Vittorio Massone is regulated by a directorship contract, which governs, amongst others: (i) the causes of cessation from office; (ii) the consequences of said cessation and the obligations connected with the office assigned (e.g. obligations to non-competition and confidentiality, prohibition of reversal); (iii) the remuneration, comprising a fixed component and a variable component determined proportionally to the gross margin generated in each year by successful contracts with new



customers brought by the director, without prejudice to a guaranteed minimum; and (iv) the operating delegations to be attributed to said director in the organic development of business and the commercial activities of Alkemy in the telco, banking, insurance and utilities segments, as well as in supporting the Chairman of the Board of Directors in identifying opportunities for Alkemy to grow by external lines.

On the basis of the contents of said directorship contract, the Board considered that the comprehensive remuneration of the new director shall not exceed, when added to that of the other members of the board of directors, the total amount established by the shareholders' meeting on 25 June 2019, for said body. This is why the Control and Risks Committee, acting as Related Party Transactions Committee, has decided that there is no need to provide a preventive opinion on said remuneration as the related procedure does not apply.

However, as the Company has not at the time the director Mr Massone was appointed, adopted a remuneration policy, in connection with the proposed remuneration of the new director, a positive opinion was assumed from the Remuneration Committee and the Board of Auditors.

Again during this same meeting, the executive director Francesco Beraldi returned the delegations conferred upon him to the board and renounced the office of Deputy Chairman in the favour of Director Vittorio Massone.

During this same meeting, the Board also appointed Giulia Bianchi Frangipane as independent director and new member of the Remuneration Committee in lieu of Matteo Carlo de Brabant, thereby reinstating the number of 3 (three) members, as envisaged by the Code of Corporate Governance.

#### **19. CONSIDERATIONS ON THE LETTER OF 19 DECEMBER 2019 FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE**

During the meeting of 24 March 2020, the Chairman of the Board of Directors informed the directors and the Board of Auditors of the recommendations made in the letter sent on 19 December 2019 by the Chairman of the Borsa Italiana Corporate Governance Committee (the “**Committee**”), addressed to the Chairmen of the corporate bodies of listed companies and their chief executive officers, already assessed by the direct addresses, and gave his assessments in relation to each of these recommendations.

As regards the first recommendation - which asks the companies to supplement the sustainability of the corporate business in the definition of remuneration policies and strategies, also on the basis of an analysis of the relevance of the factors that can impact the generation of value in the long-term to the benefit of shareholders, also taking into account the interests of the various other relevant stakeholders of the company - the Chairman pointed out that the Company’s Remuneration Policy (to be approved on the agenda of today’s meeting), already included, amongst the other objectives underlying the determination of the variable component of the Remuneration Policy of the executive directors and managers with responsibilities, “qualitative” objectives inspired by the Alkemy values as better described in the consolidated non-financial statement in accordance with Italian Legislative Decree no. 254/2016. The Chairman also specified that in particular these “qualitative” objectives accounted for 35% of the total short-term variable remuneration. Thus said, in upholding the recommendation, the Company will, in 2020, upon defining these objectives, seek to further focus them so as to bring the interests of the other stakeholders even further into line with the aim of generating long-term value.

As regards the second recommendation - which invites the companies to ensure, also in the potential regulation of board works, a suitable management of information flows to the board of directors, making sure that confidentiality requirements are protected without compromising the completeness, usefulness and timeliness of the disclosure - the Chairman recalled that the Company has chosen not to adopt a regulation of board works and that, despite this, this meant that the pre-board information was guaranteed completely and promptly by means of the involvement of the competent corporate departments, which deal with and coordinate the preparation of the documentation necessary over time, for the specific items on the agenda, with the support of the Company’s consultants. This aspect will be specifically assessed during the board evaluation, which the Company plans to carry out for the board meeting envisaged to approve the related interim financial report.



As regards the third recommendation - which invites for greater rigour in applying the independence criteria defined by the Code and the control bodies to monitor the correct application of such criteria - the Chairman reported that even in the first meeting after the renewal of 25 June 2019, the Board of Directors, in its collegial body, had verified, with reference to the indications given by each, that said Directors met the independence requirements laid down by Article 147-ter, paragraph 4 of the Consolidated Law on Finance (which recalls Article 148, paragraph 3 of the Consolidated Law on Finance) and Article 3 of the Code of Corporate Governance and there were no cases of derogation from the application of independence criteria nor any discrepancy with respect to any of the independence indicators established in the Code of Corporate Governance. In particular, none of the 4 independent directors out of the 9 making up the body entertain or have entertained commercial, financial or professional relations with the subjects indicated under Article 3 of the Code of Corporate Governance.

The board of directors will carry out the annual verification of the continuation of said requirements, in accordance with criterion 3.C.4 of the Code of Corporate Governance, during the board meeting envisaged for the approval of the interim financial report.

Finally, as regards the fourth and final recommendation - which invites the Company and committees competent on matters of remuneration to verify that the measure of remuneration recognised to non-executive directors and members of the control body is adequate to the competence, professionalism and commitment required by their office - the Chairman pointed out that: (i) with reference to the non-executive directors and independent directors, the Company has attributed them fixed remuneration that takes into account their competence and professionalism, envisaging, by resolution passed by the Board of Directors on 02 October 2020 that such remuneration can be supplemented, starting FY 2020, taking into account their participation in Company Committees; and (ii) with reference to the Board of Auditors, this body has already assessed the adequacy of the remuneration attributed insofar as commensurate to the professionalism, skills and committees of the Board members.



20. TABLES

**TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE**

<b>STRUCTURE OF THE SHARE CAPITAL</b>				
	No. of shares	% of share capital	Listed (specify the markets)/not listed	Rights and obligations
Ordinary shares	4,021,100	72%	MTA (STAR)	=
Multiple voting shares	1,588,510	28%	MTA (STAR)	double vote
Shares with limited voting rights	=			
Shares without voting rights	=			
Other	=			
<b>Total</b>	<b>5,609,610</b>	<b>28%</b>	<b>MTA (STAR)</b>	

<b>OTHER FINANCIAL INSTRUMENTS</b> (attributing the right to subscribe newly issued shares)				
	Listed (indicate the markets)/not listed	No. of instruments in issue	Category of shares servicing conversion/exercise	No of shares servicing conversion/exercise
Bonds	=	=	=	=
Warrants	=	=	=	=



MAJOR SHAREHOLDINGS			
Declarant	Direct shareholder	% share of ordinary share capital	% share of voting share capital
Duccio Vitali	Duccio Vitali	9.75%	14.86%
Matteo de Brabant	Jakala Holding spa	7.87%	12.26%
Star TIP s.r.l.	Star TIP s.r.l.	7.58%	11.81%
CIP Merchant Capitale Limited	CIP Merchant Capitale Limited	6.78%	10.57%
Riccardo Lorenzini	Riccardo Lorenzini	6.14%	9.56%
Francesco Beraldi	O2E S.r.l.	5.63%	8.28%

**TABLE 2: STRUCTURE OF BOARD OF DIRECTORS AND COMMITTEES**

Board of Directors														Committee Control and Risks		Committee Remun.		Committee Appointments		Potential Committee Executive	
Office	Members	Year of birth	Date of first appointment *	In office since	In office until (xxx)	List	Exec.	Non-exec.	Indep.	Indep. Code	No. other appointments	(*)	(*)	(**)	(*)	(**)	(*)	(**)			
Chairman	Alessandro Mattiacci	1971	18/05/2012	25/06/2019	31/12/2021	M	x				=	10/11					=	=	=		
Director managing	Duccio Vitali	1969	18/05/2012	25/06/2019	31/12/2021	M	x				=	11/11					=	=	=		
Vice Chairman	Vittorio Massone	1966	13/02/2020	13/02/2020	31/12/2021	M	x				=	=					=	=	=		
Director	Riccardo Lorenzini	1957	18/05/2012	25/06/2019	31/12/2021	M		x			=	10/11					=	=	=		
Director	Francesco Beraldi	1964	07/05/2015	25/06/2019	31/12/2021	M		x			=	10/11					=	=	=		
Director	Andrea Di Carlo	1970	16/11/2017	25/06/2019	31/12/2021	M		x	x	x	=	7/11	=	P	4/5	M	=	=	=		
Director	Giulia Bianchi Frangipane	1976	25/06/2020	25/06/2019	31/12/2021	M		x	x	x	=	5/6	=	M		M	=	=	=		
Director	Giulia Bianchi Frangipane	1977	25/06/2020	25/06/2019	31/12/2021	M		x	x	x	=	6/6	=	M		M	=	=	=		
Director	Serenella Sala	1961	25/06/2020	25/06/2019	31/12/2021	M		x	x	x	=	4/6			2/2	P	=	=	=		
DIRECTORS WHO CEASED OFFICE DURING THE REFERENCE FINANCIAL YEAR																					
	Mariella Sola		16/11/1917	16/11/2017	25/06/2019	=		x	x	x	=	2/5			3/3	P					
	Claudio Bernasso	1963	27/06/2014	16/11/2017	25/06/2019	=	x				=	5/5									
	Matteo de Brabant	1974	26/01/2007	25/06/2019	13/02/2020	M		x			1	9/11			5/5	M					
No. of meetings held during the reference financial year:				Control and Risks Committee: =				Remuneration Committee: 5				Appointments Committee: =				Executive Committee:					
Indicate the quorum required for the submission of lists by minority shareholders for the election of one or more members (pursuant to Art. 147-ter of the Consolidated Law on Finance):																					

**NOTES**

The symbols indicated below must be inserted in the column “Role”:

- This symbol indicates the Director in charge of the internal control and risk management system.
  - ◊ This symbol indicates the main party responsible for the management of the issuer (Chief Executive Officer or CEO).
  - This symbol indicates the Lead Independent Director (LID).
- \* First appointment date of each director means the date on which the director was appointed for the first time (absolutely) in the Issuer's BoD.
- \*\* This column indicates the list from which each director was taken ("M": majority list; "m" minority list; "BoD": list submitted by the BoD).
- \*\*\* This column indicates the number of assignments as director or auditor covered by the interested party in other companies listed on regulated markets, even foreign, in financial, banking or insurance companies or those of significant dimensions. In the Report on Corporate Governance, the offices are indicated in full.





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

(\*\*). This column indicates the qualification of the director within the Committee: "P": chairman; "M": member

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

Board of Auditors									
Office	Members	Year of	Date of first appointment *	In office since	In office until	List		Participation in the	No. other
		birth				**		meetings of the	appointments
						Indep. Code		Board of Auditors	****
Chairman	Bontemplelli Mauro	1954	18/05/2012	25/06/2019	31/12/2021	M		8/8	14
Auditor Regular	Gualeni Gabriele	1974	18/05/2012	25/06/2019	31/12/2021	M		2/3	7
Auditor Regular	Bruno Daniela	1969	25/06/2019	25/06/2019	31/12/2021	M		7/8	16
Alternate Auditor	Sartori Mara	1963	18/05/2012	25/06/2019	31/12/2021	M		=	?
Alternate Auditor	Garrone Marco	1971	25/06/2019	25/06/2019	31/12/2021	M		=	8
<b>AUDITORS WHO CEASED OFFICE DURING THE REFERENCE FINANCIAL YEAR</b>									
Auditor Regular	Miglietta Angelo	1961	30/04/2014	16/11/2017	25/06/2019	=		5/5	3
Auditor Alternate	Busnich Name	1954	18/05/2012	16/11/2017	25/06/2019	=		=	=
Number of meetings held during relevant financial year:									
Indicate the quorum required for the submission of lists by minority shareholders for the election of one or more members (pursuant to Art. 148 of the Consolidated Law on Finance):									

**NOTES**

\* Date of first appointment of each auditor means the date on which the auditor was appointed for the first time (absolutely) in the issuer's board of auditors.

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

\*\*\* This column indicates the attendance of the auditors at meetings of the board of auditors (indicate the number of meetings he attended compared to the overall number of meetings he could have attended; e.g. 6/8; 8/8 etc.).

\*\*\*\* This column indicates the number of assignments as director or auditor covered by the interested party in accordance with Art. 148-bis of the Consolidated Finance Law and the respective implementing provisions contained in the CONSOB Issuers' Regulation. The complete list of positions is published by Consob on its website under the terms of article 144-quinquiesdecies of the Issuers' Regulation.