

# REPORT

## ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

Drawn up pursuant to Article 123-*bis* of the CFA  
(traditional administration and auditing model)



**Issuer:** GVS S.p.A.

**Website:** <http://www.gvs.com/>

**Year to which Report refers:** 2020

**Date of approval of Report:** 19 March 2021

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## GLOSSARY

**Code/Corporate Governance Code:** the Corporate Governance Code 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 or Board of Directors:** the board of directors of the Issuer.

**Issuer:** the issuer of securities to which the Report refers. **Financial Year:** the company financial year to which the Report refers.

**Issuers' Regulation:** the Regulation issued by Consob with Resolution no. 11971 of 1999 (and subsequent amendments) on the matter of issuers.

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

**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 CFA.

**CFA:** Legislative Decree no. 58 dated 24 February 1998 (Consolidated Finance Act).

## 1. ISSUER PROFILE

GVS S.p.A. (hereinafter also “GVS” or the “Company”) is incorporated as a joint-stock company, is registered with the Bologna Register of Companies under no. 03636630372, VAT no. 00644831208 and in the Economic and Administrative Index (REA) at the Bologna Register of Companies under no. BO - 305386 and has its registered office in Zola Predosa (BO), at Via Roma n. 50, 40069. The Company is organised according to the traditional administration and control model as per Articles 2380-*bis et seq.* of the Civil Code, which provides for the Shareholders’ Meeting, the Board of Directors and the Board of Auditors.

The GVS Group offers advanced filtration solutions for many applications in various highly regulated sectors, being one of the world’s leading manufacturers of filter components and materials. The Group is a vertically integrated manufacturer able to offer high-tech solutions that allow a wide range of filters, membranes and other filter technologies to be adapted to specific customer needs.

### *Declaration on SME status*

Pursuant to Article 1, paragraph 1, letter w)-*quater*.1 of the CFA, “SMEs” are considered to be small and medium-sized enterprises, issuers of listed shares with a market capitalisation of less than 500 million euros. Issuers of listed shares which have exceeded this limit for three consecutive years are not considered SMEs. Pursuant to Article 2-ter of the Issuers’ Regulation, for the acquisition of the SME qualification, the capitalisation is corresponding to the simple average of the daily capitalisations calculated with reference to the official price, recorded during the year. Where more than one class of shares is listed, the sum of the capitalisation of each class of shares shall be taken into account; in the case of companies whose shares are newly admitted to trading, or where trading has been suspended, capitalisation shall be calculated on the basis of the available trading period. For issuers that have requested or authorised for the first time the admission of their shares to trading on an Italian regulated market, the acquisition of the SME qualification is verified on the basis of the capitalisation value, to be calculated as the average between the maximum price and the minimum price of the offer made as part of the admission to trading process, as reported in the prospectus.

The Issuer does not qualify as an “SME” since (i) its shares are newly admitted to trading and (ii) its capitalisation value during the year, on the basis of the trading period available, was Euro 2,668,750,000.

## 2. INFORMATION ON THE OWNERSHIP STRUCTURES (PURSUANT TO ART. 123-BIS, PARAGRAPH 1, CFA)

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

At the date of this Report, the resolved, subscribed and paid-up share capital of GVS is equal to Euro 1,750,000, divided into 175,000,000 ordinary shares, fully paid up, with no nominal value. There are no other categories of shares. The same information is summarised in **Table 1** of this Report.

### 2020 - 2022 Performance Share Plan

On 13 March 2020, the GVS shareholders’ meeting approved an incentive plan called the “GVS 2020-2022 Performance Share Plan” (the “**2020-2022 Plan**”), which is designed to provide incentive to and retain the Group’s key resources. The regulations of the 2020-2022 Plan were approved by the Board of Directors of the Company by resolution dated 17 April 2020, after hearing the opinion of the Board of Auditors.

The purpose of the 2020-2022 Plan is to grant, free of charge, to the Chief Executive Officer and other managers of the Group, identified or to be identified by name by the Board of Directors, from among the Company's executive directors and the employees of the Company or its subsidiaries who occupy positions with the greatest impact on the Company's results or with strategic importance for the achievement of the Group's multi-year objectives, the conditional right, free of charge and non-transferable by *inter vivos* deed, to receive up to a maximum total of 1,200,000 ordinary shares in the event that certain performance objectives are achieved and while the relationship with the Group companies is ongoing.

The shares at the service of the plan will be obtained partly from treasury shares subject to purchase on the basis of the authorisation pursuant to Art. 2357 of the Civil Code granted over time by the shareholders' meeting and partly from one or more free increases in capital pursuant to Art. 2349, first paragraph, of the Civil Code, for the execution of which a specific mandate has been conferred on the Board of Directors pursuant to Art. 2443 of the Civil Code, for a maximum of Euro 12,000.00 with the issue of a maximum of 1,200,000 new ordinary shares with no indication of nominal value, with regular dividend entitlement, at an issue value equal to the accounting parity of the GVS shares on the date of execution of the proxy by means of the assignment of a corresponding amount of profits and/or profit reserves as resulting from the latest approved financial statements, in accordance with Art. 2349 of the Civil Code, under the terms, conditions and according to the procedures provided for by the Plan itself.

The 2020-2022 Plan consists of the free assignment of the right to receive and the allocation of the shares free of charge, therefore the beneficiaries are not required to pay any price to the Company for either the above assignment or the allocation.

For more information about the 2020-2023 Performance Share Plan, please refer to the Report on Remuneration, published on the Company's website [www.gvs.com](http://www.gvs.com), in the "Investor" section.

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

The purchase and transfer of shares are not subject to any restrictions by the Articles of Association.

(c) *Significant investments in share capital (pursuant to Art. 123-bis, paragraph 1, letter c) of the CFA)*

At the date of this Report, the shareholders of GVS who, directly or indirectly, hold a significant investment in the subscribed share capital represented by shares with voting rights, according to the results of the register of shareholders and the communications received pursuant to Art. 120 CFA, are listed below:

<b>Declarant</b>	<b>Direct shareholder</b>	<b>% share of ordinary share capital</b>	<b>% share of voting rights</b>
<b>Massimo Scagliarini</b>	GVS Group S.p.A.	37.5	55.0
<b>Marco Scagliarini</b>	GVS Group S.p.A.	36.5	42.0
<b>Michele Scagliarini</b>	GVS Group S.p.A.	13.0	1.5
<b>Roberta Scagliarini</b>	GVS Group S.p.A.	13.0	1.5

The same information is summarised in **Table 1** of this Report.

(d) *Securities conferring special rights (pursuant to Art. 123-bis, paragraph 1, letter d) of the CFA)*

The Company has not issued any securities that confer special rights of control.

It should be noted, however, that the Articles of Association contain provisions relating to the increase in voting rights. Pursuant to Article 6 of the Articles of Association, each ordinary share gives the right to two votes provided that: the share has belonged to the same person, by virtue of a real right entitling them to exercise voting rights, for a continuous period of at least 24 (twenty-four) months from the date of registration on the list established by the Company pursuant to Article 6.2 of the Articles of Association.

Pursuant to the laws and regulations in force, the Company establishes and maintains at its registered office a list (the “**List**”) with which the shareholders of the Issuer who intend to benefit from the increase in voting rights must register.

The assessment of the prerequisites for the allocation of the increased vote is carried out by the Company on the basis of the results of this list, which the shareholder who intends to benefit from the increased voting rights must join, according to the following provisions:

- (i) any shareholder who intends to be included on the list must make a request to the Company in the manner and within the terms provided by specific regulations published on the Company's website;
- (ii) the Company, after verifying the necessary prerequisites, shall enter the shareholder on the list by the fifth trading day of the calendar month following the month in which the shareholder's request is received, accompanied by the above documentation and, in any case, by the record date;
- (iii) subsequent to the request for inclusion on the list, the holder of the shares for which inclusion on the list was requested - or the holder of the real right conferring the right to vote - must notify the Company without delay, directly or through his or her intermediary, of any eventual termination of the increased voting right or of the related conditions.

Pursuant to Article 6.3 of the Articles of Association, the increase in voting rights will be ascertained on the first date between: (i) the fifth trading day of the calendar month following the expiration of twenty-four months from the date of inclusion on the List of Shareholders, without the prerequisites for the increase in rights having ceased to exist in the medium term; or (ii) the date indicated in Article 83-*sexies*, paragraph 2, of the CFA (the record date) prior to any Shareholders' Meeting, subsequent to the expiration of twenty-four months from the date of inclusion on the List of Shareholders, without the prerequisites for the increase in rights having ceased to exist in the medium term.

The increased voting rights extend proportionally to newly issued shares (the “**Newly Issued Shares**”): (i) in connection with a free capital increase pursuant to Article 2442 of the Civil Code, to which the holder is entitled in relation to the shares for which the voting rights have already vested (the “**Existing Shares**”); (ii) in exchange for the Existing Shares in the event of a merger or spin-off, provided that the merger or spin-off plan so provides; (iii) subscribed by the holder of the Existing Shares as part of a capital increase through new contributions. In such cases, the Newly Issued Shares acquire the voting bonus from the time of their registration on the List, without the need for a further continuous holding period of 24 (twenty-four) months; on the other hand, if the voting bonus for the Existing Shares has not yet matured, but is in the process of maturing, the Newly Issued Shares will be entitled to the voting bonus from the time of completion of the holding period calculated with reference to the Existing Shares from the time of their original registration on the List.

The increased voting right is lost in the event of the transfer of shares for consideration or free of charge, including operations of constitution or alienation, even temporary, of partial rights on the shares by virtue of which the shareholder registered on the List is (*ex lege* or contractually) deprived of the right to vote. In the event of a transfer for consideration or free of charge, involving only a part of the Issuer's shares with an increased voting right, the

transferor shall retain the increased voting right limited to the Issuer's shares not subject to transfer, it being understood that the benefit of the increased voting right shall be retained (i) in the event of succession due to death (ii) as a result of a transfer by virtue of a donation in favour of legitimate heirs, a family agreement, or the constitution and/or endowment of a trust, an estate fund or a foundation of which the transferor himself or his legitimate heirs are beneficiaries and (iii) in the event of a merger or spin-off of the holder of the shares. In the case of points (i) and (ii) above, the successors in title are entitled to apply for registration with the same seniority of registration as the natural person in title.

The party entitled to the increased voting right has the right to irrevocably waive, in whole or in part, the increased voting right for the shares held by it, by means of a notice to be sent to the Company in the manner and within the terms provided for by specific regulations published on the Company's website. Waiver shall have permanent effect and shall be recorded on the List.

The Company shall proceed with removal from the special list in the following cases: (i) waiver by the assignee; (ii) communication of the assignee or intermediary showing that the criteria for the increase in the voting right or loss of ownership of the legitimating right in rem and/or related voting right, are no longer met; (iii) ex officio, if the Company is informed of the occurrence of facts that entail the loss of the prerequisites for the increase in voting rights or the loss of ownership of the legitimate real right and/or the related voting right.

The special list is updated by the Company by the fifth trading day after the end of each calendar month and, in any case, by the date when the shareholders are entitled to attend the Shareholders' Meeting and exercise their voting rights, known as the record date.

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

As at the date of this Report, the Company has adopted the remuneration plans for Directors and employees of the Group described in section 2, letter a) above.

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.

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

The Articles of Association do not contain any restrictions on the exercise of voting rights.

- (g) *Shareholder agreements (pursuant to Art. 123-bis, paragraph 1, letter g) of the CFA)*

There are no agreements between shareholders that are known to the Company pursuant to Article 122 of the CFA.

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

In the context of its ordinary business, GVS is a party to certain loan agreements and commercial agreements which, as is customary in the negotiation practice for similar agreements, contain clauses which, if applied, give the lending banks or the contractual counterparty the right to terminate such agreements in the event of a change in the control or shareholding of the Issuer.

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 CFA and do not provide for the application of the neutralisation rules contemplated by Art. 104-bis, paragraphs 2 and 3, of the CFA.



(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 CFA)*

On 13 March 2020, the Company's Extraordinary Shareholders' Meeting delegated the Board of Directors to increase, against payment, with the exclusion of option rights pursuant to Article 2441, paragraphs five and six, of the Civil Code, the share capital by a maximum nominal amount of Euro 150,000.00 by issuing a maximum of 15,000,000 ordinary shares reserved for qualified investors in Italy and foreign institutional investors, as part of an institutional placement, for the purpose of admission of the Company's shares to listing on the MTA, within the maximum term of 30 June 2021 and, in any case, to be completed within the listing procedure. This authority was exhausted as part of the Company's listing process, which concluded on 19 June 2020.

In addition, also on 13 March 2020, the Extraordinary Shareholders' Meeting of the Company resolved to grant the directors the power until 13 March 2025 to increase the share capital to service the implementation of the incentive and loyalty plan called "GVS 2020-2022 Performance Share Plan", for a maximum of Euro 12,000.00 by issuing a maximum of 1,200,000 new ordinary shares with no indication of nominal value, with the same characteristics as those in issue, regular enjoyment, at an issue value equal to the accounting parity of the Company's shares on the date of execution of this proxy by assigning a corresponding amount of profits and/or profit reserves as resulting from the last financial statements approved in accordance with Art. 2349 of the Civil Code, under the terms, conditions and according to the procedures provided for by the plan itself.

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

The Issuer is controlled by law, pursuant to Article 2359, paragraph 1, of the Civil Code and Article 93 of the CFA, by GVS Group S.p.A. - whose share capital with voting rights is held 53.3% by Massimo Scagliarini, Chief Executive Officer of the Issuer - which indirectly controls the Issuer by right pursuant to Article 93 of the CFA.

However, GVS is not subject to management and coordination activities pursuant to Articles 2497 *et seq.* of the Civil Code by GVS Group S.p.A. or any other company or entity.

The lack of direction and coordination over GVS is also inferred from the following circumstances:

- (a) the main decisions relating to the management of GVS's business are taken within GVS's own bodies;
- (b) the Board of Directors of GVS is responsible, amongst other aspects, for examining and approving the strategic, industrial and financial plans and budgets of GVS, examining and approving the financial and credit access policies of the Issuer, examining and approving the organisational structure of GVS, evaluating the adequacy of the organisational, administrative and accounting structure of the Company;
- (c) GVS operates in complete autonomy with respect to the management, even if indirectly through the companies of the Group, of relations with clients and suppliers, without any interference from parties outside of the Issuer;
- (d) GVS Group S.p.A. does not perform any centralised treasury function in favour of GVS.

The Company exercises management and coordination activities, pursuant to Art. 2497 *et seq.* of the Civil Code, over the Italian companies belonging to the GVS Group and controlled, directly or indirectly, outlining their medium-long term strategies in terms of economic and financial results, industrial and investment objectives and commercial and marketing policies.



Lastly, it is specified that:

- the information relating to “*agreements between the company and the directors [...] which provide for indemnities in the event of resignation or dismissal without just cause or if their employment ceases following a takeover bid*” is contained in the report on the remuneration policy and compensation paid published in accordance with Article 123-ter of the CFA, which will be made available to the public within the terms and according to the procedures of the applicable laws and regulations;
- information relating to “*the rules applicable to the appointment and replacement of directors [...] as well as to the amendment of the Articles of Association, if different from the laws and regulations applicable in the alternative*” is illustrated in paragraph 4.1. below of this Report, dedicated to the Board of Directors.

### **3. COMPLIANCE (pursuant to Art. 123-bis, paragraph 2, letter a) of the CFA)**

The Company has adhered to the Corporate Governance Code, in the version in force during the year and accessible to the public on the Borsa Italiana website ([www.borsaitaliana.it](http://www.borsaitaliana.it)), undertaking to carry out all the activities necessary to fully implement the principles and provisions contained therein. During 2020, the Corporate Governance Code published in January 2020 was studied and the necessary measures to ensure compliance will be introduced.

The Company and its subsidiaries are not subject to non-Italian legal provisions which influence the corporate governance structure of GVS itself.

## **4. BOARD OF DIRECTORS**

### **4.1 Appointment and Replacement (pursuant to Art. 123-bis, paragraph 1, letter l), of the CFA)**

Pursuant to Article 16 of the Articles of Association, the Company is governed by a Board of Directors numbering between 5 (five) and 9 (nine) members, who may or may not be shareholders, in accordance with the rules in force over time on gender balance. The Shareholders' Meeting that appoints the Board of Directors determines the number of members and their term of office, which may not exceed three years, expiring on the date of the Shareholders' Meeting convened to approve the financial statements for the last year of their term of office. Directors may be re-elected and must meet the requirements of the law and applicable regulations.

Directors are appointed by the Shareholders' Meeting on the basis of lists submitted by the shareholders. Pursuant to Article 17 of the Articles of Association, the directors are appointed by the shareholders' meeting on the basis of lists presented by the shareholders and filed at the Company's registered office within the terms and in compliance with the law and regulations in force at the time .

Only shareholders who, alone or together with others, own voting shares representing a percentage no lower than the percentage envisaged for the Company by the laws and regulations in force at the time, have the right to submit lists. The notice of the Shareholders' Meeting called to deliberate on the appointment of the Board of Directors indicates the percentage shareholding required for the presentation of the lists of candidates.

Each shareholder as well as (i) shareholders belonging to the same group, meaning the controlling party, including non-corporate, pursuant to Article 2359 of the Civil Code and any company controlled by, or under the common control of, the same party, or (ii) shareholders who are party to the same shareholders' agreement pursuant to Article 122 of the CFA, or (iii) shareholders who are otherwise associated with each other by virtue of associative relationships

relevant under the law, including regulations, in force, may not submit - or participate in the submission, even through a third party or trust company - more than one list or vote for different lists. Accessions and votes cast in violation of this prohibition will not be attributed to any list if they determine the outcome of the vote. Each candidate may appear on only one list under penalty of ineligibility.

Without prejudice to compliance with the criterion guaranteeing a balance between genders, in each list comprising more than five candidates at least two individuals must meet the independence requirements established pursuant to the laws and regulations in force (the “**Independent Directors**”). Lists that do not comply with the above terms are not considered to have been presented. Each person with voting rights may vote for one list only.

At the end of the vote, the candidates on the two lists that have obtained the highest number of votes, provided that they exceed half of the percentage of share capital required for the presentation of lists, to be calculated at the time of voting, are elected according to the following criteria: (a) a number of directors equal to the total number of members of the Board of Directors, as previously established by the Shareholders' Meeting, minus one, is taken from the list that has obtained the highest number of votes (the “**Majority List**”); within these numerical limits, the candidates are elected in the numerical order indicated on the list (b) one director is taken from the list that obtained the second highest number of votes and that is not connected in any way, not even indirectly, with the shareholders who submitted or voted for the Majority List (the “**Minority List**”), in the person of the candidate indicated with the first number on the list.

In the event of a tie in votes between two or more lists, the votes obtained by the lists are divided by one, two, three and so on, depending on the number of directors to be appointed. The resulting ratios are assigned sequentially to the potential candidates on each of the lists in the respective order established by each list. The ratios assigned to potential candidates from the various lists are ranked in decreasing order. The potential candidates who obtained the highest ratios are elected. With reference to the potential candidates who have obtained the same quotient, the potential candidate of the list that has expressed the smallest number of nominations will be selected; in the case of several lists that have already expressed the same number of nominations, and always with the same quotient, the potential candidate who is the oldest will be elected. If only one list has been presented, all the directors will be drawn, in progressive order, solely from the list presented.

If the candidates elected in the manner described above do not ensure the appointment of as many Independent Directors as required by current legislation: (a) if there is a Majority List, the non-independent candidates (representing the number of missing Independent Directors) elected as last in numerical order on the Majority List shall be replaced by the unelected Independent Directors on the same list according to the sequential order; (b) if there is no Majority List, the non-independent candidates (representing the number of missing Independent Directors) elected as last on the lists from which no Independent Director was drawn shall be replaced by the unelected Independent Directors on the same lists according to the sequential order. Furthermore, if as a result of the above procedures the composition of the Board of Directors does not allow compliance with the gender balance requirements, the candidate of the most represented gender elected last in numerical order from the only list presented or, if more than one list is presented, from the Majority List, will be excluded and will be replaced by the first unelected candidate, taken from the same list, belonging to the other gender; and so on until a number of candidates equal to the minimum number required by the regulations in force over time on gender balance are elected. If the procedure described above does not ensure, in whole or in part, compliance with the gender balance, the Shareholders' Meeting shall supplement the members of the Board of Directors with the majorities required by law, ensuring that the requirement is met.

The Board of Directors may also appoint from among its members one or more managing directors and/or an executive committee, establishing the limits of their powers and, in the case of an executive committee, the number of its members and the rules governing its operation. The Board of Directors may also appoint the committees envisaged by the codes of conduct drawn up by the management companies of regulated markets, establishing their duties, the number of members and the rules of operation.

Directors remain in office for the period established by the Shareholders' Meeting and, in any case, for a period that cannot exceed three financial years and their term of office expires on the occasion of the Shareholders' Meeting called to approve the financial statements for the last financial year of their office. Directors may stand for re-election”.

The Articles of Association do not provide for independence requirements, other than those established for auditors pursuant to Article 148 of the CFA, and/or integrity and/or professionalism requirements for assuming the office of director, also with reference to the requirements in this regard provided by codes of conduct drawn up by companies managing regulated markets or by trade associations.

In addition to the regulations of the CFA, GVS is not subject to further sector regulations regarding the members of the Board of Directors, in particular with reference to the representation of minorities or the number and characteristics of directors.

#### **Succession plans (*Application criterion 5.C.2*)**

The Board of Directors decided not to adopt any plan for the succession of executive directors, taking into account the fact that the Company believes that - in light of the analysis of the available information and the current structure of the Company's capital - the time required to cope with the temporary phase of identifying suitable candidates is in any case compatible with the need not to compromise the Company's ordinary operations.

#### **4.2 Members (pursuant to Art. 123-bis, para. 2, letter d) of the CFA)**

The GVS Board of Directors in office at the date of the Report consists of nine members, was appointed by the Issuer's Ordinary Shareholders' Meeting on 13 March 2020 and will remain in office until the approval of the financial statements for the year ending 31 December 2022.

It should be noted that, again on 13 March 2020, as part of the listing process of GVS on the Mercato Telematico Azionario, the Ordinary Shareholders' Meeting of the Issuer resolved to increase the number of members of the Board of Directors by appointing a further four members of the Board of Directors, all of whom meet the independence requirements provided for by the combined provisions of Articles 147-ter, paragraph 4, and 148, paragraph 3, of the CFA, as well as Article 3 of the Corporate Governance Code, with effect subject to the date of commencement of trading.

The provisions on list voting contained in the Articles of Association - which reserve the appointment of a member to be elected to the list that comes second in terms of number of votes after the majority list and is not connected in any way, not even indirectly, with the shareholders who submitted or voted for the majority list - will apply only from the first renewal of the Board of Directors following the date on which trading commences. At the close of the Financial Year, the Board of Directors had the following members:

Position	Name	In office since	In office until
<b>Chairman</b>	Grazia Valentini	18 March 1987	Approval of the financial statements as at 31/12/2022
<b>Chief Executive Officer</b>	Massimo Scagliarini	24 July 1990	Approval of the financial statements as at 31/12/2022

<b>Managing Director</b>	Marco Scagliarini	24 July 1990	Approval of the financial statements as at 31/12/2022
<b>Managing Director</b>	Mario Saccone	23 July 2010	Approval of the financial statements as at 31/12/2022
<b>Managing Director</b>	Matteo Viola	23 May 2018	Approval of the financial statements as at 31/12/2022
<b>Director</b>	Nadia Buttignol	19 June 2020	Approval of the financial statements as at 31/12/2022
<b>Director</b>	Arabella Caporello	19 June 2020	Approval of the financial statements as at 31/12/2022
<b>Director</b>	Alessandro Nasi	19 June 2020	Approval of the financial statements as at 31/12/2022
<b>Director</b>	Michela Schizzi	19 June 2020	Approval of the financial statements as at 31/12/2022

Please refer to **Table 1** annexed hereto for full details on the members of the Board of Directors.

Below is a brief description of the main personal and professional characteristics of each Director in office, from which emerges the competence and experience gained in corporate management.

**Grazia Valentini** - Born in Bologna on 19 August 1942, she completed secondary education at the Liceo Scientifico Augusto Righi in Bologna in 1960. In 1985 she started up the business of manufacturing and marketing filtering systems, setting up the company GVS di Valentini Grazia e C. - s.n.c., from whose evolution the GVS Group derives its name. She has held various positions and managerial roles in Group companies. Since 2013, she has been the owner of the sole trader Grace di Grazia Valentini, active in the fashion industry.

**Marco Scagliarini** - Born in Rimini, on 26 August 1964, after his studies he dedicated himself to management and held various managerial roles in GVS. He works as head of the Energy & Mobility division of GVS and holds various positions in the companies of the Group, as well as the role of sole director in GVS Real Estate S.r.l.

**Massimo Scagliarini** - He is the CEO of the Company and is at the top of the entire organisational structure of the GVS Group's activities. He has accrued more than 35 years of experience in the GVS Group and led the division dealing with the medical sector to become the most successful division of the Group. Born in Bologna on 03 August 1965, he studied accounting in Rome at the I.C. Institute "Renato Fucini". He began his career as an operator in the company Diego Nardi S.n.c. in San Giovanni in Persiceto (BO). He joined GVS S.p.A. in 1985 as an operator, soon moving on to deal with commercial sales in the medical sector, until he reached the position of sales manager. Over the years he has taken on increasing responsibility in the Company's activities, dealing with marketing and quality control. Since 1995, he has also been managing human resources and labour relations. In 2002, he also took on the general management of GVS do Brasil and currently holds various positions and plays managerial roles in most of the companies of the Group. Since 2004 he has been working in the general management of GVS.

**Mario Saccone** - Born in Naples on 31 December 1967, he graduated in Economics and Business at the Federico II University of Naples in 1993. Subsequently, he obtained a Master's degree in Business Administration from Profingest Bologna (which later became the Bologna Business School, part of the *Alma Mater Studiorum* of Bologna) in 1995. He joined GVS in 1996 as assistant to the administrative manager. In 1998, he was appointed head of the Planning and Control area of the GVS Group, to which he added responsibility for various organisational areas (Administration, Finance, Control and Human Resources) in 1999. He has been a member of the Issuer's Board of Directors since 2002 and currently holds managerial positions in various Group companies.

**Matteo Viola** - Born in Mantua on 17 September 1974, he graduated in Business Administration from the University of Parma. He began his career in 1999 at Burgo Group, where he held positions of increasing responsibility in the management control area. In 2008 he left Burgo Group to join GVS as Group Controller. In 2012, he took on the role of Vice-President System & Process Division, with responsibility for the Group's information systems and process optimisation, as well as functions related to Management Control. In 2013, he assumed the role, currently held, of Chief Operating Officer of the Group. Subsequently, in 2017 he was appointed as a member of the board of directors and Chief Executive Officer of the newly acquired US subsidiary GVS Filtration Inc.

**Nadia Buttignol** - Born in Portogruaro (VE) on 25 January 1977, she graduated in Business Administration from the "Luigi Bocconi" University of Milan in 2001. After some experience at Morgan Stanley and Citigroup, in 2003 she joined the Corporate Finance division of the Milan office of Lazard & Co. Subsequently, from 2006 to 2007 she was an associate in the Corporate Finance & Origination team in the London office of Dresdner Kleinworth. In 2013, she joined the private equity fund Palladio Holding S.p.A., where she currently serves as manager.

**Arabella Caporello** - Born in Ortona (CH) on 20 September 1972, she graduated in Economics and Business from the Università Cattolica del Sacro Cuore of Milan in 1996. After several stints as a financial analyst with General Electric and Gallo & C. (Mediobanca), she joined Advent International - Private Equity Funds in 1999 as a senior associate. After a brief period as Head of Business Development /M&A for the Humanitas Group, from 2006 to 2012, she held the position of Vice President Investindustrial Advisor S.p.A. Subsequently, in 2012 she joined Banca Popolare di Milano as Executive Assistant to the Management Board, before moving in 2014 to the Lugano office of Investindustrial Advisor to cover the role of senior vice president. From 2016 to 2018, she served as General Manager of Milan. Since 2018, she has been advising private equity funds in their investment activities in small-mid cap companies active in the Italian market. She has held board positions in several Italian companies, including listed ones. She is a member of the Milan Order of Registered Accountants.

**Alessandro Nasi** - Born in Turin on 18 April 1974, he graduated in Business Administration from the University of Turin in 2002. After several national and international experiences, as financial analyst at Europlus Asset Management, Pricewaterhouse Coopers S.p.A., Merrill Lynch and J.P. Morgan, in 2005 he joined the Fiat Group as Corporate Business Development manager. In 2008, he joined CNH Industrial S.p.A., a Fiat Group listed company, where he currently serves as a member of the Board of Directors. Also within the Fiat Group, he has held various management and administrative positions in the group's domestic and foreign companies. As of November 2019, he was also appointed to the Advisory Board of the Lego Brand Group.

**Michela Schizzi** - Born in Viareggio (LU), on 30 August 1982, she graduated in Law from La Sapienza University of Rome in 2006. In 2009, she also obtained an LLM in European Law from King's College London. In 2006, she joined the Milan office of the international law firm Cleary Gottlieb Steen & Hamilton LLP as an associate. In 2012, she joined Snam S.p.A., where she currently holds the position of Senior Vice President Regulated Business Legal Affairs. Within the Snam group affiliates, she also served from 2015 to 2018 as a member of the board of directors and audit committee of some of the Group's foreign companies.

Further information on the members and meetings of the Board of Directors is contained in **Table 2** of this Report.

As at the close of the Financial Year, no member of the Board of Directors ceased to hold office, nor were there any changes in the members of the GVS Board of Directors.



## Diversity criteria and policies

The Articles of Association already provide for rules for the members of the lists and supplementary voting mechanisms aimed at ensuring the presence on the Board of the minimum number of members belonging to the least represented gender, in accordance with the provisions of the applicable legislation.

The Board of Directors in office complies with the rules envisaged, for newly listed companies by the CFA, as amended by Law no. 160/2019 which replaced paragraph 1, Art. 1 of Law 120/2011 and, starting from the next renewal, the less represented gender must obtain at least two-fifths of the elected directors and this distribution criterion will apply for six consecutive terms.

## Maximum number of offices held in other companies

The list of positions held by the Company's Directors in other companies, including companies listed on regulated markets (including foreign markets), in financial, banking, insurance or other large companies, is attached ([Annex 4](#)) to this Report.

The Board of Directors has not deemed it necessary to define any general criteria with regards to the maximum number of administrative and control offices held in other companies that can be considered compatible with an efficient holding of the role of director of the Issuer, without prejudice to the requirement of each Director to evaluate the compatibility of the offices of director and auditor held in other companies listed in regulatory markets (both Italian and foreign), financial companies, banks, insurance brokers, or companies of significant size, with the diligent fulfilment of the tasks accepted as Director of the Issuer.

## Induction Programme

In the course of the meetings of the Board of Directors, in order to provide directors and auditors with an adequate knowledge of the sector in which GVS operates, of company dynamics and their evolution, of the principles of correct risk management and of the regulatory and self-regulatory framework of reference, the Chief Executive Officer illustrated the Company's management performance, providing, among other things, information on the most significant updates to the regulatory framework of the sector and their impact on the Company with a view to correct risk management.

During the year, selected managers of the GVS Group regularly took part in the meetings of the Board of Directors, each according to their area of expertise, during which the main issues relating to the Group's operations and business performance were discussed. These meetings made it possible to provide participants, including members of the Board of Auditors, with an adequate knowledge of the sector in which GVS operates, of company dynamics, of the principles of correct risk management and of the regulatory and self-regulatory framework of reference

### 4.3 Role of the Board of Directors (pursuant to Art. 123-bis, paragraph 2, letter d), of the CFA)

In accordance with the provisions of the Articles of Association, GVS is administered by a Board of Directors elected by the Shareholders' Meeting.

In FY 2020, the GVS Board of Directors met a total of 5 times with an average duration of approximately 60 minutes for each meeting. The percentages of each director's attendance at meetings are set out in [Table 2](#) of this Report.

Meetings of the Board of Directors are called, in accordance with the Articles of Association, by the Chairman who, if possible at the same time as the meeting is called and in any case prior to the date set for the meeting, makes available to all the Directors the information, also

supported by paper documents, concerning the matters on which the Board is called to deliberate. If it is not possible to provide the Board of Directors with adequate prior information in a timely manner, the Chairman shall ensure that timely and adequate information is provided during Board meetings.

With regard to FY 2021, 5 board meetings are scheduled (in addition to the three already held, at the date of approval of this Report, on 22 and 29 January 2021 and on 19 March 2021).

The mandatory Corporate Events Calendar has been duly submitted to the market management company within the terms of the law, as well as published on the company's website [www.gvs.com](http://www.gvs.com).

On 10 September 2020, the Board of Directors of GVS adopted rules of procedure governing, *inter alia*, the deadlines for sending documentation to support Board meetings. In particular, Article 8 of the internal rules of procedure of the Board of Directors provides that as far as reasonably possible, the information shall be made available to the directors and auditors in such a way as to guarantee the necessary confidentiality and sufficiently in advance of the date of the Board meeting, normally within 5 (five) days prior to the date set for the meeting. In cases of urgency, the documentation will be made available as promptly as possible, subject to prior notice within the same period. Directors and Auditors may in any case have access to the above information documentation at the Company's registered office in the days immediately preceding that of the meeting. The Chairman verifies at the offices that the above information has been duly made available to the directors and auditors. During the year these terms were normally respected.

With reference to the way in which the Board of Directors' meetings are conducted, the items on the agenda are given the necessary time to allow for constructive debate, encouraging contributions from the Directors.

In accordance with Art. 20 of the Articles of Association, the Board of Directors is vested with the most extensive powers for Company management.

The Board of Directors defines the nature and level of risk compatible with the Company's strategic objectives, including in its evaluations all risks that may be relevant to the medium/long-term sustainability of the Company's activities.

Furthermore, pursuant to Article 20.3 of the Articles of Association, in addition to those that cannot be delegated by law, the Board of Directors, as a collective body, has exclusive jurisdiction over resolutions concerning:

- a) any investment or divestment exceeding, individually or cumulatively for each fiscal year, Euro 2,500,000, which are not envisaged in the multi-year business plan;
- b) bank loans or other forms of financing, not envisaged in the approved multi-year business plan, for each individual financial year, exceeding Euro 10,000,000;
- c) operations of extraordinary administration of the Issuer, of any type, it being understood that, in the case of acquisitions or disposals of fixed assets, extraordinary administration shall mean those of amounts exceeding, individually or cumulatively for each corporate year, Euro 5,000,000.00 of enterprise value;
- d) constitution of liens, encumbrances and encumbrances on company shareholdings in other companies or other assets of the Issuer;
- e) granting of collateral and/or personal guarantees for amounts exceeding Euro 5,000,000;



- f) granting of advances to employees of the Company, in compliance with the applicable regulations and, in any case, of a unit amount not exceeding Euro 250,000 for each advance and of a total amount not exceeding Euro 400,000 with reference to the total amount of advances granted over time;
- g) filing of bankruptcy petitions or requests for the opening of other insolvency procedures by the Issuer;
- h) merger in the cases provided for by Articles 2505 and 2505-*bis* of the Civil Code;
- i) the establishment and closure - in Italy and abroad - of secondary offices;
- j) an indication of which directors have the power to represent the Issuer;
- k) transferring of the registered office within the national territory.
- l) the reduction of capital in the event of shareholder withdrawal;
- m) adaptations of the Articles of Association to regulatory provisions.

As regards the transactions of the Company and its subsidiaries, when such transactions are of strategic, economic, equity or financial importance for the Company, they are reserved to the exclusive competence of the Board of Directors, which applies the general criteria and limits described and recalled above.

As far as operations with related parties are concerned, GVS adopts measures aimed at ensuring that operations carried out with parties related to the Company, directly or through subsidiaries, are carried out in a transparent manner and respecting criteria of substantial and procedural correctness. The Procedure relating to related party transactions, approved in accordance with the approved Related Party Regulations, pursuant to Article 2391-*bis* of the Civil Code and Article 4 of the Consob Related Party Regulations, was approved by the Board of Directors of GVS on 16 July 2020, subject to the favourable opinion of the Related Party Transactions Committee (whose functions are performed by the Control, Risk and Sustainability Committee), and is available to the public on the GVS website [www.gvs.com](http://www.gvs.com).

The Board of Directors assessed the adequacy of the organisational, administrative and accounting structure of the Company and its subsidiaries, with particular reference to the internal control and risk management system.

The Board of Directors is informed at least quarterly about the general performance of operations, taking into consideration, in particular, the information received from the delegated bodies and periodically comparing the results achieved with those planned.

### ***Board Evaluation***

When forming the internal committees set up by the Board of Directors currently in office, the latter assessed their operation, determining their number, appointing their members in consideration of their professional profiles and experience, including managerial experience, and following a specific assessment of their independence, the gender characteristics of its members, their seniority in office and also in relation to the diversity criteria set out in the Corporate Governance Code. In particular, in order to assess the existence of the independence requirements envisaged by the Corporate Governance Code, each year the Directors filled in a specific questionnaire. This questionnaire reflects the independence requirements of the CFA and the Corporate Governance Code.

## **4.4 Delegated bodies**

Pursuant to Article 20 of the Articles of Association, the Board of Directors - within the limits of the law and the Articles of Association - may delegate its powers to an executive committee

composed of some of its members and/or to a managing director; it may delegate specific powers to one or more of its members, and appoint, on the proposal of the managing director, one or more general managers, division managers, directors, attorneys and proxies in general for specific acts or categories of acts.

On 13 March 2020, the Shareholders' Meeting appointed Grazia Valentini as Chairman of the Board of Directors.

The Board of Directors, appointed at the Shareholders' Meeting of 13 March 2020, appointed Massimo Scagliarini as Chief Executive Officer and granted him the powers described in greater detail below. The same Board of Directors also appointed the Executive Directors Marco Scagliarini, Mario Saccone and Matteo Viola and granted them the powers described below.

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

The Board of Directors of GVS has appointed Grazia Valentini as Chairman of the Board of Directors.

The Chairman of the Board of Directors is vested with the powers envisaged by law and by Article 19 of the Articles of Association as regards the convocation and regular and orderly functioning of the meetings of the Board of Directors and by Article 14 of the Articles of Association as regards the regular and orderly functioning of the meetings of the Shareholders' Meeting and, pursuant to Article 21 of the Articles of Association, the general legal representation of the Company towards third parties. On 13 March 2020, the Board of Directors of GVS, as part of the listing process, granted the Chairman of the Board of Directors, Grazia Valentini, as of the date of commencement of trading, the powers assigned by law and Articles of Association including the powers to:

- a) represent the Company before any Public Authority and Public Administration Office at municipal, provincial, regional and state level, as well as before any Public Official in general, including, among others, Public Debt Offices, the Cassa Depositi e Prestiti, Customs, General Revenue Offices, Direct Tax Service Centres, Tax Offices, VAT Offices, Register Offices, Social Security and Welfare Institutions, Post Offices, Telegraph Offices, State Railways, Bank of Italy, carrying out all operations, with no exclusions or exceptions, provided for by the respective laws and regulations, including special ones, including the release of security deposits in securities or money, payments or collections, obtaining and issuing receipts and discharges in the appropriate forms, releasing the Offices themselves and their officials from any and all obligations or responsibilities in relation to such operations;
- b) represent the Company, freely question the facts of the case, with the right to be substituted by special attorneys for the exercise of the powers conferred in actions and proceedings of any kind before the judicial authorities of the Italian Republic, the European Union and foreign countries, including Arbitration Boards and Conciliation and Mediation Boards, in all judgements, at any stage and level, appointing and revoking attorneys and litigation attorneys, including for cassation and revocation judgements;
- c) collect letters, packages, parcels, even registered and/or insured, both from the Post Office and from the Railways, from the Shipping Companies or Airline or Maritime Companies and from any other public shipping company; or
- d) sign with an unrestricted signature the company's transport, public or private correspondence.

The Chairman of the Board of Directors has not received any management powers.

## Executive Committee

As at the date of this Report, the Board of Directors has not established an Executive Committee.

## Disclosure to the Board

In compliance with the provisions of the procedure for the fulfilment of the obligations pursuant to Article 2381, paragraph 5, of the Civil Code, and application criterion 1.C.1, letter (d) of the Corporate Governance Code, the delegated bodies report promptly to the Board of Directors and the Board of Auditors, in accordance with the procedures deemed most appropriate over time as provided for by internal procedures, at least quarterly, and in any case on the occasion of the meetings of the Board, on the activities carried out, on the general performance of operations and on the outlook, as well as on the most important economic, financial and capital transactions, or in any case those of greater importance due to their size or characteristics, carried out by the Company and its subsidiaries. They shall also report on transactions in which they have an interest, either on their own behalf or on behalf of third parties.

## 4.5 Executive Directors

### Chief Executive Officer

On 13 March 2020, the Board of Directors of GVS granted Massimo Scagliarini the delegation, with the right to sub-delegate, of all powers of ordinary and extraordinary administration of the Company, without prejudice to the powers reserved by the Articles of Association and by law to the Board of Directors, to be exercised with separate signature, in particular to:

- a) sign all correspondence from the Company, including invoices, debit or credit notes and related receipts;
- b) enter into, withdraw from, terminate or rescind, even against collection or payment of indemnities, all of the Company's contracts and do whatever is necessary to execute them, in particular, and always by way of example, sell, purchase, exchange, lease and rent movable property and services, including motor vehicles and other registered assets, and carry out the relative formalities at public offices (including the public vehicle register);
- c) enter into, withdraw from, terminate or rescind, even against collection or payment of indemnities, all the contracts necessary or useful for the efficient management of the Company's operations, in particular, and always by way of example, supply, transport and shipping contracts, brokerage and agency contracts, tenders and subcontracts for works and services;
- d) enter into all appropriate clauses, including the arbitration clause, amend and terminate individual employment contracts, including settlement agreements, and adopt the necessary and appropriate measures, also determining their duties, qualifications and remuneration, establish service orders and company regulations and exercise disciplinary power;
- e) enter into and terminate self-employment contracts, including with coordinated and continuous collaborators or project work contracts, agency, representation, commission or any other form of employment relationship provided for by law;
- f) enter into and terminate contracts of any kind with banks and other financial intermediaries and bodies in general, and in relation thereto, *inter alia*, open and access safety deposit boxes, take out overdraft facilities, sign short, medium and long-term loan agreements, open and close current accounts, and carry out transactions on such accounts;

- g) issue and sign cheques in the name of the company, even from overdrawn accounts (but within the limits of the credit line granted to the company) cash cheques of any kind, issue the relative receipts, make withdrawals and deposits;
- h) issue, accept, negotiate, discount, endorse, receipt and in general sign bills of exchange, promissory notes and any other similar security, including in favour of non-banking third parties, and sign counter-guarantees for bank guarantees in favour of the Company;
- i) open postal current accounts and carry out transactions on them with post offices;
- j) enter into contracts with insurance companies or institutes, signing the relative policies, with the right to carry out any inherent practice and, in the event of a claim, to settle damages or indemnities;
- k) enter into contracts of sale and lease, including for more than nine years, of real estate and to grant mortgages; enter into contracts of sale and lease for more than nine years as lessor of the real estate in which the Company's business is carried on and to grant mortgages on the same, such power to be exercised with single signature and subject to approval by the Board of Directors;
- l) receive and require payment of any sum due to the Company from any person or body and for any reason whatsoever and to issue a receipt therefor;
- m) request and collect letters, ordinary, registered or insured mail, postal and telegraphic money orders, parcels and packages, documents, goods, money, goods of any kind from persons, entities, public or private postal and telegraphic offices, shipping and transport companies, customs offices, public and private railways, shipping and airline companies, public and private warehouses and other places of storage, public offices of any kind, sign the relative receipts as well as documents of receipt and relief from liability;
- n) represent the Company in all its dealings with all public offices, public bodies, and in general those acting on behalf of the European Union, the State, the Regions, as well as local authorities and in general any public body;
- o) represent the Company in all its dealings with the financial offices of the State, local authorities and any other tax authority, with the power to sign tax returns of any kind, including as a substitute for tax, agree to, adhere to, and initiate and continue actions before any administrative authority, tax commissions, appoint and revoke lawyers, attorneys, experts and consultants, sign complaints, appeals, challenges and any other document against any provision of the above-mentioned offices and authorities;
- p) perform at Ministries, Public Administrations, Bodies and Public Offices all the acts and operations necessary to obtain concessions, licenses and authorisation acts in general, stipulate and sign specifications, conventions, acts of submission and any preparatory act of said measures;
- q) represent the Company in all its dealings with the Bank of Italy, the Public Debt Office, by requesting and withdrawing money, securities and documents of all kinds, signing the related receipts, as well as deeds of receipt and release from liability, and carry out any other transaction or act with the aforementioned bodies;
- r) represent the Company, freely question the facts of the case, with the right to be substituted by special attorneys for the exercise of the powers conferred in actions and proceedings of any kind before the judicial authorities of the Italian Republic, the European Union and foreign countries, including Arbitration Boards and Conciliation and Mediation Boards, in

all judgements, at every stage and level appoint and revoke attorneys and litigators, including for cassation and revocation judgements;

- s) represent the Company in bankruptcy and insolvency proceedings, enter into arrangements with creditors and generally do whatever else is necessary in connection with such proceedings;
- t) settle disputes between the Company and third parties, enter into compromises and arbitration clauses, appoint arbitrators, including amiable compositeurs, and sign documents relating to the above;
- u) represent the Company and participate in auctions, tenders, contracts, competitions, bids and the like, fulfilling all necessary formalities, including the making of security deposits, their withdrawal and the issuance of receipts, entering into contracts with any Ministry and any other Public Administration, as well as with private individuals, for the supply of products and services of the Company;
- v) substitute attorneys for itself for certain acts or groups of acts within the scope of the powers as conferred above.

*Powers conferred on the Director Marco Scagliarini*

On 13 March 2020, the Board of Directors granted Marco Scagliarini, as Executive Director of the Company, the following powers, to be exercised with single signature and with the right to sub-delegate, only for ordinary commercial activities related to the commercial division of GVS called “Energy&Mobility”, without geographical limits, in particular having the powers to:

- a) sign all correspondence from the Company, including invoices, debit or credit notes and related receipts;
- b) enter into, withdraw from, terminate or rescind, even against collection or payment of indemnities, all of the Company’s contracts necessary for the purpose of ordinary company administration under the scope of the delegation and do whatever under the scope of it is necessary to execute them, in particular, and always by way of example, sell, purchase, exchange, lease and rent movable property and services, including motor vehicles and other registered assets, and carry out the relative formalities at public offices (including the public vehicle register);
- c) enter into, withdraw from, terminate or rescind, even against collection or payment of indemnities, all contracts that are necessary or useful for the efficient management of the Company’s operations for an amount not exceeding Euro 5,000,000, including contracts for the purchase and sale and exchange of goods and services, confidentiality and privacy agreements, supply contracts, mandate, agency and brokerage contracts, engineering contracts, supply, transport and shipping contracts and related insurance policies, tendering and subcontracting of works and services;
- d) request and collect letters, ordinary, registered or insured mail, postal and telegraphic money orders, parcels and packages, documents, goods, money, goods of any kind from persons, entities, public or private postal and telegraphic offices, shipping and transport companies, customs offices, public and private railways, shipping and airline companies, public and private warehouses and other places of storage, public offices of any kind, sign the relative receipts as well as documents of receipt and relief from liability;

- e) represent the Company in all its dealings with all public offices, public bodies, and in general those acting on behalf of the European Union, the State, the Regions, as well as local authorities and in general any public body;
- f) perform at Ministries, Public Administrations, Bodies and Public Offices all the acts and operations necessary to obtain concessions, licenses and authorisation acts in general, stipulate and sign specifications, conventions, acts of submission and any preparatory act of said measures;
- g) represent the Company and participate in auctions, tenders, contracts, competitions, bids and the like, fulfilling all necessary formalities, including the making of security deposits, their withdrawal and the issuance of receipts, entering into contracts with any Ministry and any other Public Administration, as well as with private individuals, for the supply of products and services of the Company;
- h) substitute attorneys for itself for certain acts or groups of acts within the scope of the powers as conferred above.

*Powers conferred on the Director Mario Saccone*

On 13 March 2020, the Board of Directors granted Mario Saccone, as Executive Director of the Company, the following powers, to be exercised with single signature and with the right to sub-delegate, without geographical limits, for the management of all the ordinary operations of the Company relating to administrative, financial, accounting, auditing, insurance, tax, legal and human resources management activities of the Group, in particular having the powers to:

- a) sign all correspondence from the Company, including invoices, debit or credit notes and related receipts;
- b) enter into, withdraw from, terminate or rescind, even against collection or payment of indemnities, all of the Company's contracts necessary for the purpose of ordinary company administration under the scope of the delegation and do whatever under the scope of it is necessary to execute them, in particular, and always by way of example, sell, purchase, exchange, lease and rent movable property and services, including motor vehicles and other registered assets, and carry out the relative formalities at public offices (including the public vehicle register);
- c) enter into, withdraw from, terminate or rescind, even against collection or payment of indemnities, (i) all contracts that are necessary or useful for the efficient management of the Company's operations for an amount not exceeding Euro 5,000,000, including contracts for the purchase and sale and exchange of goods and services and privacy agreements, supply contracts, mandate, agency and brokerage contracts, engineering contracts, supply, transport and shipping contracts and related insurance policies, tendering and subcontracting of works and services; and (ii) without limitation, confidentiality agreements and letters of intent connected with extraordinary transactions;
- d) enter into all appropriate clauses, including the arbitration clause, amend and terminate individual employment contracts, including settlement agreements, and adopt the necessary and appropriate measures, also determining their duties, qualifications and remuneration, establish service orders and company regulations and exercise disciplinary power;



- e) enter into and terminate self-employment contracts, including with coordinated and continuous collaborators or project work contracts, agency, representation, commission or any other form of employment relationship provided for by law;
- f) enter into and terminate contracts of any kind worth up to Euro 10,000,000 with banks and other financial intermediaries and bodies in general, and in relation thereto, *inter alia*, open and access safety deposit boxes, take out overdraft facilities, sign short, medium and long-term loan agreements, open and close current accounts, and carry out transactions on such accounts;
- g) issue and sign cheques in the name of the Company for amounts not exceeding Euro 100,000, even from overdrawn accounts (but within the limits of the credit line granted to the Company) cash cheques of any kind, issue the relative receipts, make withdrawals and deposits;
- h) issue, accept, negotiate, discount, endorse, receipt and in general sign bills of exchange, promissory notes and any other similar security, including in favour of non-banking third parties, and sign counter-guarantees for bank guarantees in favour of the Company, in any case for amounts not exceeding Euro 10,000,000;
- i) open postal current accounts and carry out transactions on them with post offices;
- j) enter into contracts with insurance companies or institutes, signing the relative policies, with the right to carry out any inherent practice and, in the event of a claim, to settle damages or indemnities;
- k) receive and require payment of any sum due to the Company from any person or body and for any reason whatsoever and to issue a receipt therefor;
- l) request and collect letters, ordinary, registered or insured mail, postal and telegraphic money orders, parcels and packages, documents, goods, money, goods of any kind from persons, entities, public or private postal and telegraphic offices, shipping and transport companies, customs offices, public and private railways, shipping and airline companies, public and private warehouses and other places of storage, public offices of any kind, sign the relative receipts as well as documents of receipt and relief from liability;
- m) represent the Company in all its dealings with all public offices, public bodies, and in general those acting on behalf of the European Union, the State, the Regions, as well as local authorities and in general any public body;
- n) represent the Company in all its dealings with the financial offices of the State, local authorities and any other tax authority, with the power to sign tax returns of any kind, including as a substitute for tax, agree to, adhere to, and initiate and continue actions before any administrative authority, tax commissions, appoint and revoke lawyers, attorneys, experts and consultants, sign complaints, appeals, challenges and any other document against any provision of the above-mentioned offices and authorities;
- o) perform at Ministries, Public Administrations, Bodies and Public Offices all the acts and operations necessary to obtain concessions, licenses and authorisation acts in general, stipulate and sign specifications, conventions, acts of submission and any preparatory act of said measures;
- p) represent the Company in all its dealings with the Bank of Italy, the Public Debt Office, by requesting and withdrawing money, securities and documents of all kinds, signing the



related receipts, as well as deeds of receipt and release from liability, and carry out any other transaction or act with the aforementioned bodies;

- q) represent the Company, freely question the facts of the case, with the right to be substituted by special attorneys for the exercise of the powers conferred in actions and proceedings of any kind before the judicial authorities of the Italian Republic, the European Community and foreign countries, including Arbitration Boards and Conciliation and Mediation Boards, in all judgements, at every stage and level; appoint and revoke attorneys and litigators, including for cassation and revocation judgements;
- r) represent the Company in bankruptcy and insolvency proceedings, enter into arrangements with creditors and generally do whatever else is necessary in connection with such proceedings;
- s) settle disputes between the Company and third parties, enter into compromises and arbitration clauses, appoint arbitrators, including amiable compositeurs, and sign documents relating to the above for amounts not exceeding Euro 5,000,000;
- t) represent the Company and participate in auctions, tenders, contracts, competitions, bids and the like, fulfilling all necessary formalities, including the making of security deposits, their withdrawal and the issuance of receipts, entering into contracts with any Ministry and any other Public Administration, as well as with private individuals, for the supply of products and services of the Company;
- u) substitute attorneys for itself for certain acts or groups of acts within the scope of the powers as conferred above.

*Powers conferred on the Director Matteo Viola*

On 13 March 2020, the Board of Directors granted Matteo Viola, as Executive Director of the Company, the following powers, to be exercised with single signature and with the right to sub-delegate, for industrial and production activities, logistics and production control and technological development systems, to be exercised with single signature and without geographical limits, in particular having the powers to:

- a) sign all correspondence from the Company, including invoices, debit or credit notes and related receipts;
- b) enter into, withdraw from, terminate or rescind, even against collection or payment of indemnities, all of the Company's contracts necessary for the purpose of ordinary company administration under the scope of the delegation and do whatever under the scope of it is necessary to execute them, in particular, and always by way of example, sell, purchase, exchange, lease and rent movable property and services, including motor vehicles and other registered assets, and carry out the relative formalities at public offices (including the public vehicle register);
- c) enter into, withdraw from, terminate or rescind, even against collection or payment of indemnities, all contracts that are necessary or useful for the efficient management of the Company's operations for an amount not exceeding Euro 5,000,000, including contracts for the purchase and sale and exchange of goods and services, confidentiality and privacy agreements, supply contracts, mandate, agency and brokerage contracts, engineering contracts, supply, transport and shipping contracts and related insurance policies, tendering and subcontracting of works and services;

- d) enter into and terminate self-employment contracts, including with coordinated and continuous collaborators or project work contracts, agency, representation, commission or any other form of employment relationship provided for by law;
- e) receive and require payment of any sum due to the Company from any person or body and for any reason whatsoever and to issue a receipt therefor;
- f) request and collect letters, ordinary, registered or insured mail, postal and telegraphic money orders, parcels and packages, documents, goods, money, goods of any kind from persons, entities, public or private postal and telegraphic offices, shipping and transport companies, customs offices, public and private railways, shipping and airline companies, public and private warehouses and other places of storage, public offices of any kind, sign the relative receipts as well as documents of receipt and relief from liability;
- g) represent the Company in all its dealings with all public offices, public bodies, and in general those acting on behalf of the European Union, the State, the Regions, as well as local authorities and in general any public body;
- h) perform at Ministries, Public Administrations, Bodies and Public Offices all the acts and operations necessary to obtain concessions, licenses and authorisation acts in general, stipulate and sign specifications, conventions, acts of submission and any preparatory act of said measures;
- i) settle disputes between the Company and third parties, enter into compromises and arbitration clauses and sign documents relating to the above for amounts not exceeding Euro 5,000,000;
- j) represent the Company and participate in auctions, tenders, contracts, competitions, bids and the like, fulfilling all necessary formalities, including the making of security deposits, their withdrawal and the issuance of receipts, entering into contracts with any Ministry and any other Public Administration, as well as with private individuals, for the supply of products and services of the Company;
- k) substitute attorneys for itself for certain acts or groups of acts within the scope of the powers as conferred above.

#### **4.6 Independent Directors**

Pursuant to the combined provisions of Article 37 of Consob Regulation no. 16191 of 29 October 2007 and Articles 147-ter, paragraph 4, and 148, paragraph 3, of the CFA, as well as in compliance with Article 3 of the Code, on 13 March 2020, the Issuer's Ordinary Shareholders' Meeting appointed - with effect subject to the Trading Start Date and in addition to the Board of Directors appointed previously - four independent directors, in the persons of Nadia Buttignol, Arabella Caporello, Alessandro Nasi and Michela Schizzi. The independent directors took office on 19 June 2020, following the listing of the Company on the MTA.

The Board of Directors believes that the number of directors who meet the independence requirements is adequate in relation to the size of the Board of Directors and the activities carried out by the Company.

At the Shareholders' Meeting held on 13 March 2020, the individual candidates for the position of independent Director declared that they met the independence requirements of Article 148, paragraph 3, of the CFA and the Corporate Governance Code.

To the best of the Issuer's knowledge, the independent directors of the Issuer (i) have not, in the last three financial years and up to the date of this Report, had any employment contracts or relationships of a financial or professional nature, either directly or indirectly, through third

party companies or professional firms, with the Issuer, the parent company GVS Group S.p.A, subsidiaries or companies subject to common control or parties related to the Issuer and (ii) are not and have not been in the last three financial years significant representatives of the Issuer, its subsidiaries with strategic importance, GVS Group S.p.A. and/or companies controlled by the same. The independence of the directors, pursuant to Articles 147-*ter*, paragraph 4, and 148, paragraph 3, of the CFA and Article 3 of the Corporate Governance Code, was verified by the Board of Directors of the Issuer on 13 March 2020. Finally, the Board of Directors has assessed the meeting of independence requirements pursuant to Art. 3.C.1 of the Corporate Governance Code, including on the basis of the declarations made by the individual Directors through the compilation of a specific questionnaire containing information on the offices and professional activities carried out.

The Board of Auditors verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to evaluate the independence of its members and the positive outcome of this control was reported to the Board of Directors at its meeting on 13 March 2020.

The Independent Directors did not deem it necessary to meet further in the absence of the other Directors, given the quality of the information received from the delegated bodies and their active participation in the Board and the Committees, which allowed them to adequately investigate the issues of interest to them.

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

In light of the clear separation of the roles of Chairman and Chief Executive Officer and taking into account that the position of Chairman of the Board of Directors is not held by the person who controls the Company, the Issuer has not appointed a lead independent director, since the conditions set out in application criterion 2.C.4 of the Corporate Governance Code do not apply.

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

### **Procedure for the management of disclosure requirements in the area of internal dealing**

In accordance with the provisions pursuant to Article 19 of Regulation (EU) 596/2014 and Article 152-*octies* of the Issuers' Regulation, the Board of Directors of the Issuer on 14 February 2020 resolved to adopt, with effect from the date of submission to Borsa Italiana of the application for admission to trading on the MTA, a procedure for the management of disclosure obligations arising from the rules on internal dealing.

In particular, this procedure governs the disclosure obligations that “internal obligated parties” have towards Consob and the Company, in relation to transactions they carry out involving shares or debt instruments issued by the Company, as well as derivatives and other financial instruments linked to shares or debt instruments.

The procedure envisages, *inter alia*, that the Company must ensure that the “significant transactions” - defined on the basis of subjective, objective and quantitative requirements - notified to it are subsequently communicated to the public within 3 (three) working days.

The procedure also requires the Company to publish the information thus received within 3 (three) working days from the date the transaction was executed, by sending a press release through media that can reasonably guarantee effective dissemination of the information to the public throughout the European Union.

Persons who hold more than 10% of the share capital represented by shares with voting rights must also notify Consob and publish information on transactions in “significant financial instruments” carried out by themselves and by “persons closely associated with them” by the end of the fifteenth day of the month following the month in which the transaction was carried out.

## **Register of persons with access to inside information**

In accordance with the provisions of Article 18 of Regulation (EU) 596/2014, the Board of Directors of the Issuer on 14 February 2020 adopted a procedure for the internal management and external communication of documents and information concerning the Company and established a register of persons with access to inside information (the “**Insider Register**”).

All members of the administrative, management and control bodies, employees, consultants and collaborators of the Company and its subsidiaries and in general all those who have access to privileged information and with whom there is a professional collaboration relationship, whether it is an employment contract or otherwise, and who, in the performance of certain tasks, have access to privileged information, such as consultants, accountants or credit rating agencies, are entered in the Insider Register.

The Company's corporate legal department, in the person of its manager, is responsible for keeping and maintaining the Insider Register.

## **6. BOARD COMMITTEES (pursuant to Article 123-bis, paragraph 2, letter d) of the CFA)**

In accordance with the best corporate governance practices adopted by listed companies and set out in the Corporate Governance Code, the Company has set up a Appointments and Remuneration Committee and a Control, Sustainability and Risk Committee, implementing the recommendations contained in Articles 4, 5, 6 and 7 of the Corporate Governance Code.

In accordance with these recommendations of the Corporate Governance Code, the rules of procedure of the Appointments and Remuneration Committee and the Control, Risk and Sustainability Committee provide that both Committees are composed of three non-executive Directors, the majority of whom are independent, from among whom the Chairman is chosen. At least one member of the Appointments and Remuneration Committee has adequate knowledge and experience in financial matters or remuneration policies, and at least one member of the Control, Risk and Sustainability Committee has adequate experience in accounting and finance or risk management.

The Chairman of each Board Committee shall provide information on the Committee's meetings at the first available meeting of the Board of Directors, in line with the provisions of application criterion 4.C.1, letter d) of the Corporate Governance Code.

The Company has not assigned the functions of one or more committees provided for in the Corporate Governance Code to the Board of Directors.

In addition, at the date of this Report, there are no Committees other than those recommended by the Corporate Governance Code.

## **7. APPOINTMENTS AND REMUNERATION COMMITTEE**

Considering the size and organisational structure of the Issuer, the Board of Directors has deemed it appropriate to combine the functions set out in Articles 5 and 6 of the Corporate Governance Code into a single committee.

In order to conform its corporate governance model to the recommendations contained in Articles 5 and 6 of the Corporate Governance Code, on 14 February 2020 the Issuer's Board of Directors resolved to set up an appointments and remuneration committee (the “**Appointments and Remuneration Committee**”).

## Members and function of the Appointments and Remuneration Committee

On 13 March 2020, the Company's Board of Directors appointed Michela Schizzi (who serves as Chairman), Alessandro Nasi and Grazia Valentini as members of the Appointments and Remuneration Committee with suspensive effect as of the Trading Start Date. In this regard, the Issuer believes that this appointment is in line with the provisions of the Corporate Governance Code due to the possession by the independent director Michela Schizzi of adequate knowledge and experience in accounting and finance (*Principle 6.P.3.*) and the possession by the persons appointed, Michela Schizzi and Alessandro Nasi, of the independence requirements provided for by the Corporate Governance Code.

Pursuant to Article 4 of the Rules of Procedure of the Appointments and Remuneration Committee, minutes of meetings are taken and such minutes are signed by the Chairman and the Secretary and transcribed in the appropriate book.

During the year, the Appointments and Remuneration Committee of GVS met a total of 1 time and the average duration of the meetings of the said Committee is about 60 minutes. The attendance of each member of the Appointments and Remuneration Committee at meetings is shown in **Table 2**.

With regard to FY 2021, 4 meetings are scheduled of the Appointments and Remuneration Committee (in addition to the 1 already held, at the date of preparation of this Report, on 8 and 18 March 2021).

During the Financial Year, the Appointments and Remuneration Committee of GVS formulated proposals regarding the hiring of a new head of the human resources area and expressed its opinion on the assignment of rights relating to the allocation of shares under the 2020-2022 Performance Share Plan in favour of the Chief Executive Officer, the other executive directors and Key Managers, beneficiaries of the Plan. The Chairman of the Board of Directors, the other members of the Board of Directors, the chief executive officer, and the members of the management and control bodies of the companies of the group may be invited to the meetings with reference to all or some of the items on the agenda. Representatives of the company departments responsible for the subject matter and any other person whose presence is considered useful for the best performance of the Committee's functions with reference to all or some of the items on the agenda may also be invited to attend the meetings. Members of the Board of Auditors may attend Committee meetings.

During the Financial Year, the meetings of the Appointments and Remuneration Committee of GVS were attended by Mario Saccone, in relation to the proposed assignment of rights relating to the allocation of shares under the 2020-2022 Performance Share Plan.

The Appointments and Remuneration Committee is entitled to access the information and company functions that are required for it to discharge its duties and to use external consultants, within the limits set by the Board of Directors.

No financial resources have been allocated to the Appointments and Remuneration Committee in that this Committee makes use of the Issuer's company means and structures to carry out its tasks.

## Duties of the Appointments and Remuneration Committee

The Appointments and Remuneration Committee is entrusted with the following tasks in relation to appointments:

- (i) to provide opinions to the Board of Directors concerning its size and members and express recommendations with regard to the professional figures whose presence within the Board of Directors is deemed appropriate;

- (ii) to make recommendations to the Board of Directors on the maximum number of offices as a director or auditor held in listed companies in regulated markets, even abroad, in financial, banking or insurance companies or in companies of significant size, which can be considered compatible with the effective performance of the office of director of the Issuer, also taking into account the participation of directors in the committees set up within the Board of Directors;
- (iii) to make recommendations to the Board of Directors on any issues related to the application of the non-competition clause provided for by Art. 2390 of the Civil Code if the Company's Shareholders' Meeting, for organisational reasons, has authorised exceptions to this clause in general and in advance;
- (iv) to propose to the Board of Directors the list of candidates for the office of director in cases of co-opting, when it is necessary to replace independent directors; and
- (v) to carry out a preliminary investigation into the preparation of a succession plan for the Company's executive directors, if the Board of Directors decides to adopt such a plan.

The Appointments and Remuneration Committee is also entrusted with the following tasks in relation to remuneration:

- (i) to make proposals to the Board of Directors for the implementation of policies regarding the remuneration of Directors and Key Managers;
- (ii) to periodically assess the appropriateness, general consistency and concrete application of the policy for the remuneration of the Directors and Key Managers, availing itself, in this latter context, of the information provided by the Managing Directors.
- (iii) to submit proposals or express opinions to the Board of Directors on the remuneration of executive directors and the other directors who carry out specific roles and establish the performance targets related to the variable component of said remuneration; monitor application of the decisions adopted by the Board of Directors, specifying, in particular, the actual achievement of said performance targets.

In accordance with the recommendations of Article 6.C.6 of the Corporate Governance Code, no Director shall participate in meetings of the Appointments and Remuneration Committee in which proposals are submitted to the Board of Directors relating to his own remuneration.

## 8. REMUNERATION OF DIRECTORS

For the information in this Section, please refer to the Report on Remuneration, which is available at the Company's registered office and on the Company's website [www.gvs.com](http://www.gvs.com), in the section "*Governance / Shareholders' Meeting*".

## 9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In order to bring its corporate governance model in line with the recommendations contained in Article 7 of the Corporate Governance Code, the Issuer's Board of Directors, at its meeting of 14 February 2020 resolved, *inter alia* - with effect subject to the Trading Start Date - to set up a control, risk and sustainability committee (the "**Control, Risk and Sustainability Committee**"). On 13 March 2020, the Company's Board of Directors appointed Arabella Caporello (who also serves as Chairman), Nadia Buttignol and Michela Schizzi as members of the Control, Risk and Sustainability Committee, effective as of the Trading Start Date, subject to the condition precedent. In this regard, the Issuer believes that this appointment is in line with the provisions of the Corporate Governance Code due to the specific knowledge possessed by the persons appointed and their possession of the independence requirements provided for by the Corporate Governance Code.



## Members and operation of the Control, Risk and Sustainability Committee

On 13 March 2020, the Company's Board of Directors appointed Arabella Caporello (who also serves as Chairman), Nadia Buttignol and Michela Schizzi as members of the Control, Risk and Sustainability Committee, effective as of the Trading Start Date, subject to the condition precedent. In this regard, the Issuer believes that this appointment is in line with the provisions of the Corporate Governance Code due to the existence of the possession by the independent director Arabella Caporello of adequate experience in accounting and financial matters and risk management (*Principle 7.P.4.*) and the possession by the persons appointed of the independence requirements provided for by the Corporate Governance Code.

Pursuant to Article 4 of the Internal Regulations of the Control, Risk and Sustainability Committee, minutes of the meetings are taken and such minutes are signed by the Chairman and the Secretary and transcribed in the appropriate book.

During the year, the Control, Risk and Sustainability Committee of GVS met a total of 3 times and the average duration of the meetings of the said Committee is approximately 155 minutes. The attendance of each member of the Control, Risk and Sustainability Committee at meetings is shown in **Table 2**.

With regard to FY 2021, 3 meetings of the Control, Risk and Sustainability Committee are scheduled (in addition to the 4 already held, at the date of preparation of this Report, on 20 and 26 January 2021 and 12 and 19 March 2021).

During the year, the GVS Control, Risk and Sustainability Committee formulated the proposals to lower the materiality threshold for Transactions of Negligible Value if the related party is a natural person from Euro 150,000 to Euro 75,000, to provide that if the same related party accumulates transactions for a value equivalent to twice the materiality threshold envisaged for Transactions of Negligible Value, the transaction with the related party in question is no longer exempt from the procedure, to provide the Head of Internal Auditing with an external consultant who can provide support (i) for the planning and execution of internal audit activities and (ii) for the organisational design of the same structure, and expressed its opinion on the 2020 audit plan. The amendments to the Related Party Procedure were approved by the Board of Directors on 16 July 2020.

The Chairman of the Board of Directors, the other members of the Board of Directors, the chief executive officer, the director in charge of the internal control and risk management system, the statutory auditor or the representatives of the auditing firm and the members of the administration and control bodies of the companies of the group may be invited to the meetings with reference to all or some of the items on the agenda. The head of the internal audit department, the Financial Reporting Manager, the managers in charge of the various functions and the representatives of the corporate functions responsible for the subject matter, and any other person whose presence is considered useful for the best performance of the Committee's functions with reference to all or some of the items on the agenda, may also be invited to attend the Committee's meetings.

During the year, the following participated: (i) the Company's auditors (Mr Calozzo and Mr Ermocida) in order to provide information on the results and information on the interim half-year financial statements and to present the 2020 audit plan; (ii) Mr Menegatti to present the Internal Audit plan; (iii) Thai Duong to present the organisation of the GVS Group and the relationships of the individual local units, to inform of the resignation of the internal audit manager (Matteo Menegatti) and the search for a successor; (iv) Luca Querzè for the analysis of the coverage of GVS's patents; (v) Mario Saccone to explain the Interim Management Report as at 30 September 2020 of the GVS Group, to explain the following issues: (a) composition of the net financial position ("NFP") by the individual companies of the group, comparing it with the NFP figure at consolidated level; (b) details of the 41 production lines launched in 2020 following the pandemic, (c) the acquisition of Haemonetics Puerto Rico and (d) issues relating



to customer and supplier concentration; and finally (vi) Piervittorio Pigato to illustrate the situation of the GVS Group's insurance policies.

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

In particular, the Control, Risk and Sustainability Committee, in compliance with the provisions of the Corporate Governance Code, in assisting the Board of Directors:

- (i) assesses, together with the manager responsible for preparing the company's financial reports pursuant to Article 154-*bis* of the CFA and having consulted the Independent Auditors and the Board of Auditors, the correct use of the accounting standards and their uniformity for the purposes of preparing the financial statements;
- (ii) expresses opinions on specific aspects regarding the identification of the main business risks;
- (iii) examines the periodic reports relating to the assessment of the internal control and risk management system and any specifically relevant reports prepared by the internal audit department;
- (iv) monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit Department;
- (v) asks the Internal Audit Department (copying in the Chair of the Board of Auditors) to carry out checks on particular areas of operations;
- (vi) upon approval of the annual and interim financial report, reports to the Board of Directors on its activities and on the adequacy of the internal control and risk management system;
- (vii) supports, with appropriate investigative activities, the valuations and decisions of the Board of Directors relative to the management of risks arising from detrimental facts that have come to the awareness of the Board of Directors;
- (viii) makes proposals to the Board of Directors regarding “sustainability”, meaning the processes, initiatives and activities aimed at monitoring the Company's commitment to sustainable development along the value chain;
- (ix) monitors compliance with any principles of conduct adopted by the Group regarding sustainability;
- (x) assists the Board of Directors in the preparation and subsequent review of the non-financial disclosures required by Legislative Decree no. 254/2016;
- (xi) carries out any other tasks assigned by the Board of Directors.

The Control, Risk and Sustainability Committee also issues its own prior opinion to the Board of Directors:

- (i) on the guidelines of the internal control and risk management system, so that the main risks concerning the Issuer and its subsidiaries are correctly identified, adequately measured, managed and monitored, determining the degree of compatibility of these risks with the healthy and correct management of the company coherently with the strategic objectives that have been set;
- (ii) on the adequacy and efficacy of the internal control and risk management system with regard to the characteristics of the Issuer and the risk profile assumed;
- (iii) on the work schedule prepared by the internal audit department manager;

- (iv) on the description contained within the Corporate Governance Report of the main characteristics of the internal control and risk management system and the procedures for coordination between the individuals involved therein, including the valuation of the adequacy of the system itself;
- (v) on the results provided by the audit firm in any letter of suggestions and in its report on fundamental issues that emerged during their statutory audit; and
- (vi) on the proposal relative to the appointment, revocation and remuneration of the internal audit manager, as well as regarding the adequacy of the resources assigned to the latter for the discharge of their functions.

During the year, in accordance with Article 4 of the Committee's internal regulations, the Chairman of the Board of Auditors, as well as the Regular Auditors, attended all the meetings of the Control, Risk and Sustainability Committee.

The Control, Risk and Sustainability Committee is entitled to access the information and company functions that are required for it to discharge its duties and to use external consultants, within the limits set by the Board of Directors.

No financial resources have been allocated to the Control, Risk and Sustainability Committee in that this Committee makes use of the Issuer's company means and structures to carry out its tasks.

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

The GVS internal control and management system is the set of guidelines, rules and organisational structures aimed at identifying, measuring, managing and monitoring the main corporate risks.

The internal control and management system contributes to the management of the Company in line with the corporate objectives defined by the Board of Directors, encouraging informed decision-making. It contributes to ensuring the safeguarding of corporate assets, the efficiency and effectiveness of corporate processes, the reliability of information (not only financial) provided to corporate bodies and the market, compliance with laws and regulations as well as with the Articles of Association and internal procedures.

The internal control and risk management system involves, each within its own sphere of competence:

- (a) the Board of Directors, which plays a role in providing guidance and assessing the adequacy of the system and identifies from among its members:
  - (1) one or more directors, responsible for establishing and maintaining an effective internal control and risk management system; and
  - (2) a control and risk committee, having the characteristics indicated in principle 7.P.4 of the Corporate Governance Code, with the task of supporting, by means of an adequate preliminary activity, the evaluations and decisions of the Board of Directors relating to the internal control and risk management system, as well as those relating to the approval of the periodic financial reports;
- (b) the head of the internal audit department, responsible for verifying that the internal control and risk management system is functioning and adequate;
- (c) other corporate roles and functions with specific tasks in terms of internal control and risk management, broken down in relation to the size, complexity and risk profile of the company;

- (d) the Board of Auditors, also in its capacity as the Internal Control and Audit Committee, which oversees the effectiveness of the internal control and risk management system.

On 10 February 2020, the Board of Directors approved, in accordance with the provisions of the Stock Exchange Regulations and related Instructions, the memorandum describing the management control system adopted and certified that the Company has adopted a management control system such as to enable those responsible to have a sufficiently comprehensive and timely picture of the economic and financial situation of the Company and the main companies in the group to which it belongs, on a regular basis and in a proper manner: (i) monitor the main key performance indicators and risk factors relating to the company; (ii) produce data and information in particular financial information, according to analysis dimensions that are adequate to the type of business, organisational complexity and specific needs for information of the management; and (iii) process prospective financial data on the business plan and budget, as well as verify that corporate objectives are achieved by means of a gap analysis.

### **10.1 Director Responsible for the Internal Control and Risk Management System**

On 14 February 2020, the Issuer's Board of Directors identified Massimo Scagliarini as the director in charge of the internal control and risk management system. The director in charge of the internal control and risk management system has the task of (i) taking care of the identification of the main corporate risks, taking into account the characteristics of the activities performed by the issuer and its subsidiaries, submitting them periodically to the examination of the Board of Directors; (ii) implementing the guidelines defined by the Board of Directors, taking care of the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness (iii) adapting the internal control and risk management system to the dynamics of the operating conditions and the legislative and regulatory framework; (iv) reporting promptly to the control and risk committee (or to the board of directors) on problems and critical issues that have arisen in the performance of its activities or of which it has become aware, so that the committee (or the board) can take the appropriate initiatives; and (v) proposing to the board of directors the appointment, revocation and remuneration of the head of internal audit, as well as the allocation of adequate resources to carry out its responsibilities.

### **10.2 Head of the Internal Audit Department**

In compliance with the provisions of application criterion 7.C.1 of the Corporate Governance Code, the Board of Directors is also required, on the proposal of the director in charge of the internal control system and subject to the favourable opinion of the Control, Risk and Sustainability Committee, to appoint a manager of the internal audit department. The Issuer's Board of Directors, in its meeting of 14 February 2020, resolved to establish the internal audit manager function, and appointed Matteo Menegatti on 17 April 2020 as head of this function.

On 05 November 2020, the Board of Directors acknowledged the resignation of Matteo Menegatti from his position as head of the internal audit department and, with the support of the Control and Risk Committee, at the same time appointed Francesco Autiero, who is external to the Company and has adequate professional, independence and organisational requirements, as the new head of the department from 30 November 2020.

The remuneration of the head of internal audit was defined by the Board of Directors at the time of appointment on the proposal of the Director in charge, after consulting the Control, Risk and Sustainability Committee and having heard the Board of Auditors.

In accordance with the provisions of Article 7, application criterion 7.C.5, of the Corporate Governance Code, the head of the internal audit department:

- (a) 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 prioritizing the key risks;

- (b) is not responsible for any operational area and reports hierarchically to the Board of Directors;
- (c) has direct access to all information useful to carrying out the relevant tasks;
- (d) prepares periodic reports containing adequate information regarding its activities, ways in which risk management is conducted, as well as compliance with the plans defined for their reduction. The periodic reports contain an assessment of the suitability of the Internal Control and Risk Management System;
- (e) prepares timely reports on events of major importance;
- (f) sends the reports pursuant to points d) and e) to the Chairman of the Board of Auditors, the Control, Risk and Sustainability Committee, the Board of Directors and the Director in charge of the internal control and risk management system;
- (g) verifies, as part of the audit plan, the reliability of information systems including the accounting systems.

In any event, decisions on the above matters must be taken with the favourable opinion of the Control, Risk and Sustainability Committee (or, alternatively, limited to proposals relating to remuneration, of the Remuneration Committee) and after consulting the Board of Auditors.

During the year, the head of the internal audit department carried out the following main activities:

- (i) Support to the Risk Management Function in defining and subsequently updating the Risk Assessment. This document is fundamental for an informed management of business risks and for the definition of a risk-based Internal Audit plan, operational from 01 January 2021.
- (ii) Support to the Company and to the Manager in charge in the implementation of a compliance model with Law 262/05, applicable to listed Italian companies and to foreign companies of the Group.

During this activity listed as point (ii), the main steps completed were:

- the definition of Companies in scope;
- the definition of significant business processes for each Company under analysis;
- the definition and implementation of model L262/05 through the evaluation, understanding and testing of the “Risk Control Matrix” (RCM) of GVS S.p.A;
- the launch of the “Roll-out” of RCMs L262/05 at the following Group companies:
  - GVS North America Inc;
  - GVS Filter Technology UK Ltd;
  - GVS Filtration Inc (considering both Findlay and Bloomer business units);
  - GVS Technology Suzhou Co. Ltd;
  - GVS do Brasil Ltda;
  - GVS Microfiltrazione Srl;
  - GVS Sud Srl.
- perform testing of key controls based on implemented “RCMs”.
- definition of a list of “Control Improvements”, shared with the main Control Owners and with the Management of GVS SpA.

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

On 09 July 2013, the Issuer's Board of Directors adopted an organisational, management and control model pursuant to Legislative Decree 231/2001, aimed at ensuring conditions of fairness and transparency in the conduct of business activities, to protect the position and image of the Issuer, the expectations of its shareholders and the work of its employees. In particular, the model was prepared by the Issuer on the basis of the identification of the areas of possible risk in the company's activities within which the possibility of committing offences is deemed to be the highest, and has the following aims:

- (a) to ensure conditions of correctness and transparency in the conduct of the company's business and activities, to protect its position and image as well as the expectations of its employees; and
- (b) to raise the awareness of all those who work in the name and on behalf of the Issuer so that, in the performance of their activities, they follow correct and straightforward conduct, such as to prevent the risk of commission of the offences referred to in Legislative Decree no. 231/2001.

The Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 adopted by the Issuer is structured as follows:

- (i) the general part of the model, which includes an examination of the regulations contained in Legislative Decree 231/2001; an illustration of the Issuer's organisational, management and control model; a description of the Issuer's organisational structure, including an analysis of the main elements of corporate governance and the various organisational processes; a map for identifying activities at risk of crime; information relating to the dissemination of the model in the corporate context and externally; the general principles underlying the disciplinary and sanctions system; the characteristics, powers and functions of the supervisory body;
- (ii) the special section, containing the description of the types of offences, their main features and the related applicable sanctions; the identification of the areas at potential risk of "offence" and the corporate roles involved, the control protocols, the general principles of conduct, the activities of the Supervisory Body and the tasks that the latter is called upon to perform, for each of the types of alleged offences considered relevant for the Issuer (among which, we point out offences against the public administration; corporate crimes; computer crimes; crimes against the individual; crimes against industry and commerce; provisions on hygiene, health and safety at work; transnational crimes; crimes of receiving stolen goods, money laundering and use of money, goods or utilities of illegal origin; and the employment of citizens of third countries whose stay is irregular).

The organisation, management and control model is constantly monitored and periodically updated.

The Supervisory Body was appointed by the Board of Directors for the first time on 31 May 2013 in a collegial composition and subsequently reconfirmed in a single-member composition, following the resignation of one of the two members ("**Supervisory Body**"), with provision for tacit renewal of the appointment from year to year.

This Supervisory Body complies with the independence, professionalism and continuity of action requirements required by law for this body.

### 10.4 Independent Auditors

By resolution of 14 February 2020, the Issuer's Shareholders' Meeting approved, with effect subject to admission of the Shares to trading on the MTA, the assignment to

PricewaterhouseCoopers S.p.A. (the “**Independent Auditing Firm**”) the engagement for the statutory audit of the accounts pursuant to Article 17 of the aforementioned Legislative Decree No. 39 of 2010, as subsequently amended by Legislative Decree No. 135 of 2016, for the financial years 2020-2028, in replacement of the engagement already conferred on 18 April 2019, pursuant to Article 14 of Legislative Decree No. 39 of 2010 and Article 2409-*bis et seq.* of the Civil Code, with reference to the Issuer's statutory and consolidated financial statements for the three-year period 2019-2021. Also by resolution of 14 February 2020, the Issuer's Shareholders' Meeting approved, with effect subject to admission of the Shares to trading on the MTA, the appointment of the Independent Auditors to perform a limited audit of the Issuer's condensed interim consolidated financial statements for the six-month periods ending 30 June of FYs 2020-2028.

## 10.5 Head of Corporate Financial Reporting

Pursuant to Article 154-bis of the CFA, listed issuers having Italy as their home member state must appoint a Head of Corporate Financial Reporting, providing in their Articles of Association the requirements of professionalism and the methods of appointment of the same.

Pursuant to Article 154-bis of the CFA, the acts and communications of the company disclosed to the market, and relating to the accounting information, including interim information of the company, are accompanied by a written statement of the manager responsible for preparing the company's financial reports, certifying that they correspond to the document results, books and accounting records. Pursuant to paragraph 3 of the same provision, the Head of Corporate Financial Reporting shall prepare adequate administrative and accounting procedures for the preparation of the annual financial statements and, where applicable, the consolidated financial statements, as well as any other communication of a financial nature by the Company.

In addition, the Head, together with the delegated administrative bodies, certifies with a specific report the financial statements, the condensed half-yearly financial statements and, where drawn up, the consolidated financial statements:

- (a) the adequacy and effective application of the procedures referred to in paragraph 3 of Article 154-*bis* of the CFA during the period to which the documents refer;
- (b) also in application of the application criterion 7.C.2 of the Corporate Governance Code, that the documents are drawn up in compliance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- (c) that the figures in the documents tally with those in the books of account and the entries therein;
- (d) that the documents are suitable for giving a truthful and accurate picture of the issuer's assets, liabilities, revenues, expenditures and finances and those of the entire set of undertakings included in the scope of consolidation;
- (e) in the case of annual Financial Statements and Consolidated Financial Statements, that the Directors' Report includes a reliable analysis of the running of the enterprise and its results, of the issuer's circumstances and those of the entire set of undertakings included in the scope of consolidation, together with an account of the main risks and uncertainties to which they are exposed;
- (f) for the condensed half-yearly financial statements, that the interim management report contains a reliable analysis of the information referred to in Article 154-*ter*, paragraph 4, of the CFA.



In application of the above provisions of law, Article 30 of the Articles of Association provides that the Board of Directors, subject to the mandatory opinion of the Board of Auditors, appoints the Head of Corporate Financial Reporting.

The same provision of the Articles of Association also requires that the person appointed as the Head of Corporate Financial Reporting has the professional requirements characterised by at least three years' experience in administration, finance and control, as well as the integrity requirements laid down for directors by current legislation.

On 13 March 2020, the Board of Directors appointed Emanuele Stanco as the Head of Corporate Financial Reporting, with effect subject to the Trading Start Date.

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

Coordination between the parties involved in the internal control and risk management system takes place, at least every six months, at meetings of the Board of Directors and the Control, Risk and Sustainability Committee, attended by all the parties with control functions or functions connected with the internal control and risk management system.

The meetings therefore involve the Director in charge of the internal control and risk management system as well as the Financial Reporting Manager, the Head of Internal Audit and the Board of Auditors.

The Control, Risk and Sustainability Committee met on 15 July 2020, 07 September 2020 and 03 November 2020. These meetings, which were attended by the Board of Auditors, were also attended by the Director in charge of the internal control and risk management system and the Head of the Internal Audit Department, as well as, on the occasion of the meetings concerning the annual and interim financial results, by PriceWaterhouseCoopers S.p.A., the company appointed to perform the statutory audit of the accounts.

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

The Company has approved the “Procedure for Related Party Transactions” pursuant to Article 2391-*bis* of the Civil Code and the Related Parties Regulation, suitable for ensuring that directors receive complete and exhaustive information on this type of transaction.

Furthermore, in compliance with the regulations in force, the delegated bodies shall report promptly to the Board of Directors and to the Board of Auditors at least every three months and, in any case, on the occasion of the meetings of the Board of Directors, on the operations in which they have an interest, on their own behalf or on behalf of third parties.

### **11.1 Essential elements of the Related Parties Procedure**

Pursuant to the Regulation containing provisions on related party transactions, adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented (the “**Related Parties Regulation**”), Italian companies with shares listed on regulated markets in Italy or other European Union countries and with shares widely distributed among the public to a significant extent must comply with a series of principles (set out in the Regulation itself) in order to ensure the transparency and substantial and procedural correctness of related party transactions carried out directly or through subsidiaries.

On 14 February 2020, the Board of Directors approved the draft “Procedure for Related Party Transactions” pursuant to Article 2391-*bis* of the Civil Code and the Related Parties Regulation. The draft of the procedure was submitted for final approval by the Issuer’s Board of Directors on 16 July 2020, subject to the opinion of the Control, Risk and Sustainability Committee, which proposed some amendments, incorporated into the current text. The procedure



furthermore determines the procedures for the inquiries regarding guidelines for and approval of transactions with related parties defined to be of major significance based on the criteria indicated in the Related Party Regulation and the transactions with related parties defined as being of lesser importance, such being those other than those of major significance and the transactions involving negligible amounts (the latter being transactions which, when considered individually, have a value of no more than Euro 75,000 when the related party is a natural person, or a value no more than Euro 300,000 when the related party is an individual other than a natural person; if the same related party should accumulate transactions for a value equivalent to double the materiality threshold envisaged for Transactions of negligible value, the related party transaction in question will no longer be exempt from the procedure) (the “**Related Parties Procedure**”).

The Related Parties Procedure, in accordance with the provisions of the Related Parties Regulation, defines as highly significant transactions with related parties those carried out also by Italian or foreign subsidiaries, in which at least one of the relevance indexes indicated in attachment 3 of the Related Parties Regulation exceeds the thresholds provided therein and entrusts a specific company supervisory body (consisting of the Chief Financial Officer and the head of the corporate legal department) with the task of ascertaining the terms of application of the procedure to a given transaction, including whether a transaction falls within the category of highly significant transactions or less significant transactions. The draft procedure provides that the Company will be provided with an exception granted under Article 10, paragraph 1 of the Related Parties Regulation, as the Company has recently been listed and therefore, approval of the transactions of greater significance with related parties will take place according to the procedures set forth for approval of transactions of lesser significance with related parties. The aforementioned simplified regime is applicable from the Trading Start Date up to the approval date of the financial statements for the year ending 31 December 2022.

In compliance with the Related Parties Regulation, the Related Parties Procedure provides that prior to the approval of a transaction with related parties, the Committee for Transactions with Related Parties, composed of at least 3 independent directors of the Issuer, shall express a non-binding reasoned opinion on the interest of the Company in its execution as well as on the convenience and substantial correctness of the conditions provided.

The Issuer has identified the Control, Risk and Sustainability Committee as the competent body in relation to related party transactions. It should be noted that, as of the date of this Report, the Control, Risk and Sustainability Committee - the effectiveness of which is in any case subject to the Start of Trading - is composed of three independent Directors (Arabella Caporello, Nadia Buttignol and Michela Schizzi) - appointed by the Company’s Ordinary Shareholders’ Meeting on 13 March 2020.

The rules provided for by the Related Parties Procedure do not apply in cases of exemption, identified on the basis of Articles 13 and 14, paragraph 2, of the Related Parties Regulation. It is envisaged that any renewals of contracts with Related Parties, including tacit and automatic renewals, will be carried out in accordance with the Related Parties Procedure.

The Related Parties Procedure can be consulted on the Company's website [www.gvs.com](http://www.gvs.com) in the “*Governance/Documents and Procedures*” section, to which reference should be made for all details.

## 12. APPOINTMENT OF AUDITORS

The appointment of the members of the Board of Auditors is governed by Articles 23 and 24 of the Articles of Association. The Board of Auditors is appointed by the Shareholders' Meeting, which at the time of appointment determines the remuneration due for the entire term of office.

The Auditors are appointed on the basis of lists in accordance with the provisions of the law and regulations in force, in order to guarantee a balance between genders and to ensure that the minority has the right to appoint one Regular Auditor and one Alternate Auditor. Pursuant to Article 24 of the Articles of Association, the regular and alternate auditors are appointed by the Shareholders' Meeting on the basis of lists of candidates presented by the shareholders and filed at the Company's registered office within the terms and in compliance with the legal and regulatory provisions in force at the time, in which the candidates must be listed by means of a progressive number.

Lists may be presented by shareholders who, alone or together with others, at the time the list is presented, own voting stock representing at least the percentage of share capital required for the presentation of lists of candidates for the office of director. The notice of call of the Shareholders' Meeting called to deliberate on the appointment of the Board of Auditors indicates the percentage shareholding required to present the lists of candidates

Each shareholder as well as (i) shareholders belonging to the same group, meaning the controlling party, including non-corporate, pursuant to Article 2359 of the Civil Code and any company controlled by, or under the common control of, the same party, or (ii) shareholders who are party to the same shareholders' agreement pursuant to Article 122 of the CFA, or (iii) shareholders who are otherwise associated with each other by virtue of associative relationships relevant under the law and applicable, including regulations, in force, may not submit - or participate in the submission, even through a third party or trust company - more than one list or vote for different lists. If an individual who is connected to a reference shareholder has voted for a minority list, the existence of said relation shall only become relevant if the vote was crucial for the election of the Auditor.

Each candidate may appear on only one list under penalty of ineligibility.

The list shall include two sections: one for the regular auditor candidates, and one for the alternate auditor candidates. The list must indicate at least one candidate for the position of Regular Auditor and one candidate for the position of Alternate Auditor, and may contain up to a maximum of three candidates for the position of Regular Auditor and two candidates for the position of Alternate Auditor.

The first candidate in each section shall be a certified auditor and have worked for a minimum of 3 (three) years as an auditor for clients that are legally required to have their financial statements audited. The other candidates, if they do not meet the requirements stipulated in the previous sentence, shall meet the other professional requirements under the Articles of Association and applicable legislation and regulations.

In order to ensure a balance between genders, the lists of at least three candidates must be made up of candidates belonging to both genders, so that a number of candidates belonging to the less represented gender complies with the minimum requirements provided for by law and the *pro tempore* regulations in force concerning the balance between genders.

Lists must be supplied complete with: (i) information regarding the identity of the shareholders who have submitted the lists, with an indication of the overall percentage of shareholding held, it being understood that the certification proving the ownership of such shareholding may also be produced after the filing of the lists provided that it is within the deadline set for the publication of the lists by the Company; (ii) a declaration by the shareholders who have submitted the lists other than those who hold, even jointly, a controlling or relative majority interest, certifying the absence of any relationship of direct or indirect connection with the latter, pursuant to the Articles of Association and the laws and regulations in force at the time; (iii) exhaustive information on the personal and professional characteristics of the candidates, with an indication of the directorships and audit appointments held in other companies, as well as a declaration by the candidates themselves confirming that they meet the requirements, including those of honourableness, professionalism, independence and the number of offices

held, provided for by the law and regulations in force at the time and by the Articles of Association; (iv) a declaration by each candidate accepting their candidature; (v) any other or different declaration, information and/or document required by the law and regulations in force at the time .

The lists shall be submitted at the Company's registered office, also electronically, as stated in the notice, and made public within the time and in the manner laid down by applicable legislation and regulations. If only one list has been submitted by the deadline for filing lists, or only lists submitted by shareholders who are related to each other, the *pro tempore* regulations in force for companies with shares listed on regulated markets will apply.

In the event of non-compliance with the requirements laid down in this Article, the list will be deemed not submitted. Any changes that may occur up to the day the Shareholders' Meeting is actually held shall be promptly notified to the Company.

The vote of each shareholder will concern the list and hence automatically all the candidates appearing on the list, without any provision for modifications, additions, or exclusions.

Pursuant to Article 25 of the Articles of Association, the Board of Auditors is appointed in accordance with the following provisions:

- (a) 2 regular auditors and 1 alternate auditor are taken from the list that obtained the highest number of votes (the “**Majority List of Auditors**”), based on the progressive order in which they are listed in the sections of the list;
- (b) the remaining Regular Auditor - who will take on the office of Chairman of the Board of Auditors - and the other Alternate Auditor are taken from the list that obtained the second highest number of votes and that is not connected in any way, not even indirectly, pursuant to the Articles of Association and the laws and regulations in force at the time, with those who submitted or voted for the Majority List of Auditors (the “**Minority List of Auditors**”), based on the progressive order in which they are listed in the sections of the list.

If more than one list has obtained the same number of votes, a new ballot will be held between these lists by all those entitled to vote present at the Shareholders' Meeting, and the candidates on the list that obtains the relative majority will be elected. If a person connected to a shareholder who has submitted or voted for the Majority List of Auditors has voted for another list, the existence of such a connection becomes relevant only if the vote was decisive for the election of the auditor to be taken from that other list.

If only one list is presented, the Shareholders' Meeting shall pass resolutions with the majorities required by law and all the Auditors shall be elected from that list, according to the relative progressive order.

If, as a result of voting for lists or voting for the single list, the composition of the Board of Auditors is not ensured, in terms of its regular members, in compliance with the minimum requirements provided for by law and regulations in force over time on the subject of gender balance, the candidate for regular auditor of the most represented gender elected as last in progressive order from the Majority List of Auditors or from the single list shall be replaced by the next candidate, according to the progressive order with which the candidates are listed, taken from the same list and belonging to the other gender.

If no list is presented, the Shareholders' Meeting appoints the Board of Auditors with the majorities required by law, in such a way as to ensure compliance with the minimum requirements of the law and the regulations in force at the time concerning gender balance.

When the Shareholders' Meeting must appoint the regular and/or alternate auditors needed to complete the Board of Auditors, if it is necessary to replace auditors taken from the Majority

List of Auditors, the appointment is made by relative majority without list constraints in compliance with the applicable *pro tempore* legal and regulatory provisions on gender balance. If, on the other hand, it is necessary to replace auditors taken from the Minority List of Auditors, the appointment is made by relative majority vote, choosing from among the candidates indicated on the Minority List of Auditors or, subordinately, on the list that received the third highest number of votes, in both cases without taking into account the original candidature for the office of regular or alternate auditor, always in compliance with the applicable legal and regulatory provisions in force at the time concerning the balance between genders.

In any case, shareholders who intend to propose a candidate must first submit the same documentation regarding the latter as is required in the case of the submission of lists for the appointment of the entire Board of Auditors, if necessary as an update to what has already been submitted.

If the application of these procedures does not allow, for any reason, the replacement of the auditors taken from the Minority List of Auditors, the Shareholders' Meeting shall replace the auditors taken from the Minority List by a relative majority and in compliance with the applicable *pro tempore* legal and regulatory provisions in force at concerning the balance between genders, after the submission of nominations - accompanied for each candidate by the same documentation as provided for the submission of lists for the appointment of the entire Board of Auditors.

In the absence of candidates presented as provided for above, the Shareholders' Meeting shall resolve by relative majority in accordance with the applicable provisions of the law and regulations in force at the time regarding the balance between genders. However, this is without prejudice to different and further provisions provided for by mandatory laws or regulations.

### 13. MEMBERS AND FUNCTIONING OF THE BOARD OF AUDITORS

Pursuant to Article 23 of the Articles of Association, the Board of Auditors is composed of three regular auditors and two alternate auditors, who may be re-elected, in compliance with the regulations in force over time on the subject of gender balance. Attributions, duties, and duration are as described by provisions of law.

On 13 March 2020, the Issuer's ordinary Shareholders' Meeting appointed, with effect subject to the commencement of trading, the Issuer's Board of Auditors, which will remain in office until the approval of the financial statements as at 31 December 2022.

The provisions on list voting contained in the Articles of Association - which reserve the appointment of an auditor to be elected to the list that comes second in terms of number of votes after the majority list and is not connected in any way, not even indirectly, with the shareholders who submitted or voted for the majority list - will apply only from the first renewal of the Board of Auditors following the date on which trading commences.

The following table shows the members of the Issuer's Board of Auditors in office as of the Trading Start Date, indicating the position held and their main personal data.

Position	Name	In office since	In office until	Independence as per the Code
<b>Chairman</b>	Patrizia Lucia Maria Riva	Trading Start Date	Approval of the financial statements as at 31/12/2022	X
<b>Regular Auditor</b>	Stefania Grazia	Trading Start Date	Approval of the financial statements as at 31/12/2022	X
<b>Regular Auditor</b>	Francesca Sandrolini	Trading Start Date	Approval of the financial statements as at 31/12/2022	X
<b>Alternate Auditor</b>	Daniela Baesi	Trading Start Date	Approval of the financial statements as at 31/12/2022	X

Alternate Auditor	Mario Difino	Trading Start Date	Approval of the financial statements as at	X
			31/12/2022	

Please refer to **Table 3** in the Annex for all details on the composition of the Board of Auditors.

Below is a brief description of the main personal and professional characteristics of each Auditor in office, from which emerges the competence and experience gained in corporate management.

**Patrizia Lucia Maria Riva** - Born in Milan on 10 July 1970, she graduated in Business Administration from the “Luigi Bocconi” University in 1993. She also obtained a PhD in “Business, Economics and Management” from the same university in 2000. She is registered with the Order of Chartered Accountants and the Roll of Auditors and works in the “Studio Patrizia Riva, Dottori Commercialisti di Milano e Avvocati Associati” of which she is founder and senior partner. She has held and continues to hold various administrative and control positions in Italian companies, including listed companies, and institutions. In addition to her professional activity, from 1993 to 2010 she lectured on “Business Methodologies and Determinations” at Bocconi University. Since 2002, she has been a contract professor in charge of Accounting, Internal Auditing, Corporate Governance and Auditing and then a researcher with the title of Aggregate Professor at the University of Eastern Piedmont, where she is currently an Associate Professor. She also lectures on the Master in Crisis and Corporate Recovery at the University of Bergamo. She is the author of several national and international publications.

**Stefania Grazia** - Born in Padua on 12 July 1966, she graduated in Economics and Business at the University of Bologna in 1990. In 1991, she joined PricewaterhouseCoopers S.p.A., an auditing firm based in Bologna. Since 2017, she has been practising as a freelancer. She is a member of the Bologna Official Roll of Registered Accountants and Accounting Experts and of the Register of Statutory Auditors. In addition to her professional activities, she has been a member of the study commission on “Accounting Standards and Auditing Standards” of the Order of Registered Accountants and Accounting Experts of Bologna and a member of the steering committee of the Foundation of Chartered Accountants and Accounting Experts of Bologna.

**Francesca Sandrolini** - Born in Bologna, 13 March 1967, she graduated in Economics and Business at the *Alma Mater Studiorum* - University of Bologna in 1991. Since 1991, he has been working as a chartered accountant as a partner in Studio De Leo - Associazione Professionale. She is enrolled in the Register of Chartered Accountants and Accounting Experts of Bologna and in the Register of Auditors.

**Daniela Baesi** - Born in Bologna on 30 January 1971, she graduated in Economics and Business at the *Alma Mater Studiorum* - University of Bologna in 1996. Since 1996, she has worked as a statutory auditor in the Bologna office of PricewaterhouseCoopers S.p.A. Subsequently, from 2007 she served as head of administration and finance at Paolo Castelli S.p.A. Since 2012, she has been working with GdC & Associati in Bologna, where she currently provides consulting services in corporate, administrative and accounting matters. She is enrolled in the Register of Chartered Accountants and Accounting Experts of Bologna and in the Register of Auditors.

**Mario Difino** - Born in Milan on 01 July 1956, he graduated in Political Economics from the “Luigi Bocconi” University in 1985. He works as a registered accountant and statutory auditor at Piccolli, Difino & Associati, where he is a partner and founding member. He is a member of the Official Roll of Registered Accountants and Accounting Experts of Milan and of the Register of Auditors. In addition to his professional activities, he has been a member of various study committees of the Milan Official Roll of Registered Accountants and Accounting Experts. He is the author of several publications on accounting standards and statutory audit.



It should be noted that during FY 2020, the Board of Auditors met 7 times and the average duration of the meetings of the Board of Auditors was approximately 60 minutes.

In FY 2020, the Board of Auditors also attended 4 meetings of the Control, Risk and Sustainability Committee, 3 meetings of the Board of Directors and 1 meeting of the Appointments and Remuneration Committee.

As of the date of closure of the Financial Year, no member of the Board of Auditors has ceased to hold office, nor have there been any changes in the membership of the Board of Auditors of GVS.

### **Diversity criteria and policies**

The Articles of Association already provide for rules for the members of the lists and supplementary voting mechanisms aimed at ensuring the presence on the Board of the minimum number of members belonging to the least represented gender, in accordance with the provisions of the applicable legislation.

The Board of Auditors in office complies with the regulations envisaged, for newly listed companies by the CFA, as amended by Law no. 160/2019 which replaced paragraph 1, Art. 1 of Law 120/2011 and, starting from the next renewal, the less represented gender must obtain at least two fifths of the elected directors and this distribution criterion will apply for six consecutive terms.

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At the Shareholders' Meeting held on 13 March 2020, the individual candidates for the position of Auditor declared that they met the independence requirements of Article 148, paragraph 3, of the CFA and the Corporate Governance Code.

The independence of the directors, pursuant to Art. 148, paragraph 3, of the CFA and Article 8 of the Corporate Governance Code, was verified by the Board of Directors of the Issuer on 13 March 2020. Finally, the Board of Directors has assessed the meeting of independence requirements pursuant to Art. 8.C.1 of the Corporate Governance Code, including on the basis of the declarations made by the individual Auditors through the compilation of a specific questionnaire containing information on the offices and professional activities carried out.

The Board of Auditors verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to evaluate the independence of its members and the positive outcome of this control was reported to the Board of Directors at its meeting on 13 March 2020.

As regards the initiatives promoted by the Chairman of the Board of Directors aimed at providing the Auditors with an adequate knowledge of the business sector in which the Company operates, reference should be made to what has already been illustrated in paragraph 4.2 above, "Induction Programme"

The remuneration of the Auditors is determined by the Shareholders' Meeting, taking into account the commitment required of them, the importance of the role covered and the size and sector characteristics of GVS.

At the end of the financial year, the Board of Auditors carried out its self-assessment for FY 2020 on the basis of a questionnaire, consisting of a format shared by all the members of the Board of Auditors, functional to the collection of information necessary for the self-assessment, which concerned the composition, independence and overall functioning of the control body. The results of the self-assessment were presented to the Board of Directors at its meeting on 19 March 2021.



Overall, the self-assessment provided a positive picture of the composition and functioning of the Board of Auditors. The self-assessment also showed a balanced distribution of the skills present on the Board of Auditors, which were acquired through professional and academic experience and regular participation in refresher courses. In particular, the following should be noted:

- the Board of Auditors ascertained that all members of the Board of Auditors met the requirements of integrity, professionalism pursuant to Art. 148, paragraph 4, of the CFA, and that they did not exceed the limit of the offices held pursuant to art. 148-*bis* of the CFA and Art. 144 *duodecies* et seq. of the Issuers' Regulation, as well as the verification of the independence requirements provided for by art. 148, paragraph 3, of the CFA and the criteria required by the Corporate Governance Code which came into force on 1 January 2020;
- the Board of Auditors, as a whole, is adequate to cover the task entrusted to it with reference to both the requirements mentioned above and the experience and age of its members;
- the individual members and the Board of Auditors, taking into account the positions held in other companies, have assessed that they have adequate time and resources to devote to carrying out their duties in GVS;
- with regard to the all-female composition, at the first renewal of the Board of Auditors following the listing, the lesser represented gender shall constitute at least 1/3 (one third) of the members of the body;
- preference was given to a collegial organisation of work on the basis of an annual programme of activities;
- the flow of information to the Board of Auditors is substantially adequate in terms of timeliness, completeness and clarity, although there are aspects that could be improved. In particular, it should be noted that in the period under review the Company has implemented processes, recently concluded, to expand and strengthen the internal audit function and the Supervisory Board, which the Board of Auditors hopes will bring benefits in terms of adequate exchange of information flows;
- the Board of Auditors unanimously believes that the compensation approved in the course of the election is inadequate in light of the commitment required and the time devoted to the Board's activities, the Company's organization, the size and structure of the Group and the attendance of members of the Board of Auditors at meetings of the Board of Directors and various committees. From the date of their appointment to the date on which the self-assessment questionnaire was completed, the members of the Board of Auditors attended 11 meetings of the Board of Auditors, 6 meetings of the Control, Risk and Sustainability Committee, 1 meeting of the Appointments and Remuneration Committee and 5 meetings of the Board of Directors. The assessment is also justified by the consideration that the turnover of the Company and of the group has significantly increased, with an increase of approximately 60%, compared to last year.

The Company has not presently considered it necessary to formalise and set out procedures for the obligation of auditors who, on their own behalf or for third parties, have 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 their interest, instead considering that sufficient control is afforded by, on the one hand, the obligations and measures applicable to auditors in accordance with current provisions of law and regulations and the Corporate Governance Code, and on the other, the extensive collaboration and dialogue in this regard enjoyed with the Auditors, who act transparently, informing the Board fully at all times.

As illustrated in paragraph 10 above, the Board of Auditors, in the performance of its functions, has coordinated and regularly coordinates with the Internal Audit Department, the Control, Risk and Sustainability Committee, the Director in charge of the internal control and risk management system, the Executive in Charge and the Independent Auditors.

#### **14. SHAREHOLDER RELATIONS**

In accordance with the provisions of Article 9 of the Corporate Governance Code, in order to encourage the widest possible participation of shareholders in the Shareholders' Meetings and to facilitate the exercise of shareholders' rights, the Board of Directors endeavours to establish an ongoing dialogue with the shareholders based on the understanding of their reciprocal roles.

To this end, the Board of Directors ensures that an investor relator is identified and periodically assesses the advisability of setting up a corporate structure responsible for this function, which establishes an ongoing dialogue with all shareholders and, in particular, with institutional investors, in compliance with the rules and procedures governing the disclosure of inside information.

In accordance with the provisions of Article 9 of the Corporate Governance Code, on 14 February 2020, the Board of Directors established the function of investor relator. Subsequently, on 13 March 2020, Mario Saccone was appointed as head of the investor relator function, granting him all the powers necessary to carry out this task.

Moreover, in order to make available not only the most relevant documents on corporate governance, but also all press releases relating to major corporate events, as well as financial and accounting data, a special section called "Investor Relations" has been set up on the Issuer's website.

#### **15. MEETINGS**

Pursuant to Article 10 of the Articles of Association, ordinary and extraordinary Shareholders' Meetings are held at the Company's registered office or elsewhere, provided that they are in the territory of the Italian State or in another Member State of the European Union, whenever appropriate, or when convened in accordance with the 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. In this case, the following must apply: (a) the notice of the meeting indicates (i) in the case of video-conferencing, the audio/video locations connected by the Company where those present may gather, and (ii) in the case of teleconferencing, the telephone number to which shareholders and/or members of the Board of Directors and/or the Board of Auditors may be connected; (b) the Chairman of the Shareholders' Meeting, including through his office, is able to unequivocally ascertain the identity and legitimacy of those present, regulate the proceedings of the meeting and ascertain and announce the results of voting; (c) the person taking the minutes is able to adequately perceive the events of the Shareholders' Meeting that are being recorded; (d) those present are able to participate in real time in the discussion and simultaneous voting on the items on the agenda.

Ordinary and Extraordinary Shareholders' Meetings are usually held in a single call with the majorities required by law. Moreover, the Board of Directors may also convene the Shareholders' Meeting on second and third call in accordance with the provisions of the laws and regulations in force, explaining the terms in the notice of call.

The Ordinary Shareholders' Meeting must be convened at least once a year, within 120 (one hundred and twenty) days of the end of the financial year; when the legal requirements are met, it may be convened within 180 (one hundred and eighty) days of the end of the financial year. The meeting is called within the terms prescribed by the law and regulations in force over time.

Pursuant to Article 12 of the Articles of Association, those with voting rights may be represented at the Shareholders' Meeting, within the limits of the law, by proxy issued in accordance with the procedures provided for by current regulations. The proxy may be notified to the Company in accordance with the procedures indicated over time, subject to compliance with applicable laws and regulations.

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in the event of his absence, impediment or renunciation, by the Deputy Chairman, if appointed, or, in the event of his absence, impediment or renunciation, or on the occurrence of certain conditions, by the person designated by the Shareholders' Meeting itself by a majority of those present.

The meeting appoints a secretary, who may or may not be a member, who draws up the minutes, signed by the secretary and the chairman. Where required by law or when the Chairman of the meeting deems it appropriate, the minutes shall be drawn up by a notary public.

Resolutions adopted by the Shareholders' Meeting in accordance with the law and these Articles of Association are binding on all shareholders, including those who did not attend or dissented.

The constitution of Shareholders' Meetings and the validity of their resolutions, both in ordinary and extraordinary session, are governed by the provisions of the law in force over time.

The increase in voting rights is also taken into account when determining the quorums for the constitution and passing of resolutions that refer to percentages of the share capital, but it does not affect the rights, other than voting rights, due to the possession of certain percentages of the share capital.

The Shareholders' Meeting resolves on all matters within its competence by law.

The conduct of Shareholders' Meetings is governed by specific Rules for Shareholders' Meetings which were approved by a resolution of the shareholders on 14 February 2020 and have been in force since 19 June 2020, the date of the Company's listing.

The Rules for Shareholders' Meetings have been adopted to regulate the orderly and effective management of Shareholders' Meetings and to facilitate the exercise of Shareholders' rights, in compliance with applicable laws and regulations and the recommendations contained in Art. 9 of the Corporate Governance Code.

In order to regulate and facilitate the participation of those entitled to speak, Articles 10 and 12 of the Rules for Shareholders' Meetings state that those entitled to exercise their right to vote may ask to speak on the matters under discussion. Those wishing to speak must ask the Chairman to do so by submitting a written request containing an indication of the item to which the request refers, after he has read out the items on the agenda and until he has declared the discussion on the item to which the request to speak refers closed. If two or more applications are submitted at the same time, the Chairman shall hand over the floor in alphabetical order of the applicants' surnames. The Chairman may allow such requests to be made by show of hands; in this case, the Chairman shall hand over the floor according to the alphabetical order of their surnames. The Chairman, taking into account the subject matter and importance of the individual items on the agenda, as well as the number of persons requesting the floor and any questions raised by shareholders prior to the meeting that have not already been answered by the Company, may determine the period of time in any case not exceeding five minutes available for each speaker to make their speech. When this time has elapsed, the Chairman may invite the speaker to conclude within the next two minutes.

Those who have already spoken in the debate may ask to take the floor a second time for a period of two minutes, including for explanations of vote.

One Shareholders' Meeting was held during the year:

- on 14 February 2020 in ordinary session for (i) approval of the project to list the Company's shares on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A.; (ii) adoption of regulations for the operation of the Shareholders' Meeting; (iii) appointment of the statutory auditor; and (iv) approval of the financial statements for the year ended 31 December 2019;
- on 13 March 2020 in ordinary session for (i) the renewal of the Board of Directors after determining the number of members and the related remuneration and integration of the same; (ii) the renewal of the Board of Auditors and determination of the related remuneration and (iii) the approval of the incentive plan for the period 2020-2022 concerning ordinary shares of the Company, called "2020-2022 Performance Share Plan";
- on 13 March 2020 in an extraordinary meeting for (i) transactions on the share capital in the context of the listing: simultaneous cancellation of treasury shares, split of the Company's ordinary shares and elimination of the indication of nominal value; (ii) increase of the share capital, in divisible form, against payment, with the exclusion of option rights pursuant to Article 2441, paragraphs five and six, of the Civil Code, to be carried out once or more than once, to service the offer functional to the listing of the Company's shares on the MTA; and (iii) assignment to the Board of Directors, pursuant to Article 2443 of the Civil Code, of a proxy to increase the share capital pursuant to Article 2349 of the Civil Code, to service the "2020-2022 Performance Share Plan" and (iv) adoption of a new text of the company's Articles of Association in order to comply with current regulations governing companies with shares listed on a regulated market;
- on 17 April 2020 in ordinary session for (i) approval of the remuneration policy and (ii) approval of the termination indemnity for certain directors.

During the year, the Directors Grazia Valentini, who chaired the Meeting, and Massimo Scagliarini, also in his capacity as legal representative of GVS Group S.p.A., attended the Shareholders' Meeting.

No Shareholders' Meetings of the Issuer have been held since the commencement of the listing of the Company on 16 June 2020.

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As at the date of this Report, there have not been any significant changes in the market capitalisation of the Issuer's shares or in the composition of its corporate structure.

## **16. ADDITIONAL CORPORATE GOVERNANCE PRACTICES**

The Issuer does not adopt any corporate governance practices in addition to those provided for by laws or regulations and described in this Report.

## **17. CHANGES TO THE CLOSURE OF THE FINANCIAL YEAR OF REFERENCE**

On 22 January 2021, the GVS Board of Directors approved the rules of procedure for the functioning of the Appointments and Remuneration Committee.

On 29 January 2021, the Board of Directors revoked the current Supervisory Board and resolved to extend its composition to a collegial body by appointing as members Andrea Pascerini, Gerardo Diamanti, external to the Company, and Piervittorio Pigato, lawyer, member of the Company's Legal Department, in line with recommendation 33 of the Corporate Governance Code effective as of 01 January 2021.

On 29 January 2021, the GVS Board of Directors also approved the rules of procedure for the functioning of the Control, Risks and Sustainability Committee.

Without prejudice to the foregoing, there have been no further changes in the corporate governance structure of the Company since the end of the Financial Year and until the Board of Directors approves this Report on 19 March 2021.

**18. CONSIDERATIONS ON THE LETTER OF 22 DECEMBER 2020 FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE**

The recommendations made in the 22 December 2020 letter from the Chairman of the Corporate Governance Committee were brought to the attention of the Chairman of the Board of Directors, the Chief Executive Officer and the Chairman of the Board of Auditors on 22 December 2020.

## APPENDIX

### TABLE 1: INFORMATION on the OWNERSHIP STRUCTURES

STRUCTURE OF THE SHARE CAPITAL				
	No. of shares	% of share capital	Listed (indicate markets)/unlisted	Rights and obligations
Ordinary shares	175,000,000	100%	MTA (Electronic Stock Exchange)	N/A
Multiple voting shares	-	-	N/A	N/A
Shares with limited voting right	-	-	N/A	N/A
Shares with no voting right	-	-	N/A	N/A
Other	-	-	N/A	N/A
OTHER FINANCIAL INSTRUMENTS (attributing the right to subscribe newly issued shares)				
	Listed (indicate markets)/unlisted	No. of instruments in issue	Category of shares servicing conversion/exercise	No. of shares servicing conversion/exercise
Convertible bonds	N/A	N/A	N/A	N/A
Warrants	N/A	N/A	N/A	N/A

SIGNIFICANT SHAREHOLDINGS			
Declarant	Direct shareholder	% share of ordinary share capital	% share of voting share capital
Massimo Scagliarini	GVS Group S.p.A.	37.5	55.0
Marco Scagliarini	GVS Group S.p.A.	36.5	42.0
Michele Scagliarini	GVS Group S.p.A.	13.0	1.5
Roberta Scagliarini	GVS Group S.p.A.	13.0	1.5



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

Board of Directors													Control, Risk and Sustainability Committee		Appointments and Remuneration Committee	
Position	Members	Year of birth	Date of first appointment	In office since	In office until	List **	Exec .	Non - Exec .	Indep. Code	Indep . CFA	No. other appointments ***	(*)	(*)	(**)	(*)	(**)
<b>Chairman</b>	Grazia Valentini	1942	18/03/1987	13/03/2020	31/12/2022	N/A		x			2				1/1	M
<b>Chief Executive Officer</b> ◊	Massimo Scagliarini	1965	24/07/1990	13/03/2020	31/12/2022	N/A	x				1					
<b>Director</b>	Marco Scagliarini	1964	24/07/1990	13/03/2020	31/12/2022	N/A	x				2					
<b>Director</b>	Mario Saccone	1967	23/07/2010	13/03/2020	31/12/2022	N/A	x				0					
<b>Director</b>	Matteo Viola	1974	23/05/2018	13/03/2020	31/12/2022	N/A	x				0					
<b>Director</b>	Nadia Buttignol	1977	13/03/2020	19/06/2020	31/12/2022	N/A		x	x	x	7		3/3	M		
<b>Director</b>	Arabella Caporello	1972	13/03/2020	19/06/2020	31/12/2022	N/A		x	x	x	3			P		
<b>Director</b>	Alessandro Nasi	1974	13/03/2020	19/06/2020	31/12/2022	N/A		x	x	x	5		3/3		1/1	M
<b>Director</b>	Michela Schizzi	1982	13/03/2020	19/06/2020	31/12/2022	N/A		x	x	x	3		3/3	M	1/1	P
<b>No. of meetings held during the reference financial year: 3</b>				Control, Risk and Sustainability Committee: 3					Appointments and Remuneration Committee: 1				Executive Committee: N/A			
<b>Indicate the quorum required for submission of lists by minority shareholders for the election of one or more members (per Art. 147-ter of the CFA): N.A.</b>																
<b>NOTES</b>																
• 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).																
** “M”: majority list; “m”: minority list; “BoD”: list submitted by the BoD.																
*** 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.																
(*) Number of meetings attended compared to the total number of meetings that could have been attended																
(**) “P”: chairman; “M”: member.																

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

Board of Auditors									
<i>Position</i>	<i>Members</i>	<i>Year of birth</i>	<i>Date of first appointment *</i>	<i>In office since</i>	<i>In office until</i>	<i>List **</i>	<i>Indep. Code</i>	<i>Attendance of the meetings of the Board of Auditors ***</i>	<i>No. other appointments ****</i>
<b>Chairman</b>	Patrizia Lucia Maria Riva	1970	13/03/2020	19/06/2020	31/12/2022	N/A	x	8/12	7
<b>Regular Auditor</b>	Stefania Grazia	1966	13/03/2020	19/06/2020	31/12/2022	N/A	x	8/12	13
<b>Regular Auditor</b>	Francesca Sandrolini	1967	13/03/2020	19/06/2020	31/12/2022	N/A	x	8/12	11
<b>Alternate Auditor</b>	Daniela Baesi	1971	13/03/2020	19/06/2020	31/12/2022	N/A	x	0/12	3
<b>Alternate Auditor</b>	Mario Difino	1956	13/03/2020	19/06/2020	31/12/2022	N/A	x	0/12	26
<b>----- AUDITORS WHO RESIGNED DURING THE YEAR-----</b>									
<b>Chairman</b>	Elisabetta Cavazza	1956	-	23/05/2018	19/06/2020	N/A	N/A	4/12	0
<b>Regular Auditor</b>	Sergio Marchese	1966	-	23/05/2018	19/06/2020	N/A	N/A	4/12	18
<b>Regular Auditor</b>	Donatella Vitanza	1966	-	23/05/2018	19/06/2020	N/A	N/A	4/12	6
<b>Alternate Auditor</b>	Ludovica Drei Donà	1970	-	23/05/2018	19/06/2020	N/A	N/A	0/12	0
<b>Alternate Auditor</b>	Enrico Bigi	1966	-	23/05/2018	19/06/2020	N/A	N/A	0/12	20
<b>Number of meetings held during relevant financial year: 12</b>									
<b>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 CFA):</b> <b>N.A.</b>									
<b>NOTES</b>									
* 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.									
** "M": majority list; "m": minority list									
*** Number of meetings attended compared to the total number of meetings could have been attended									
**** Number of assignments as director or auditor covered by the interested party in accordance with Art. 148-bis of the CFA 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- <i>quinquiesdecies</i> of the Consob Issuers' Regulation.									

**TABLE 4: APPOINTMENTS OF THE BOARD OF DIRECTORS**

Name and surname	Company	Position in the company or equity investment held	Status
<b>Grazia Valentini</b>	Grace di Grazia Valentini	Owner of the sole traders	In office
	GVS Sud S.r.l.	Sole Director	In office
<b>Marco Scagliarini</b>	GVS Group S.p.A.	Partner	Equity investment of 37.47%
	GVS Real Estate S.r.l.	Sole Director	In office
<b>Massimo Scagliarini</b>	GVS Group S.p.A.	Sole Director/Partner	In office/Equity investment of 36.44%
<b>Nadia Buttignol</b>	Investimenti Tolara S.r.l.	Sole Director/Partner	In office
	Atena S.r.l.	Director	In office
	Diego Buttignol S.r.l.	Executive Director	In office
	Evergreen Life Products S.r.l.	Director	In office
	Snaitech S.p.A.	Director	In office
	Sonica S.r.l.	Director	In office
	RCF Group S.p.A.	Director	In office
	Rebula S.r.l.	Director	In office
	Palladio Holding S.p.A.	Manager	In office
<b>Arabella Caporello</b>	AMF S.p.A.	Director	In office
	Credito Fondiario S.p.A.	Director	In office
	Foodness S.p.A.	Director	In office
<b>Alessandro Nasi</b>	CNH Industrial NV	Director	In progress
	Giovanni Agnelli BV	Director	In progress
	Exor NV	Deputy Chairman of the Board of Directors	In progress
	Iveco Defence S.p.A.	Chairman of the Board of Directors	In progress
	Lego Brand Group	Chairman of the Advisory Board	In progress
<b>Michela Schizzi</b>	Allianz Group	Manager	In progress