



SARAS

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**ANNUAL CORPORATE GOVERNANCE REPORT AND
INFORMATION ON THE OWNERSHIP STRUCTURE –
2018 Financial year**

PURSUANT TO ART. 123-*bis* OF LEGISLATIVE DECREE NO. 58 OF 24
FEBRUARY 1998 (“TUF”)

March 2019

Foreword

Saras S.p.A. ("Saras" or "Company") adheres to the Corporate Governance Code approved by the Corporate Governance Committee promoted by Borsa Italiana S.p.A. (the "Corporate Governance Code" or "Code", accessible to the public at the website of Borsa Italiana S.p.A. – www.borsaitaliana.it) as described in this report.

The sections below describe - according to the "comply or explain" principle, which is the foundation of the Corporate Governance Code - the main features of Saras' corporate governance system and the operation of its various components, especially as regards compliance with the recommendations contained in the Corporate Governance Code.

This report has been prepared in accordance with Article 123-*bis*, first paragraph of Legislative Decree no. 58 of 24 February 1998, as subsequently amended ("TUF" [Consolidated Financial Law]).

This report was approved by the Board of Directors of Saras ("Board") at the meeting on 4 March 2019, to be made available to shareholders, also by means of publication on the Company website (www.saras.it), in view of the meeting called to approve the financial statements for the financial year ended on 31 December 2018. The report refers to the 2018 financial year and, where relevant, also to corporate events occurring in 2019 until its approval date.

SECTION I

1. OWNERSHIP STRUCTURE

The Company's share capital comprises no. 951,000,000 ordinary registered shares, fully paid up, with voting rights at both ordinary and extraordinary shareholders' meetings.

Based on the findings in the shareholders' register and public information or information available to the Company on the publication date of this report, there are no parties whose Company share capital ownership exceeds 3%¹, except (i) Massimo Moratti S.a.p.a. of Massimo Moratti, which owns a 20.011% stake in the Company's share capital (ii) MOBRO S.p.A.², which owns a 20.011% stake in the Company's share capital and (iii) NORGES BANK, which owns a 3.191% stake in the Company's share capital.

By virtue of the shareholders' agreement³ in force between MOBRO S.p.A and Massimo Moratti S.a.p.A. di Massimo Moratti, signed on 1 October 2013 with regard to the shares they each own in Saras S.p.A., it is noted that both companies exercise joint control over the issuer, as reported in the press release published on 4 October 2013 (also available on the website www.saras.it).

¹ As provided for by Legislative Decree no. 25 of 15 February 2016, which has been in force since 18 March 2016, implementing Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013 which amended Art. 120, paragraph 2, of the TUF.

² It is worth noting that, as per the release dated 29 March 2018 published on the website, www.saras.it, Gian Marco Moratti S.a.p.A. di Gian Marco Moratti was converted into a joint stock company with effect from 26 March 2018 and changed its name into MOBRO S.p.A.

³ It is acknowledged that the essential information concerning the Shareholders' Agreement was updated on 3 September 2018 as to the foreword and certain paragraphs to take into account, in particular, the completion, taking place on 5 September 2018, of the sale by MOBRO and Massimo Moratti S.a.p.A. of a total of 95,100,000 Saras S.p.A. shares through the accelerated bookbuilding procedure as set out in detail in the Company's release dated 7 September 2018. It is also acknowledged that, again on 3 September 2018, 500 MOBRO S.p.A. shares, representing 0.001% of the share capital thereof, which became subject to probate proceedings due to the death of Mr Gian Marco Moratti - following assignment to different heirs and subsequent sale of 300 shares assigned to heirs other than Angelo Moratti and Gabriele Moratti - were registered as follows: (i) 250 shares to Angelo Moratti; and (ii) 250 shares to Gabriele Moratti.

The following table provides details of the above:

| SHAREHOLDERS | No. ORDINARY SHARES | % OF SHARE CAPITAL |
|---|---------------------|--------------------|
| MOBRO S.P.A. | 190,304,559 | 20.011 |
| MASSIMO MORATTI S.A.P.A. DI MASSIMO MORATTI | 190,304,558 | 20.011 |
| NORGES BANK | 30,349,069 | 3.191 |

The company owns 14,989,854.000 own shares, equal to 1.576 % of the share capital.

Furthermore, the following is noted:

- 1) there are no share transfer restrictions;
- 2) no shares or securities have been issued granting special control rights;
- 3) there is no specific mechanism for exercising voting rights in the case of employee share ownership;
- 4) there are no voting right restrictions;
- 5) there is a shareholders' agreement⁴ pursuant to Art. 122, paragraph 5, letters (a) and (b) of the TUF filed with the Companies' Register of Cagliari on 2 October 2013, communicated to CONSOB and available as an extract on the website, www.saras.it;
- 6) Based on the communications received from the Company pursuant to Art. 120 of the TUF, the subjects that are, either directly or indirectly, holders of relevant shareholdings (pursuant to Art. 123-bis, paragraph 1, letter c), TUF) that exceed 3% of the share capital subscribed and paid up, are those indicated in the table attached to this Report (page 4).
- 7) The following is worth noting with regard to significant agreements entered into by Saras or its subsidiaries that could become effective, be amended or terminated in the event of a change in the Company's control:
 - the financing agreement signed on 10 July 2015, amended on 20 September 2016, amounting to € 50 million;

⁴See note 3.

- the financing agreement signed with a pool of banks on 10 December 2015 amounting to € 265 million, as amended and converted by the agreement dated 28 October 2016 into a revolving credit line amounting to € 255 million;
- the private debenture loan of € 200 million signed on 28 December 2017 for a term of 5 years;

they provide for the right of withdrawal in favour of lending banks and the right for debenture holders to ask for the early repayment of the debentures held if:

(i) Messrs Massimo Moratti, Angelo Moratti, Angelomario Moratti, Gabriele Moratti, Giovanni Emanuele Moratti and their spouses, children and descendants individually or collectively, directly or indirectly (also through MOBRO S.p.A.⁵ and Massimo Moratti S.a.p.A. di Massimo Moratti) (the “Shareholders”), cease to hold more than 30% of Saras’ shares with voting rights;

(ii) any person (other than a Shareholder) or group of people acting together (other than any group in which one or more Shareholders (a) represent the majority of the shares with voting rights or other interests in this group and (b) such Shareholders are owners or, either directly or indirectly, hold more than 30% of the Beneficiary’s shares with voting rights) obtains the right (both directly and indirectly) to:

- (A) appoint or remove several directors (or other equivalent offices) of Saras with respect to those that the Shareholders have the right to appoint or remove; or
- (B) exercise, together, a percentage of votes at the ordinary shareholders’ meeting of Saras, higher than the one that can be exercised by the Shareholders; or
- (C) exercise, in any case, control (as defined in Art. 93 of Legislative Decree no. 58 of 24 February 1998, as subsequently amended) over the Beneficiary.

8) there are no agreements between the Company and the directors providing for compensation in the event of resignation or dismissal without just cause or termination of the relationship as a result of a takeover bid;

9) the appointment and replacement of directors are governed by Art. 18 of the Articles of Association, published on the Company website (www.saras.it). Refer to the corresponding paragraphs (section II, paragraph 1.2) of this Report;

10) the Articles of Association may be amended by a resolution of the extraordinary shareholders’ meeting. For the valid constitution of the

⁵ See note 2.

shareholders' meeting, legal provisions apply and decisions relating to the amendment of the Articles of Association are taken by the extraordinary shareholders' meeting with the majorities required by the law;

- 11) mandates to decide on capital increases pursuant to Art. 2443 of the Italian Civil Code have not been awarded to the Board;
- 12) the Ordinary Shareholders' Meeting of 27 April 2018 authorised, pursuant to Articles 2357 of the Italian Civil Code and 132 of the TUF, purchase of own shares up to the maximum legal limit, equal to 20% of the share capital subscribed and paid up, regarding own shares already owned by the company to be carried out, also by tranches, within 12 (twelve) months of the date of the authorisation resolution passed by the aforementioned Shareholders' Meeting, with the simultaneous replacement of the previous authorisation to purchase own shares, resolved by the Shareholders' Meeting on 20 April 2017.

To date, the Company has not made any purchases based on this authorisation.

Finally, it is pointed out that on 4 March 2019, the Board of Directors resolved to propose to the Shareholders' Meeting, convened for 16 April 2019 – on first call and, possibly, for 17 April 2019 on second call – to approve a new authorisation of a 12 (twelve) -month duration starting from the date of the authorisation decision of the Shareholders' Meeting, with the simultaneous replacement of the previous authorisation resolved by the Shareholders' Meeting on 27 April 2018.

2. Company Organisation

The corporate organisation of Saras S.p.A. complies with the provisions of the Italian Civil Code and with other regulations specific to corporations, and in particular with those contained in the TUF, and reflects in its entirety, the adoption of the recommendations of the Corporate Governance Code.

The Company has adopted the so-called traditional management system which comprises:

- a Board of Directors responsible for the business management, within which a Remuneration and Nomination Committee, Control and Risk Committee and Steering and Strategies Committee have been established;
- the Control and Risk Committee was also conferred the duties that pertain to the Related-Party Committee to be carried out every time it should be necessary in accordance with the provisions of the related Procedure adopted by the Company pursuant to Art. 2391-bis of the Italian Civil Code as implemented by Consob

Regulation adopted by resolution no. 17221 of 12 March 2010;

- a Board of Statutory Auditors, called, inter alia, (i) to oversee compliance with the law and the Articles of Association, as well as with management best practices when performing company activities and (ii) to also check the adequacy of the organisational structure, the internal control system and the Company's administration and accounting system; and
- a Shareholders' Meeting - whether Ordinary or Extraordinary - which is authorised to resolve, inter alia, on (i) the appointment and removal of members of the Board of Directors and the Board of Statutory Auditors and related remuneration and responsibilities, (ii) the approval of the financial statements and the allocation of profit, (iii) the purchase and sale of own shares, (iv) the amendments of the Articles of Association and (v) the issue of convertible debentures.

On 28 April 2015, the audit firm EY S.p.A ("EY") was entrusted by the Shareholders' Meeting with the audit of its annual and consolidated financial statements for the 2015-2023 financial years, as well as with the limited audit of the half-yearly reports for the same period.

Also note that, in line with the assessment made by the Parent company, also the subsidiaries Sarlux S.r.l., Saras Ricerche e Tecnologie S.r.l., Sardeolica S.r.l. and Deposito di Arcola S.r.l. entrusted EY with the audit of their financial statements for the 2015-2023 financial years.

Saras acknowledges the growing importance of the contribution by non-economic aspects to determining the Company's value and, for this reason, its view about sustainability is inspired by the main national and international legal regulations such as the Corporate Governance Code and Legislative Decree 254/2016, and by reference to the declaration of non-financial information and diversity (also called DNF).

Moreover, Saras has also prepared a "Sustainability Report", choosing to adopt the principles identified in the "*Global Reporting Initiative Sustainability Reporting Standards*" (GRI Standards), that offers an accurate, exhaustive and transparent representation of the strategies aimed at guaranteeing its economic growth and business development with a view to sustainability, taking account of the expectations of its stakeholders and seeking to constantly improve the environmental and social impacts generated by its activities. Therefore, as provided in the GRI Standards, Saras started a materiality analysis process aimed at identifying very interesting areas as well as those characterised by the greatest risks-opportunities for the development of the Company's business and the creation of value with a view to long-term sustainability. Based on materiality issues, or their relevance, the Company identifies the major indicators for monitoring and communicating the Group's sustainability performance.

For more details, please refer to the “Sustainability Report” available on the website, www.saras.it.

3. Compliance with the Corporate Governance Code 2018 (pursuant to Art. 123-bis, paragraph 2, letter a) of the TUF)

Saras adheres to and complies with the recommendations of the Corporate Governance Code of Borsa Italiana S.p.A. of listed companies currently in force and, in the 2018 financial year, in line with the evolution of best practices in this area and considering the re-election of its Corporate Bodies, resolved upon by the Shareholders' Meeting on 27 April 2018, Saras started a process involving several corporate governance players (Independent Directors and Lead Independent Director as well as the Remuneration and Nomination Committee) whereby the outgoing Board was to provide the market with recommendations and opinions on the professional characteristics and experience of the Company's future directors, ensure the establishment and operating modalities of the new Board of Directors that must be adequate to the size, complexity and sector characteristics, as well as Group's strategies.

At the meeting held on 12 March 2018, the Board of Directors, upon recommendation by the Remuneration and Nomination Committee, accepting the recommendations and assessments approved the document called “*Guidelines of the Board of Directors of Saras to the Shareholders on the size and composition of the new Board of Directors*” (“Guidelines”) that provided the market with objective criteria in line with the aforesaid objectives.

For more details, see the document, “*Guidelines of the Saras Board of Directors for Shareholders on the size and composition of the new Board of Directors*” available at the website, www.saras.it.

SECTION II

DETAILED INFORMATION ON THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE CORPORATE GOVERNANCE CODE

1. The Board of Directors

1.1. Role and duties of the Board of Directors

Pursuant to the law and the Articles of Association, the Company's management rests with the Board of Directors that operates and is organised in such a way as to guarantee the effective and efficient performance of its functions.

The definition of the duties of the Board of Directors takes account of the recommendations set out in Articles 1.C.1 and 1.C.3. of the Code. In particular, the Board, in addition to the other duties and legal powers:

- may delegate its powers to the Chairman and/or one of the directors and/or an executive committee pursuant to Art. 2381 of the Italian Civil Code;
- may form one or more committees and/or boards to which delegate specific functions or part of its powers within the legal limits, also for the purpose of adjusting the corporate governance system to the Corporate Governance Code;
- decides, having examined the proposals of the relevant committee and after consultation with the Board of Statutory Auditors, on the remuneration of managing directors and those who hold certain offices;
- examines and approves the Company's strategic, industrial and financial plans and those of the group (the "Group") it heads, periodically monitoring their implementation; defines the Company's corporate governance system and the Group's structure;
- defines the nature and level of risk that is compatible with the Company's strategic objectives;
- may resolve upon: (i) the merger in the cases provided for by Articles 2505 and 2505-bis of the Italian Civil Code; (ii) the establishment or closure of secondary offices; (iii) the indication of which directors, besides the chairman, have the power to represent the company, (iv) the reduction of the share capital in the event of the withdrawal of a shareholder, without prejudice to the case provided for in the last paragraph of Art. 2437-quater of the Italian Civil Code; (v) adjustments to the Articles of Association to comply with legal regulations; (vi) the transfer of the registered office within the national territory; (vii) the reduction in capital due to losses as stated in Art. 2446 of the Italian Civil Code;

- assesses the general performance of operations, especially taking account of information received from bodies with delegated powers, as well as periodically comparing the results achieved with those planned;
- examines and pre-emptively approves the most significant transactions of Saras and the Group;
- assesses the adequacy of the organisational, administrative and accounting structure of the Company and the Group set up by the managing directors, with particular reference to the internal control and risk management system;
- performs, at least once a year, an assessment of the functioning of the Board and its committees as well as their size and composition also taking account of the professional background, experience, also managerial, and the gender of its members, as well as their seniority in terms of office;
- expresses its guidance in relation to the maximum number of directorships and auditor posts held by its members in other listed companies, namely in financial, banking, insurance companies or large enterprises;
- appoints, after consulting the Board of Statutory Auditors, a designated manager responsible for drafting company accounting documents choosing among the company's executives with proven experience in accounting and finance;
- formulates proposals to be submitted to the shareholders' meeting and reports to the shareholders' meeting.

The following paragraphs are meant to provide a detailed description of the composition and functioning of the Board as well as its actual implementation of the tasks and duties listed above.

1.2. Members or the Board of Directors

The Articles of Association state that the shareholders' meeting fixes the number of members of the Board of Directors between a minimum of three and a maximum of fifteen members.

The Articles of Association state that the Board is elected by the shareholders' meeting through a list voting mechanism to enable the list that obtained the second best result, and not in any way connected to the majority list, to choose a director. The lists of candidates will be presented by shareholders who, alone or together with other shareholders, represent at least 2.5% (two point five per cent), or a different measure established according to legislation in force at the time, of share capital consisting of shares with voting rights at the ordinary shareholders' meeting.

The lists of candidates must be filed at the registered office no later than the 25th day prior to the date of the first call of the shareholders' meeting.

The number of members of the Board will be equal to the number of candidates (from three to fifteen) indicated in the list that obtains the most votes.

The Articles of Association state that declarations by each of the candidates, together with each list, must be filed at the registered office, attesting, under their own responsibility, to the non-existence of causes of ineligibility and incompatibility, as well as confirming compliance with the requirements of current legislation and the Articles of Association relating to the role of Company director.

In addition to the above lists and declarations, shareholders are also invited to file the additional documentation required by Art. 144-octies of the Issuers' Regulations at the registered office. The names of the candidates, together with information about their background, will also be promptly published on the company website and through the authorised storage mechanism the Company subscribes to.

Should one or more vacancies occur on the Board during the financial year, Article 2386 of the Italian Civil Code shall apply. Article 18, paragraph 12 of the Articles of Association regulates the possibility of replacing a departed director especially if the departed director had been taken from the second list that received the most votes, the replacement will be made by nominating a person taken, in progressive order, from the same list the departed director belonged to, if still eligible and prepared to accept the role. To confirm the director co-opted by Board resolution, i.e. by nomination of another director to replace him, procedures similar to those described above are followed at the subsequent shareholders' meeting. If the co-opted director, or the director he replaces, had, on the other hand, been taken from a minority list, the shareholder representing the largest percentage of the share capital present at the meeting and shareholders linked to him, even indirectly, will not be able to vote. After the vote, the elected candidate will be the candidate with the most votes. The term of the new director will expire at the same time as that of the directors in place at the time of appointment, and s/he will be subject to the same laws and Articles of Association that apply to the other directors.

Every time that the majority of members of the Board resign their role for any cause or reason, the entire Board shall be deemed to have resigned and a shareholders' meeting must be called without delay by the directors remaining in office to reconstitute the board.

The Board in office on 31 December 2018, appointed with the list vote by the ordinary shareholders' meeting of Saras on 27 April 2018, comprised a total of 12 directors, of which 2 were executive and 10 were non-executive directors (see table *sub* 1), of which six were independent non-executive directors: Gilberto Callera, Adriana Cerretelli, Laura Fidanza, Francesca Luchi, Leonardo Senni and Isabelle Harvie-Watt.

On 31 December 2018, therefore, the Board, whose term of office expires on the date of approval of the financial statements as at 31 December 2020, was comprised of the 12 members indicated below:

| | |
|---------------------------|--|
| Massimo Moratti | Chairman Member of the Steering and Strategies Committee |
| Dario Scaffardi | Chief Executive Officer General Manager Member of the Steering and Strategies Committee |
| Angelo Moratti | Director Chairman of the Steering and Strategies Committee |
| Gilberto Callera | Independent Director Chairman of the Remuneration and Nomination Committee Chairman of the Control and Risk Committee Lead Independent Director |
| Adriana Cerretelli | Independent Director Member of the Control and Risk Committee |
| Angelomario Moratti | Director Member of the Steering and Strategies Committee |
| Gabriele Moratti | Director Member of the Steering and Strategies Committee |
| Giovanni Emanuele Moratti | Director Member of the Steering and Strategies Committee |
| Laura Fidanza | Independent Director Member of the Control and Risk Committee Member of the Remuneration and Nomination Committee |
| Isabelle Harvie-Watt | Independent Director Member of the Control and Risk Committee |
| Francesca Luchi | Independent Director Member of the Remuneration and Nomination Committee |
| Leonardo Senni | Independent Director Member of the Control and Risk Committee |

The curriculum vitae of the members of the Board is available on the Company's website (www.saras.it).

For more information about the composition of the Board and the Committees, refer to the sections below as well as the table *sub* 1.

Upon appointment and every year, the Board of Directors verifies, during one of its meetings, the compatibility of the assignments undertaken by the Directors in other listed companies based on the examination and discussion of the individual positions declared by the Directors themselves. All Directors accept their offices when they believe that they can devote the necessary time to the diligent performance of their duties – taking account of both the number and quality of the offices held, outside the Company, in other companies listed on regulated markets (also foreign ones), in financial, banking, insurance companies or large corporations and the commitment required by the additional work and professional activities carried out and the association offices held – and devote the necessary time to the profitable performance of their duties, as they are well aware of the responsibilities inherent in the office held.

As regards the powers granted to the Board for 2018-2020, also on the basis of the opinion expressed by the Remuneration and Nomination Committee and the Self-assessment carried out upon renewal of corporate offices (start of 2018), the Board deemed it was inappropriate to define a numerical criteria, a priori, for the maximal number of offices held in other companies, instead it believed it was fit to express an annual evaluation on the compatibility of the offices held in other companies by the same directors, with the possibility of effectively carrying out the duties associated with the office of director of the Company and of any member of internal Committees.

The evaluation is qualitative and is based on the examination and the discussion of the offices declared by the single directors, taking account of the following criteria:

- Relevance of the office of Director or Statutory auditor held in other companies listed on regulated markets (also foreign ones), in financial, insurance companies or large corporations;
- Professionalism and independence of opinion shown by the Directors;
- Verification of the Directors' commitment, actual and constant attendance at Board and Committee meetings as well as the involvement in the Company's various management activities, also in the light of their professional commitments.

For the 2018 financial year, the Board of Directors confirmed, based on the criteria set out above, that the offices held by the Directors in other companies are compatible with the effective performance of their office.

With reference to application criterion 2.C.2 of the Code (which requires the Company to allow directors and auditors, during their term, to participate in initiatives aimed at providing them with adequate knowledge, *inter alia*, of the regulatory and self-regulatory framework of reference), it is noted that during the 2018 Financial Year the Company did not carry out specific training measures for the members of the Board of Directors and the Board of Statutory Auditors newly elected by the Shareholders' Meeting on 27 April 2018, except for the periodic information that is provided during the meetings on company business trends. In particular, during the presentation of the periodical management reports to the Board, the Directors are trained and provided with relevant information so that they can gain adequate knowledge of the sector of activity in which Saras operates, its products, company dynamics and their development, as well as its organization, the risk control and management system, the reference legal framework and the main issues that may have an impact on the Group's current performance and the growth strategy in the short, medium and long term. Furthermore, the Company envisages the possibility of focusing on specific actions based on the need for an in-depth examination of issues arisen at meetings.

1.3. Board Meetings

Board meetings are also held at venues other than the Company's registered office, in Italy or in other EU countries. Board meetings are validly convened even if held by means of video conferencing and conference calling, provided that all the participants can be identified by the Chairman and all attendees, that they can follow the discussion and participate in the discussion of the topics discussed and decisions in real time, that they can receive, send and review documents and that all of the above is recorded in the minutes.

Board meetings are convened by registered letter, telegram, fax or email sent at least five days before (or, in the case of urgency, at least twenty-four hours before) the meeting, sent to all directors and auditors.

In the 2018 financial year, the Board held 7 meetings. 2 Board meetings have been held in 2019, including the meeting that approved this Report. The meetings were held on a regular basis and regularly attended by the various directors as well as members of the Board of Statutory Auditors, as detailed in the attached summary table *sub* 1, to which reference should be made.

On 16 January 2019, the Company released its annual calendar of corporate events, drawn up pursuant to Art. 2.6.2, paragraph 1, letter (b) of the Italian Stock Exchange Regulations. It anticipates at least 5 meetings for 2019.

1.4. Delegations within the Board

Without prejudice to the powers of the Board summarily illustrated in par. 1.1 above, the Board, at meetings held on 6 November 2015 and on 3 May 2018, proceeded to reformulate the delegation of powers for the Company's operational management.

In particular, on 3 May 2018, the Board appointed Mr Massimo Moratti as Chairman of the Board of Directors and granted him extensive authority with consequent representation powers with respect to third parties with individual signing authority and the right to sub-delegate to implement the resolutions of the Board by proposing strategic guidelines and directives for the Company and Group companies, as well as certain ordinary operating powers. The Chairman has powers of strategic guidance, direction, management and supervision of the Group's external relations and activities involving the search, exploration and assessment of possible extraordinary opportunities, as well as powers relating to funding or transactions involving shareholdings, companies, branches and relevant property.

It is noted that, also on 3 May 2018, the Board of Directors also decided to appoint Director Dario Scaffardi as Chief Executive Officer of the Company and to assign him extensive powers in terms of operational management. The Chief Executive Officer was also assigned the task of overseeing the operation of the internal control and risk management system.

Executive directors also perform the duties assigned to them by the law and the Articles of Association.

The Board has finally established, in line with what is recommended by Article 1.C.1(d) of the Code that directors with the individual powers indicated above report to the Board quarterly on the activity performed in exercising the powers delegated to them. This information activity has been regularly performed by the executive directors together with that referred to below.

1.5. Information for the Board

In accordance with Art. 2381 of the Italian Civil Code and Art. 150, paragraph 1 of the TUF, the Articles of Association state that the Board and the Board of Statutory Auditors should be informed by the bodies with delegated powers on the general performance of the Company, its outlook, any activities and operations of major economic, financial and equity importance carried out by the Company or its subsidiaries. In particular, bodies with delegated powers must report on operations in which they have an interest, on their own behalf or on behalf of third parties. The information is provided at least quarterly, during Board of Directors' meetings as well as, as regards the information provided to the Board of Statutory Auditors, also by means of communication to the Chairman of said Board.

With regard to the assessment by the Board of the general performance of operations, refer to the Report on Operations.

1.6. Non-executive and independent directors

To date, the Board is comprised of six non-executive directors with the independent characteristics referred to in Article 3.C.1 of the Code (as well as in Articles 147-ter, paragraph 4 and 148, paragraph 3 of the TUF), namely Gilberto Callera, Adriana

Cerretelli, Laura Fidanza, Francesca Luchi, Leonardo Senni and Isabelle Harvie-Watt.

The number of directors who meet the independence requirements provided for by Art. 148, paragraph 3 of the TUF therefore complies with the provisions of Art. 147-ter, paragraph 4 of the TUF as amended by Legislative Decree no. 303 of 29 December 2006, in relation to boards of directors of listed issuers comprising more than seven members.

The satisfaction of the afore-mentioned independence requirements, declared by each director when submitting the lists and when accepting the appointment, was established by the Board of Directors on 3 May 2018, at the first meeting after the appointment, and was later assessed at the meeting held on 4 March 2019, also based on statements and the information provided by the parties concerned.

The Board of Statutory Auditors ascertained the correct application of the assessment criteria and procedures adopted by the Board of Directors for assessing the independence of directors.

As at 31 December 2018, the Board of Directors also comprised 4 additional directors that could be qualified as non-executive directors, namely Angelo Moratti, Angelomario Moratti, Gabriele Moratti and Giovanni Emanuele Moratti. In the light of the foregoing, the Board is currently comprised of a number of non-executive directors, capable, also due to their authority, of having significant influence over the taking of board decisions.

1.7. Lead Independent Director and meetings of independent directors

In line with the recommendation in Article 2.C.4. of the Code, on 3 May 2018, the Board appointed (thereby confirming the appointment thereof with respect to the previous term) the independent director Gilberto Callera as Lead Independent Director, assigning him the task of collaborating with the Chairman of the Board to ensure that directors receive complete and timely information, with the power to convene, autonomously or on the request of other directors, special meetings of independent directors or non-executive directors to discuss issues related to the functioning of the Board of Directors or the management of the company.

With respect to the 2018 financial year and the first three months of 2019, the Lead Independent Director confirmed to the Board that the independent directors have verified that Board meetings were regularly convened and monitored the completeness of the information provided to the directors on the items on the agenda of the various meetings confirming that the information provided to all directors was adequate and the supporting documentation necessary for meetings was promptly made available to directors.

Furthermore, with respect to the period indicated above and with reference to the Remuneration and Nomination Committee (of which three independent and non-executive directors are members) and the Control and Risk Committee (of which 5 of the 6 independent directors are members), the independent directors have checked

that the activity of these committees was performed in a timely and satisfactory manner, in line with the tasks and responsibilities assigned to them.

Likewise, the flow and content of communications and disclosure to the market were considered satisfactory, both as regards the Company's website and the communications and meetings with operators.

1.8. Assessment of the composition of the Board and Committees

At the meeting held on 4 March 2019, in line with the recommendations of the Corporate Governance Code of listed companies, the Board assessed the size, composition and operation of the Board and its internal Committees. The Lead Independent Director, supported by the Legal and Corporate Affairs function, coordinated the 2018 Board Evaluation carried out by sharing with the Directors a detailed questionnaire aimed at facilitating the collection of information deemed necessary for the self-assessment of the operation of the Board and its internal Committees. The assessment took account of the size and composition of the bodies concerned, and, more specifically the professional characteristics, experience, also in the management area, gender of its members and seniority of office. By filling in such a questionnaire, each Director could express his/her own evaluation, including any comments or recommendations for improvement s/he deemed fit, as regards the composition and operation of the Board and the Committees established by it.

The analysis of the questionnaires filled in by each Director revealed that for the 2018 financial year the Administration Body operated properly and effectively, guaranteeing compliance with Corporate Governance rules and the objectives that they intend to achieve, so as to ensure they are fit also in the light of the changes due to the business development of Saras and the operating context. Furthermore, in line with the instructions put forward by the Corporate Governance Committee, in the Board Evaluation, the attention paid to the issue of adequacy (and confidentiality) of the pre-board disclosure during the financial year was confirmed.

On that occasion, the Board expressed appreciation for the contribution in terms of enrichment of the Board's dialogue by the non-executive directors, both in terms of their managerial experience and expertise, and the diverse experience gained by the directors in different industrial sectors. The Board also positively assessed the contribution of the executive directors, who have ensured direct feedback from the operational reality by providing more tools for understanding the strategic and competitive scenario that is emerging in the current difficult economic environment.

The Board, in view of the constant presence at meetings of directors who hold positions in other companies and their significant contribution to the proceedings, has not adopted general criteria about the maximum number of offices⁶ in other companies that may be considered compatible with effectively performing the role of director.

⁶ Also see in this regard the previous paragraph 1.2, chapter 1, Section II of this Report.

Lastly taking account the current composition of the Board, the gender diversity provided by current regulations is adequate and can be considered useful for the Company's development. The composition of the Company's newly elected board of directors also complies with the recommendations of the Corporate Governance Code as to the new Articles 2.P.4 and 2.C.3.

More specifically, considering the provisions of Art. 123-bis, paragraph 2, letter d-bis) of the TUF, the Company acknowledges that no specific Gender Policy has been adopted since, as Law no. 120 of 12 July 2011 was enforced, the consideration given to gender as well as the principle of inclusion and gender balance have always been key elements of the Group's corporate culture, regardless of the adoption of an ad hoc policy. An example of this are the Saras Articles of Association and its Art. 18, paragraph 4 establishes that *"Upon the election of members of the Board of Directors, in compliance with the current regulations concerning the balance between genders, one proceeds on the basis of lists of candidates (...)"* as well as the Code of Ethics of the Saras Group, which, in its Art. 3.5 reaffirms that the entire Group *"abides by the principle of equal opportunities, without distinction of race, gender, nationality, political opinion, sexual orientation, social status, age or religious beliefs"*. These principles were considered factors that underlie the medium- to long-term business sustainability, constituting a point of reference for both the employees of the Group and the members of the Saras Administration Body.

2. Board Committees

2.1 Remuneration and Nomination Committee

In accordance with the provisions in Articles 6.P.3. and 6.C.3. of the Code, the Board has established an internal Remuneration Committee, which has also been assigned, as provided for in Art. 4.C.1. (c) of the Code, the duties specific to the nomination committee referred to in Art. 5.C.1. of the Code. The minimum rules on composition, duties and operation of the Committee are laid down in the relevant Regulations, as amended on 9 August 2012 to take account of the new indications contained in the Corporate Governance Code and new duties assigned to the Committee. In particular, the Remuneration and Nomination Committee has duties comprising the function of providing proposals and consulting to the Board and, with reference to directors and managers with strategic responsibilities, it is tasked with:

- formulating proposals to the Board of Directors for defining the remuneration policy;
- regularly assessing the adequacy, overall coherence and practical application of the remuneration policy by making use of, as regards managers with strategic responsibilities, the information provided by managing directors;
- performing preliminary activities and formulating proposals in relation to share-based payment arrangements.

Furthermore, the Committee submits proposals to the Board of Directors for the remuneration of executive directors and other directors who hold particular offices as well as for the identification of performance objectives related to the variable component of that remuneration, monitoring the implementation of decisions adopted by the Board of Directors and verifying, in particular, the actual achievement of performance objectives.

The Committee, in performing the duties assigned to it by the Board of Directors, may use external consultants that are expert in matters of remuneration policies, provided that they do not simultaneously provide the Human Resources and Organisation Department, directors or managers with strategic responsibility such important services as to effectively compromise the independent judgement of such consultants.

The Remuneration and Nomination Committee's regulations state that the Committee shall comprise three non-executive directors, the majority of whom are independent, and that at least one member of the Committee should have adequate knowledge and experience of financial matters.

Currently, as a result of the appointment by the Board at the meeting on 3 May 2018, the Remuneration and Nomination Committee is comprised of the independent non-executive directors, Gilberto Callera (Chairman), Laura Fianza and Francesca Luchi.

The meetings of the Remuneration and Nomination Committee are convened by the Chairman, whenever he deems it appropriate. The Committee is validly constituted when the majority of its members are present and it resolves by an absolute majority of those present. The meetings of the Remuneration and Nomination Committee can be attended by anyone that the Committee deems fit, on the understanding that no director shall attend Committee meetings dealing with proposals to their own remuneration. Committee meetings are minuted. The Committee is awarded the powers referred to in Art. 6.C.5 of the Corporate Governance Code. During the 2018 financial year, the Remuneration and Nomination Committee held 3 meetings, whilst the meetings held in 2019 until the date of publication of this Report were 2. The meetings were regularly attended by its three members, as detailed in the attached summary table *sub 1*, to which reference should be made. The Committee has used internal and external consultants while performing its functions.

Committee meetings held in the second half of 2018 and in 2019 focused on assessing the adequacy, overall consistency and actual application of the Remuneration Policy adopted, on a proposal of the same Committee and pursuant to the Corporate Governance Code, by the Company in November 2011 and they have also examined the remuneration of managers with strategic responsibilities in relation to the performance objectives whose achievement is linked to the payment of the variable short-term component. Lastly, the Committee also expressed its opinion on the remuneration to be assigned to the members of the Steering and Strategies Committee. It is also worth noting that, in view of the renewal of the corporate offices by the Shareholders' Meeting approving the Financial Statements at 31

December 2017, at the meeting on 1 March 2018, the Committee formulated proposals to submit to the Board of Directors on the renewal of Corporate Bodies for the 2018-2020 term of office, in particular regarding size and composition of the Board as well as the overall remuneration (for each year of their term of office) of the Administration Body and the internal Committees then presented to the Board.

2.2 Control and Risk Committee

In accordance with the provisions of Art. 7 of the Corporate Governance Code, the Board of Directors has set up an internal Control and Risk Committee with the aim of providing advice and proposals to the Board.

In particular, the Control and Risk Committee shall:

- (a) provide advice to the Board regarding (i) defining guidelines for the internal control and risk management system so that the main risks relating to the issuer and its subsidiaries are correctly identified and adequately measured, managed and monitored, (ii) determining the degree of compatibility of these risks with the company's management in line with the strategic objectives identified, (iii) assessing, at least annually, the adequacy of the internal control and risk management system with respect to the company's characteristics and the risk profile assumed, as well as its effectiveness, (iv) approving, at least annually, the work plan prepared by the head of *internal audit* function, (v) describing the main features of the internal control and risk management system in the corporate governance report, and the arrangements for coordination between those involved, expressing its assessment of its adequacy, and (vi) assessing, after consulting the Board of Statutory Auditors, the results presented by the statutory auditor in any suggestions letter and in the report on the fundamental issues arising during the audit;
- (b) assess the correct use of accounting standards and the consistency of such standards for the purposes of preparing the consolidated financial statements, in conjunction with the designated manager responsible for drafting company accounting documents and in consultation with the independent auditors and the Board of Statutory Auditors;
- (c) express opinions concerning specific aspects of identifying the main company risks;
- (d) review periodic reports regarding the assessment of the internal control and risk management system and reports of particular importance drafted by the internal audit function;
- (e) monitor the autonomy, adequacy, efficacy and efficiency of the internal audit function;
- (f) if deemed fit, ask the internal audit function to carry out verifications on specific operating areas, simultaneously informing the Chairman of the Board of Statutory auditors;
- (g) report to the Board of Directors, at least half-yearly, when approving the annual and half-yearly financial reports, on the activities performed by and the adequacy of the internal control and risk management system.

As set forth by the Committee Regulation, and on the date of publication of this Report on Corporate Governance, the Control and Risk Committee is comprised of non-executive directors, all being independent.

The Control and Risk Committee was also conferred the duties that pertain to the Related-Party Committee to be carried out every time it should be necessary in accordance with the provisions of the related Procedure adopted by the Company pursuant to Art. 2391-bis of the Italian Civil Code as implemented by Consob Regulation adopted by resolution no. 17221 of 12 March 2010.

In 2018, the Control and Risk Committee was comprised as follows:

- Gilberto Callera, independent director (Chairman), Adriana Cerretelli, independent director, Laura Fidanza, independent director, Isabelle Harvie-Watt independent director and Gabriele Previati (until April 2018) director. Subsequently, following the appointment of the corporate bodies by the Shareholders' Meeting on 27 April 2018, by way of the resolution passed on 3 May 2018, the newly-elected board of directors established and determined the current composition of the Control and Risk Committee, thereby confirming therein all the directors mentioned above and appointing as member, Leonardo Senni, independent director, to replace outgoing director Gabriele Previati. The Board of Directors, in accordance with the provisions of the Code, has identified Gilberto Callera as the member of the Committee with adequate accounting and finance experience.

Control and Risk Committee meetings are convened by the Chairman at least once every six months, and whenever he deems it appropriate. The Committee is validly constituted when the majority of its members are present and it resolves by an absolute majority of those present. The Board of Statutory Auditors and the Internal Audit Function Manager are invited to attend Committee meetings. Meetings can also be attended by the Chairman of the Board of Directors, the CEO and General Manager, the Chief Financial Officer, the Designated manager responsible for drafting company accounting documents, representatives of the audit firm and any other person whose presence the Committee considers to be appropriate in relation to the matters to be treated. Committee meetings are minuted.

In the 2018 financial year, the Control and Risk Committee met 4 times.

The meetings were regularly attended by its members, as indicated in detail in the attached summary table under 1, to which reference is made, as well as members of the Board of Statutory Auditors, the Internal Audit Function Manager and the Manager of the Internal Control, Planning and Reporting System (part of the Internal Audit Function). In the first quarter of 2019, the Committee met only once. The Chief Financial Officer (who also holds the role of Designated manager responsible for drafting company accounting documents), the manager of the Administration and

Tax function, the Risk Officer and representatives of the audit firm were also invited to attend meetings that addressed specific topics of interest. In 2018, the Committee:

- examined and gave a favourable opinion on the "2018 Plan of Internal Audit Activities" and the "2018 Audit Plan " developed by the Internal Audit Function for Saras and its Subsidiaries, subsequently approved by the Board of Directors of each company and of the Parent Company;
- based on the information received from the Designated manager responsible for drafting company accounting documents and from the audit firm EY, assessed, together with the Designated manager and having heard the representatives of the audit firm and the Board of Statutory Auditors, the correct application of the accounting standards and their standardisation for the purposes of drafting the consolidated financial statements and the half-yearly report for Saras and the Group;
- received periodic reporting from the Internal Audit Function Manager on the results of checks carried out and the implementation status of the improvement actions defined as a result of audits, at Saras and Group companies;
- received information on activities carried out by Supervisory Bodies of Saras and its Subsidiaries and by reference to the implementation and adjustment of the respective "Organisation, Management and Control Models" (see below);
- examined the half-yearly reports prepared by the Internal Audit Manager pertaining to activities carried out by the Internal Audit and the assessment of the internal control and risk management system;
- received information regarding the risk management system from the Chief Financial Officer and Risk Officer regarding the risk management system;
- received information from the Manager of the Internal Audit Function on the results of the "*Quality Assurance Review of the Internal Audit Function*", conducted by an external and independent evaluator, with a view to ensuring the continuous improvement of the effectiveness and efficiency of the services provided by Internal Audit to the various corporate stakeholders, as well as full adherence to the International Standards of the Internal Audit Function (IIA Standards) and to the relevant Best Practices;
- prepared and approved, every six months, the "*Report on the Internal Control and Risk Management System*", for the Board of Directors, pertaining to the activity carried out by the Committee and containing the assessment of the adequacy of the internal control and risk management system.

In the month of February 2019, the Committee drew up the "*Report on the Internal Control and Risk Management System*", for the Board of Directors, pertaining to the activity carried out by the Committee in 2018 as well as the assessment of the

adequacy of the internal control and risk management system. The report was prepared based on information received from management and from the Half-yearly report prepared by the Internal Audit Function Manager on its activities and on the internal control and risk management system.

Said Report was presented to the Board at its meeting on 4 March 2019.

2.3 Steering and Strategies Committee

At the meeting on 3 May 2018, the newly-elected Board of Directors also established, pursuant to Art. 21 of the Articles of Association and of Art. 4 of the Corporate Governance Code, the Steering and Strategies Committee comprised of the directors, Massimo Moratti, Angelo Moratti, Dario Scaffardi, Angelomario Moratti, Gabriele Moratti and Giovanni Emanuele Moratti. This Committee has advisory, propositional and support functions for the Board of Directors in specifying strategic business guidelines, including regarding finance, as well as sustainability guidelines, and is chaired by Angelo Moratti.

In the 2018 financial year, the Steering and Strategies Committee met twice.

3. Remuneration of directors and managers with strategic responsibilities

On 10 November 2011, the Board of Directors approved, based on the proposal of the Remuneration Committee, the remuneration policy of directors and managers with strategic responsibilities pursuant to Art. 7 of the Corporate Governance Code ("General Policy").

The General Policy was amended on 14 March 2016 by the Board of Directors, on the proposal of the Remuneration and Nomination Committee, to provide for the possibility of requesting a refund (in full or in part), within two years of incentives paid to people who, with intent or gross negligence, were responsible for (or have concurred in) events relating to economic/financial indicators included in the Annual Financial Report adopted as parameters for determining the afore-mentioned variable components; and on 4 March 2019, to establish that stock plans can govern the lock-up period in a manner different from that set forth in the aforementioned Remuneration Policy if this allows for the better pursuit of the aims of said plans.

For information on the remuneration of executive directors, other directors entrusted with special duties and managers with strategic responsibilities, as well as for the information required by Art. 123-bis, paragraph 1, letter i) of the TUF refer to the remuneration report published pursuant to Art. 123-ter of the TUF.

Deviations with respect to the application criteria of Art. 6 of the Corporate Governance Code are mentioned below.

During the 2018 Financial Year, the Committee confirmed the appropriateness of the decision to pay directors vested with specific roles exclusively a fixed amount of compensation and not to provide for any type of incentive, share premium or other variable compensation thereto. On one hand, in fact, the aforesaid choice was

justified by the fact that the role of executive directors is assigned and/or specific offices are granted to the director-shareholders of the companies, MOBRO S.p.A. (formerly Gian Marco Moratti S.a.p.A. di Gian Marco Moratti) and Massimo Moratti S.a.p.A. di Massimo Moratti, which hold control over the Company, by virtue of the shareholders' agreement in effect between them relating to the shares respectively held by those companies in Saras S.p.A., and by the fact that their interest is intrinsically aligned with the pursuit of the main objective of creating value for all the shareholders. On the other hand, this decision was also confirmed with reference to Dario Scaffardi in relation to the position of Executive Deputy Chairman he held in the previous term, insomuch as attributed to a person holding the role of General Manager for whom the remuneration determined based on the criteria indicated for this role in the Remuneration Policy itself was considered adequate.

Likewise, with reference to the current Chief Executive Officer, Dario Scaffardi, it is acknowledged that no remuneration was provided for the role, as the remuneration received as General Manager was deemed adequate.

4. The Internal Control and Risk Management System

The Board is responsible for the internal control and risk management system, it establishes the guidelines and periodically assesses their adequacy. To do this, the Board relies on the Control and Risk Committee (the "Committee") and the Internal Audit Function.

In accordance with Art. 7.P.3 of the Code, the Board has identified among its members:

- (a) the director responsible for the Internal Control and Risk Management System⁷;
- (b) the Control and Risk Committee, having the characteristics indicated in Art. 7.P.4, with the aim of supporting, with appropriate preliminary activities, assessments and decisions of the Board of Directors concerning the Internal Control and Risk Management System.

The Internal Audit Function reports directly to the Board of Directors and reports on its activity to the Control and Risk Committee, the Board of Statutory Auditors and the Supervisory Body established pursuant to Legislative Decree 231/01. It has the specific task of verifying the operation and adequacy of the internal control and risk management system through independent and objective activities and of assessing and improving the effectiveness of governance, risk management and control processes of the Company and the other companies of the Saras Group. The Company's Internal Audit Function Manager is Ferruccio Bellelli.

In 2018, the Internal Audit Manager prepared (i) periodic reports on the results of the verifications performed and (ii) half-yearly reports to provide information on its

⁷ The Board has identified the Chief Executive Officer as the manager in charge of the Internal control and risk management system assigning to him the duties and functions provided in the Corporate Governance Code in relation to that office.

activities, on how risk management is performed and compliance with the plans defined for their containment and an assessment regarding the suitability of the internal control and risk management system.

These reports, also discussed in the Control and Risk Committee, were sent to the chairmen of the Committee, of the Board of Statutory Auditors and of the Board of Directors, the director responsible for the internal control and risk management system and, in relation to the results of the checks relating to the Organisation, Management and Control Model, to the Supervisory Bodies of each company.

The Internal Audit Function, together with the functions concerned, followed the implementation/stage of advancement of the improvement actions agreed with them during the audits, arranging to send each manager a follow-up report on the actions within their remit on a monthly basis. The implementation status of the improvement actions has been the subject of periodic reporting to the Committee and, as far as falling within the scope of the responsibility, to the Supervisory Bodies of each company.

In line with the provisions of the Corporate Governance Code and best practices for the sector, at the proposal of the Committee, the Board approved a document containing the guidelines of the internal control and risk management system. On the basis of this document, the "*Internal Control and Risk Management System*" Guidelines were drawn up describing the model of reference, the sub-processes and the activities necessary for the implementation of the internal control and risk management system in the companies of the Saras Group, in order for the management of the company to be sound, correct and consistent with the established objectives, through an adequate process for identifying, measuring and monitoring of the main risks.

The policy followed by the Company in relation to the management and monitoring of the main corporate risks concerning, in particular, strategic risks, compliance risks, financial risks, liquidity risks, credit risks, IT risks and operational risks is based on the identification, assessment and management of the main risks associated with the Group's objectives, with reference to strategic, financial and operational areas. The management policy followed by Saras requires the main risks to be reported and discussed by the Group's senior management, in relation to their management as well as the assessment of the acceptable residual risk.

Risk management is based on the principle whereby risk is managed by the person in charge of the related process, based on the indications of senior management, while the control function measures and controls the level of exposure to risks and the results of actions to reduce such risk.

The Company has identified a complete picture of the significant risks for the Group (Corporate Risk Profile) and assigned the Risk Officer to the "Risk Office" function, with hierarchical reporting to the Chief Executive Officer and General Manager (who also holds the role of director in charge of the internal control and risk management system), responsible for overseeing all the activities aimed at monitoring and updating the "Corporate Risk Profile" by periodically collecting information relating

to risk identification, assessment and management, made available by each risk owner and by formalising the appropriate reporting at the same time.

In 2018, the Risk Officer collected all the necessary information from the risk owners to prepare the half-yearly and yearly reports on the monitoring of the main risks to which the Group is exposed.

Overall, the risk control and management activities adopted by the Company appeared to be suitable and adequate.

The results of the annual Risk assessment monitoring were shared, for that which falls within their scope, with the senior management of each company, the manager in charge of the internal control and risk management system and were presented to the Control and Risk Committee.

Ferruccio Bellelli was appointed Risk Officer on 30 June 2016, while also continuing to hold the office of Internal Audit Manager.

As shown, also in the Control and Risk Committee, the role of the Risk Officer as a collector of information relating to the main business risks does not include any operating responsibility regarding the defining of tools aimed at risk management and their implementation; this assignment therefore allows the Internal Audit Manager to focus more on Internal Audit activities with a risk-based approach, without compromising organisational independence.

The results of the half-yearly monitoring of the main risks were also used by the Internal Audit Manager to define the verification scheduled in the 2018 Audit Plan subjected, after obtaining the opinion of the Control and Risk Committee, to the approval of the Board of Directors of Saras and, for the relevant audits, to the Boards of Directors of its subsidiaries.

The Code of Ethics⁸ of the Saras Group is a fundamental element of the internal control system; it contains the values, principles and behavioural rules that Saras and its subsidiaries must follow to carry out their business activities.

The internal control system described above was further strengthened by the adoption of the organisation, management and control model of Saras (the "Model"), approved by the Board of Directors on 11 January 2006 and updated on several occasions by implementing the rules relating to the "Regulations governing the administrative liability of companies" pursuant to Legislative Decree no. 231/2001, in order to arrange a management and control system intended to prevent the risk of committing offences referred to in the same Legislative Decree no. 231/2001.

The Model was drawn up in compliance with the guidelines formulated by Confindustria and consists of a "general part" (which describes, among others, the objectives and functioning of the Model, the tasks of the internal control body called on to supervise operation and compliance with the Model and the sanctions scheme)

⁸ It can be found at the link:

http://www.saras.it/saras/uploads/panda/Saras%20Group%20Code%20of%20Ethics%202016_EN_dic2016.pdf

and "special parts", concerning the various types of offences mentioned in Legislative Decree no. 231/2001.

The special parts have been prepared relating to the following offences:

- offences against public authorities;
- corporate and corruption offences between private individuals;
- offences with the purpose of terrorism or to subvert the democratic order and offences against public trust;
- manslaughter and serious or actual bodily harm offences committed in breach of health and safety at work regulations;
- market abuse offences (abuse of insider information and market manipulation);
- cyber crime and illegal data processing;
- environmental crime;
- offences involving receiving stolen goods, money laundering and self-laundering.

The last update, carried out in 2018, concerned the "General Part" of the Model, following the changes made by Law no. 179/2017 to Art. 6 of Legislative Decree 231/01 on the reporting of offences or irregularities, and also involved the "Special Parts" relating to Market Abuses and Corporate Crimes in order to implement the regulatory changes that occurred. This update was approved by the Board of Directors at its meeting on 14 May 2018.

In 2018, training was also carried out on the Model and on Legislative Decree 231/01, involving the Management and representatives of the Group companies; at these sessions, in addition to addressing general issues, specific focus was given to certain areas considered "sensitive", inasmuch as potentially more exposed to the risk of committing crimes (e.g. administrative, accounting, commercial, HSE, Government relations and procurement areas), thereby examining the related risks and the preventive controls put in place at the process level.

By implementing the Model, guidelines and procedures have been updated and issued over time, including:

- Compliance Guidelines - Internal rules on the management of insider information and the establishment of a register of people with access thereto
- Code of Conduct for Internal Dealing
- Procedures for transactions with related parties
- Guidelines on relations with Public Authorities
- Guidelines on managing extraordinary operations
- Guidelines on relations with Public Supervision Authorities and management companies of regulated markets for financial instruments
- Guidelines on external communication of corporate information and documents
- Guidelines on ICT (Information and Communication Technology)
- Guidelines on combating bribery
- Guidelines on fraud prevention
- Guidelines on Procurement (which also governs the management of consultancy contracts)

- Guidelines on Administration and Financial Statements.

The Supervisory Body was established to promote the effective and correct implementation of the Saras Model.

The Saras Supervisory Body, whose composition, following the expiry of the term, was modified by resolution of the Board of Directors on 14 May 2018, is comprised of Francesco Marini (Chairman of the Board of Directors of the subsidiary Sarlux s.r.l., with the role of Chairman of the SARAS Supervisory Body), Giovanni Luigi Camera (external Member and member of the Board of Statutory Auditors), Simona Berri (Manager of Legal and Corporate Affairs and External Communication) and Ferruccio Bellelli (Internal Audit Manager).

Group companies (Sarlux s.r.l., Sartec s.r.l., Deposito di Arcola s.r.l., Sardeolica s.r.l.) have adopted and updated their Organisation, Management and Control Models; the companies have also established their respective Supervisory Bodies. Also the Spanish subsidiary Saras Energia SAU, by reference to the Código Penal, has adopted and updated its “*Manual de Prevención de Riesgos Penales*” and appointed a *Comitè Etico* and, likewise, Saras Trading S.A. (set up on 4 September 2015 in Geneva), by reference to the Swiss Criminal Code, has adopted in the month of May 2017 its own “Organisational Model” and appointed the Internal Audit manager with “Supervisory” duties

5. Processing of corporate information

In accordance with the provisions on Privileged Information and related disclosure obligations laid down in Regulation (EU) no. 596/2014 (the so-called "MAR") and associated implementing provisions - including the Delegated Regulations (EU) 2016/522 and 2016/960 and the Implementing Regulations (EU) 2016/959 and 2016/1055 - entered into force on 3 July 2016 and concerning, respectively, the regulation of market abuse and related sanctions, as well as national legislation, including regulations, in force from time to time, on Information Regulated by the TUF and by the Issuers' Regulations, the Company has amended its existing procedures concerning the management of Privileged Information and Internal Dealing, also in light of the fact that they are based on Legislative Decree no. 231/2001 for the prevention of Market Abuse offences.

More specifically, we acknowledge that by reference to the obligation laid down in Article 18 of the MAR Regulation as well as, until the annulment recently applied by way of Art. 3 of Legislative Decree no. 107 of 10/08/2018, also by Art. 115-*bis* of the TUF requiring the creation of a register of people who have access to insider information as well as the recommendations referred to in Article 4 of the Code (which find justification in Article 114 of the TUF and in the implementing regulation), the Board has adopted, since May 2006, a set of “Internal regulations to manage insider information and establish a register of people who have access to it” (“Regulation”). This Regulation (now called “*Internal regulation to manage insider information and establish a List of people who have access to it*”) was integrated and amended on 10 January 2017 by the Board of Directors implementing the provisions

set out in Art. 17 of the MAR, as well as the Execution Regulation (EU) 2016/1055 of the European Commission of 29 June 2016 as well as the recommendations of Borsa Italiana and international best practices.

The Regulation, implemented by a specific Compliance Guideline issued by the Company in accordance with the Group's Regulation System, contains procedures for the identification, internal management, access by external subjects and, depending on the case, external communication of insider or relevant information concerning the Company and its subsidiaries, with particular reference to "price sensitive" information, in order to prevent, inter alia, its communication from occurring selectively, in an untimely manner, or in an incomplete or inadequate manner.

The dissemination of releases is handled by the Investor Relations function.

6. Internal Dealing procedure

Also with the aim of adapting Saras' corporate governance to the rules applicable to listed companies, the Board has also adopted, since May 2006, its "Internal dealing procedure"⁹ as updated on 1 August 2016 to the latest regulations adopted by EU Regulation 596/2014 of 16 April 2014 on Market Abuse (so-called "MAR"), directly applicable in Italy, which also transposes and gives application (where not conflicting with the afore-mentioned MAR) to the provisions of Art. 114, paragraph 7 of the TUF and Articles 152-sexies and following of the Issuers' Regulations, to ensure correct and adequate transparency of information in respect of the market in relation to transactions carried out by persons internal to the Company on its securities. Said Procedure lays down precise rules of conduct and communication in relation to transactions in shares or debt securities, derivatives or other financial instruments linked thereto issued by Saras and performed by relevant subjects (specifically the Company's directors and auditors, any senior executive with standard access to insider information and with the power to take management decisions that could impact the market trend and future prospects of the Company and any direct or indirect shareholder who owns at least 10% of the share capital of Saras) and people closely associated with these relevant subjects. In line with best practice, the Procedure also prohibits such relevant subjects or people closely associated with them, to perform transactions in the Company's securities in certain periods.

7. Directors' interests and significant transactions with related parties

The Board of Directors has adopted procedures for transactions with related parties in accordance with the "Regulations regarding transactions with related parties" adopted by Consob (Resolution no. 17221 of 12 March 2010 - The "Regulations"),

⁹ Available at the following address: http://www.saras.it/saras/uploads/documents/2InternalDealing_2011.pdf.

also in consideration of what indicated in Consob Communication no. DEM/10078683 of 24 September 2010. The procedures are available on the Company website. This applies to directors, their families and entities related to one or other of them, in the definition of a relevant related party for the purposes of the application of the Regulations. The procedures adopted by the Company represent suitable safeguards for managing situations in which a director has an interest on his own behalf or on behalf of third parties, notwithstanding the interest of a director not concerning a transaction with a related party, the director will also be required to disclose this pursuant to Art. 2391 of the Italian Civil Code.

The Board has also approved a "Code of Conduct for directors of the Group", which was also positively assessed by the Control and Risk Committee and the Board of Statutory Auditors, whose primary purpose is to provide the directors it is intended for with homogeneous conduct criteria to enable them to perform their office in an organic framework of reference, respecting the legislation regarding the interests of directors and the principles of corporate governance and, when possible, in line with the interest of the Saras Group.

8. Designated manager responsible for drafting company accounting documents

Since it listed its shares in May 2006, the Company, after appropriate amendments to the Articles of Association in accordance with the provisions of Art. 154-bis of the TUF, appointed a designated manager responsible for drafting company accounting documents. Presently, the designated manager is the Company's Chief Financial Officer, Franco Balsamo, who was called to fill this role by the Board of Directors at a meeting held on 6 November 2015.

The designated manager performs the tasks laid down in Art. 154-bis of the TUF, for which the Board has awarded him all the necessary or appropriate powers.

9. Additional Financial Information pursuant to the amended Art. 82-ter of the Issuers' Regulations

The Board of Directors of the Company, in exercising the powers recognised by Art. 82-ter of the Issuers' Regulations¹⁰, decided to proceed with the voluntary publication, starting from 10 January 2017 and until it decides otherwise, of the information relating to business developments for the first and third quarter of each

¹⁰ As a result of the transposition of the Transparency II Directive (2013/50/EU), Consob has repealed the requirement to publish the interim operating statements and has introduced the new Art. 82-ter to the Issuers' Regulations concerning additional periodic financial information thereby providing that listed companies could choose, on a voluntary basis, whether to publish additional periodic financial information or not (with respect to Annual and Half-Yearly Reports).

year that will be subject to the approval of Board of Directors meetings to be held within 45 days after the closure of the first and third quarter of each year.

10. Board of Statutory Auditors

As set out in the Company's Articles of Association, the Board of Statutory Auditors is comprised of three standing auditors and two alternate auditors.

The Articles of Association require auditors to be appointed on the basis of a list voting system that ensures the minority can appoint a standing auditor (who will be appointed chairman of the Board of Statutory Auditors) and an alternate auditor. The lists of candidates can be submitted by shareholders who represent at least 2.5% (two point five per cent), or a different measure established according to legislation in force at the time, of the share capital consisting of shares with voting rights at the ordinary shareholders' meeting. Together with each list, before the submission deadline at the registered office, the following must be submitted (i) exhaustive information about the personal and professional background of the candidates, and (ii) declarations in which the individual candidates accept their nomination and attest, under their own responsibility, that there are no grounds for ineligibility and incompatibility (including not exceeding the regulatory limits regarding the number of offices held), as well as the existence of the requirements laid down by law and the Articles of Association for the office of company auditor. The office of standing auditor is incompatible with the performance of similar offices in more than three other companies listed on Italian regulated markets, with the exclusion of the Company and its subsidiaries.

Based on the current Articles of Association, the lists of candidates must be submitted to the registered office by at least the 25th day prior to the Shareholders' Meeting date and must be made available to the public at the Company's registered office, on the website and with the other procedures laid down by Consob with regulations at least twenty-one days before the Shareholders' Meeting date.

For more information concerning the procedure for appointing the Board of Statutory Auditors, refer to the Articles of Association and the rules laid down in Articles 144-ter and following of the Issuers' Regulations.

The Board of Statutory Auditors currently in office - which was appointed by list voting at the meeting held on 27 April 2018 and will expire on the date of approval of the financial statements as at 31 December 2020, comprises the following members:

| | |
|-----------------------|-------------------|
| Giancarla Branda | Chairwoman |
| Giovanni Luigi Camera | Statutory auditor |
| Paola Simonelli | Statutory auditor |
| Pinuccia Mazza | Alternate auditor |
| Andrea Perrone | Alternate auditor |

In the 2018 financial year, the Board of Statutory Auditors held 15 meetings. In 2019, up to the date of publication of this Report, the Board had met 4 times. The meetings were regularly attended by the standing auditors, as analytically indicated in the attached summary table *sub* 2, to which reference should be made.

The Board of Statutory Auditors performed, after its appointment and, subsequently, it will perform annual internal checks provided for by Art. 8.C.1 of the Code regarding their independence requirements pursuant to the law and on the basis of the criteria laid down by the Code with reference to directors, and the checks were successful.

The attendance of the Board of Statutory Auditors at the meetings of the Control and Risk Committee ensures the necessary coordination with the Committee and the Internal Audit Function.

The auditor who, on his own behalf or on behalf of third parties, has an interest in a given Company operation, shall immediately and comprehensively inform the other auditors and Chairman of the Board of the nature, terms, origin and scope of his interest.

11. Shareholder relations

The Company, since listing its shares on the Stock Exchange, decided in line with its own specific interest - in addition to having a duty in respect of the market - to establish a regular dialogue with shareholders in general and institutional investors; a dialogue intended in any case to also be conducted in compliance with, in addition to the existing legislation and principles contained in the "Guidelines for information to the market" published by Borsa Italiana S.p.A., the Internal Regulations for managing insider information.

In order to promote the dialogue mentioned, the Company, in accordance with the recommendations referred to in Art. 9 of the Code, proceeded to select a person responsible for managing relations with shareholders and institutional investors. The Company decided to further facilitate the dialogue with investors through an adequate preparation of the contents of its website (www.saras.it, "Investor Relations" section), where information can be found, in Italian and English, of an economic and financial nature (financial statements, half-yearly and quarterly reports, presentations to the financial community, analyst estimates and trends in the Company's share prices), and updated data and documents of interest to shareholders in general (press releases, composition of the Board and management of the Company, Articles of Association, the Group's Code of Ethics, Shareholders' Meeting Rules and the Internal Dealing Procedure). The website also includes a

section called "Shareholders' Meetings"¹¹ which provides information about the procedures for participating and exercising the right to vote in meetings in accordance with applicable legislation, as well as documentation relating to items on the agenda, including lists of candidates for the posts of director and auditor with their personal and professional details.

During shareholders' meetings, the Board of Directors reports on its activity, performed and planned in accordance with the regulations on insider information.

The organisational unit responsible for relations with investors and shareholders can be contacted at the following addresses:

Saras S.p.A. – Investor Relations, Via dell'Unione, 1 – 20122 Milan
Toll-free number: 800511155 – e-mail: ir@saras.it

12. Shareholders' Meetings

The Company considers shareholders' meetings to be a special time to establish a worthwhile dialogue between shareholders and the Board of Directors and as an occasion to communicate Company news to shareholders, obviously, in line with the rules on insider information and to ensure shareholders receive adequate information about the necessary elements so they can take the decisions required of shareholders with full knowledge of the facts.

Shareholders' meetings can be ordinary or extraordinary, pursuant to law.

The Articles of Association (Art. 12) state that a shareholders' meeting is convened by a notice published, in the manner and by the deadlines laid down in the provisions applicable, on the Company website, as well as with the other procedures laid down by the legislation in force.

Any documents relating to items on the agenda of the shareholders' meeting are made publicly available, as legally required, by filing at the registered office and the administrative offices, and also at the authorised storage mechanism "linfo" (www.linfo.it). The documentation as provided for by Art. 125-quater of TUF is made available on the Company website. Pursuant to Art. 14 of the Articles of Association persons with voting rights are entitled to attend a shareholders' meeting provided that their legitimacy is certified according to the methods and by the deadlines provided for by law and by the regulations.

Pursuant to Art. 83-sexies of Legislative Decree no. 58/98, the eligibility to attend the Shareholders' Meeting and exercise the right to vote is certified by a communication to the Company, issued by an intermediary, in accordance with the data in its accounting records, certifying the party entitled to vote on the base of the shareholder information applicable upon conclusion of the accounting day for the

¹¹ Available at the following address: <http://www.saras.it/saras/pages/aboutus/governance/sharemeetings2?body=80>.

seventh day of market trading before the date fixed for the first convening of the Shareholders' Meeting.

The Articles of Association also state that each person who is entitled to attend the Shareholders' Meeting may be represented by a written proxy by another person pursuant to law.

The proxy may be conferred electronically in line with the applicable regulations and notified electronically according to the procedures indicated for each Shareholders' Meeting notice of call.

The Company may appoint one or more people for each Shareholders' Meeting who, by having the right to vote can appoint a proxy, with voting instructions for all or some of the proposals on the agenda.

The notice of call shows, in addition to specifying the agenda, the rules for attending the shareholders' meeting and exercising the rights of shareholders, as governed by the law and the Articles of Association.

In accordance with the recommendations referred to in Art. 9 of the Code, the Company has adopted suitable shareholders' meeting regulations,¹² also drawn up according to the system developed up by ABI and Assonime, designed to ensure the orderly and effective conducting of meetings through detailed rules for the various stages, in compliance with the fundamental right of each shareholder to request clarification on different topics under discussion, to express their opinion and formulate proposals.

While they are not statutory provisions, this regulation was approved by the Ordinary Shareholders' Meeting by virtue of specific competence allocated to this body by the Articles of Association, and was amended by the Ordinary Shareholders' Meeting in April 2011 to make it compliant with the new terminology introduced by Legislative Decree no. 39 of 27 January 2010, on the one hand, and on the other hand to adapt it to the provisions laid down regarding the record date (and connected to the system of identifying those entitled to exercise the right to vote) and the right of shareholders to ask questions (Art. 127-ter of TUF) by Legislative Decree no. 27 of 27 January 2010.

13. Considerations on the letter dated 21 December 2018 of the Chairman of the Corporate Governance Committee.

The letter by the Chairman of the Corporate Governance Committee dated 21 December 2018 (the "Letter") was distributed and shared with the members of the Remuneration and Nomination Committee and those of the Board of Directors and the Board of Statutory Auditors of the Company.

¹² See: <http://www.saras.it/saras/pages/aboutus/governance/sharemeetings2?lang=EN&body=80>

In particular, the contents of the recommendations put forward in the Letter and in the last “*2018 Report on the application of the Code*” published together with the Letter were specifically considered, also during the Board's self-assessment and when preparing and approving this report on 4 March 2019, in order to identify, according to the principles of the Corporate Governance Code, possible developments in governance, highlighting for this purpose the main areas for improvement of compliance, or to fill any gaps in the application or explanations provided.

In particular, with reference to the first critical area identified in the Letter - concerning the opportunity to ensure full transparency, adequacy and timeliness regarding pre-meeting information, thereby ensuring at the same time the protection of confidentiality requirements-, the Board notifies that, at the 2018 Board Evaluation, it thought that informative documentation provided to the directors was adequate and suitable for ensuring considered, reasoned and timely assessments by the collegiate bodies and, however, identified room for improvement in the possibility of further anticipating the transmission thereof to the directors and sharing of the documentation relating to the items on the agenda.

As regards the other critical areas identified in the Letter, the Board notifies that the Company is already in line with the recommendations, given that:

(i) the Company undertook the constant monitoring and verification of the satisfaction, continued satisfaction and full and complete application of the independence criteria by its independent directors, at the Board meetings on 3 May 2018 and 4 March 2019;

(ii) In compliance with the provisions and as recommended by the Corporate Governance Code, Saras carried out its 2018 Board Evaluation with the direct involvement of the Remuneration and Nomination Committee, as in previous financial years, thereby ensuring the transparency of the data collected. For further details, see paragraph 1.8 of this Report below.

(iii) The Board of Directors endorses the principle underlying the recommendations made by the Chairman of the Corporate Governance Committee regarding the consistency of remuneration policies with the sustainability of the company. For the directors, there are no forms of remuneration linked to achieving the economic targets by the Company, nor are they recipients of remuneration plans based on the Company's financial instruments. With reference to the General Manager and strategic executives, the variable component of remuneration is always linked to pre-determined objective parameters and no bonuses are provided for - as set forth in the Remuneration Report prepared pursuant to Art. 123-ter of the TUF and published by the Company in compliance with current legislation and to which reference is made for further details. Lastly, Saras also informs that it has not adopted Succession Plans for executive directors.

In conclusion, the Board of Directors of Saras S.p.A. confirmed the high degree of adherence by the Company to the provisions of the Corporate Governance Code as well as to the instructions contained in the Letter, renews its commitment to and its constant focus on monitoring compliance with the recommendations expressed by the Corporate Governance Committee.

TABLE 1: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES AS AT 31/12/2018

| Board of Directors | | | | | | | | | | | | | | Control and Risk Committee | | Remuneration and Nomination Committee | | Steering and Strategies Committee | | Any Executive Committee | |
|--|---------------------------|---------------|-----------------------------|-----------------|-----------------|---------|-------|-----------|-------------|------------|-------------------------------|-----|-----|-------------------------------|-----|--|-----|--------------------------------------|------|-------------------------|---|
| Office | Members | Year of birth | Date of first appointment * | In office since | In office until | List ** | Exec. | Non-exec. | Indep. Code | Indep. TUF | Number of other positions *** | (*) | (*) | (**) | (*) | (**) | (*) | (**) | (**) | | |
| Chairman | Massimo Moratti | 1945 | 26/06/1972 | 27/04/2018 | App. FS 2020 | M | X | | | | | 7/7 | (*) | (**) | | | | | | | |
| Chief Executive Officer • ◇ | Dario Scaffardi | 1958 | 19/10/2006 | 27/04/2018 | App. FS 2020 | M | X | | | | | 7/7 | (*) | | | | | | | M | |
| Director | Angelo Moratti | 1963 | 28/04/1993 | 27/04/2018 | App. FS 2020 | M | | X | | | | 6/7 | | | | | | | | | P |
| Director | Gilberto Callera | 1939 | 30/04/1987 | 27/04/2018 | App. FS 2020 | M | | X | | X | | 7/7 | 4/4 | P | 3/3 | P | | | | | |
| Director | Angelomario Moratti | 1973 | 30/05/2005 | 27/04/2018 | App. FS 2020 | M | | X | | | | 7/7 | | | | | | | | | M |
| Director | Gabriele Moratti | 1978 | 27/04/2010 | 27/04/2018 | App. FS 2020 | M | | X | | | | 4/7 | | | | | | | | | M |
| Director | Giovanni Emanuele Moratti | 1984 | 20/04/2017 | 27/04/2018 | App. FS 2020 | M | | X | | | | 7/7 | | | | | | | | | M |
| Director | Adriana Cerretelli | 1948 | 28/04/2015 | 27/04/2018 | App. FS 2020 | M | | X | X | X | | 7/7 | 3/4 | M | | | | | | | |
| Director | Isabelle Harvie-Watt | 1967 | 28/04/2015 | 27/04/2018 | App. FS 2020 | M | | X | | X | | 7/7 | 3/4 | M | | | | | | | |
| Director | Laura Fidanza | 1973 | 28/04/2015 | 27/04/2018 | App. FS 2020 | M | | X | X | X | | 7/7 | 4/4 | M | 3/3 | M | | | | | |
| Director | Francesca Luchi | 1967 | 27/04/2018 | 27/04/2018 | App. FS 2020 | M | | X | X | X | | 4/4 | | | 1/1 | M | | | | | |
| Director | Leonardo Senni | 1961 | 27/04/2018 | 27/04/2018 | App. FS 2020 | m | | X | X | X | | 3/4 | 3/3 | M | | | | | | | |
| DIRECTORS WHO LEFT OFFICE DURING THE REFERENCE FINANCIAL YEAR | | | | | | | | | | | | | | | | | | | | | |
| Chairman | Gian Marco Moratti | 1936 | 03/11/1962 | 28/04/2015 | 26/02/2018 | M | X | | | | | 1/7 | | | | | | | | | |
| Director | Gabriele Prevati | 1938 | 27/04/2000 | 28/04/2015 | 27/04/2018 | M | | | | | | 3/7 | 1/1 | M | 2/3 | M | | | | | |
| Number of meetings held during the financial year: | | | | | | | | | | | | | | Control and Risk Committee: 4 | | Remuneration and Nomination Committee: 3 | | Steering and Strategies Committee: 2 | | Executive Committee: 0 | |
| Indicate the required quorum for minority shareholders to present a list for the election of one or more members (pursuant to Art. 147-ter TUF): 1% | | | | | | | | | | | | | | | | | | | | | |

NOTES

- The symbols below entered in the "Office" column represent the following:
- This symbol indicates the director responsible for the Internal Control and Risk Management System.
- ◇ This symbol indicates the main person responsible for the issuer's management (Chief Executive Officer or CEO).
- This symbol indicates the Lead Independent Director (LID).
- Date of first appointment of each director shall mean the date on which the director was appointed for the first time (ever) in the issuer's Board of Directors.
- ** This column shows the list from which each director was selected ("M": majority list; "m": minority list).
- *** This column indicates the number of offices as director or statutory auditor the party concerned holds in other companies listed on organised markets, including foreign markets, in financial, banking, insurance companies or large corporations.
- (*) This column indicates the attendance of directors at meetings of the BoD and committees respectively. For each director, the number of meetings attended with respect to the total number of meetings which he or she could have attended is indicated.
- (**) This column indicates the position of each Director within the Committee: "P": Chairman; "M": member.

TABLE 2: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AS AT 31/12/2018

| BOARD OF STATUTORY AUDITORS | | | | | | | | | | |
|---|-----------------------|---------------|----------------------------|-----------------|---|---------|-------------|-------------------------------|--------------------------------|--|
| Office | Members | Year of birth | Date of first appointment* | In office since | In office until | List ** | Indep. Code | Board meetings attendance *** | Number of other positions **** | |
| Chairwoman | Branda Giancarla | 1961 | 28/04/2015 | 27/04/2018 | Approval of the 2020 financial statements | m | X | 15/15 | 8 | |
| Statutory auditor | Camera Giovanni Luigi | 1936 | 28/03/1985 | 27/04/2018 | Approval of the 2020 financial statements | M | X | 14/15 | 8 | |
| Statutory auditor | Simonelli Paola | 1964 | 28/04/2015 | 27/04/2018 | Approval of the 2020 financial statements | M | X | 15/15 | 24 | |
| Alternate auditor | Mazza Pinuccia | 1957 | 28/04/2015 | 27/04/2018 | Approval of the 2020 financial statements | M | X | | | |
| Alternate auditor | Andrea Perrone | 1965 | 27/04/2018 | 27/04/2018 | Approval of the 2020 financial statements | m | X | | | |
| AUDITORS WHO LEFT OFFICE DURING THE REFERENCE FINANCIAL YEAR | | | | | | | | | | |
| | | | | | | | | | | |
| Number of meetings held during the financial year: 15 | | | | | | | | | | |
| Indicate the required quorum for minority shareholders to present a list for the election of one or more members (pursuant to Art. 148 TUF): 1.0% | | | | | | | | | | |

NOTES

* Date of first appointment of each statutory auditor shall mean the date on which the statutory auditor was appointed for the first time (ever) in the issuer's Board of Statutory Auditors.

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

*** This column shows the attendance of auditors at meetings of the Board of Statutory Auditors (it features the number of meetings attended compared to the total number of meetings which could have been attended).

**** This column indicates the number of director or statutory auditor offices held by the person concerned pursuant to Art. 148-bis of the TUF and its implementing provisions contained in the Consob issuers' Regulations.