



**DIVERSITY POLICY OF THE BOARD OF DIRECTORS AND THE BOARD OF  
STATUTORY AUDITORS OF FINE FOODS & PHARMACEUTICALS N.T.M.  
S.P.A.**

*Adopted by the Board of Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A. on March 30, 2022.*

## **Diversity Policy of the Board of Directors and the Board of Statutory Auditors of Fine Foods & Pharmaceuticals N.T.M. S.p.A.**

### **1. Background**

This Diversity Policy (the "**Policy**") adopted by the Board of Directors of Fine Foods & Pharmaceuticals N.T.M. S.p.A. ("**Fine Foods**" or the "**Company**"), implementing the provisions of Article 123-bis, paragraph 2, letter d-bis) of Legislative Decree no. 58 of February 24, 1998 ("**TUF**") and Recommendation no. 8 of the Corporate Governance Code of listed companies drafted by the Corporate Governance Committee sponsored by Borsa Italiana S.p.A. (the "**Corporate Governance Code**") which the Company has committed to apply, defines and establishes the criteria and tools adopted by Fine Foods to ensure an adequate level of diversity in its corporate administrative and control bodies.

Recommendation no. 8 of the Corporate Governance Code recommends issuers to define "diversity criteria" for the composition of the Board of Directors and the Board of Statutory Auditors and to identify, also taking into account their own ownership structure, the most suitable instrument for their implementation.

Art. 123-bis, paragraph 2, requires issuing companies to include in their report on corporate governance and ownership structure a description of the diversity policies applied in relation to the composition of the administrative, management and control bodies with regard to aspects such as age, gender composition and training and professional experience, as well as a description of the objectives, implementation methods and results of these policies.

In particular, such provision describes the best features that the composition of its Board of Directors and Board of Statutory Auditors should have so that they can carry out their tasks in the most effective way, by taking decisions that can actually benefit from the contribution of a plurality of qualified points of view and skills, able to examine the issues under discussion from different perspectives.

The Policy is therefore aimed at (i) ensuring that the Board of Directors and the Board of Statutory Auditors have a sufficient diversity of viewpoints and skills necessary for a good understanding of the current activities and the long-term risks and opportunities related to the company's business; (ii) making the decision-making process more effective and thorough; (iii) enriching the discussion in the corporate bodies owing to skills having a general strategic or particular technical nature; (iv) enabling the members of the corporate bodies to constructively question *management* decisions.

### **2. Scope of application**

The Policy relates to the composition of Fine Foods' Board of Directors and Board of Statutory Auditors and is specifically directed at those involved in the process of selecting and appointing members of the Company's Board of Directors and Board of Statutory Auditors therefore:

- to the shareholders who, pursuant to the law and the Articles of Association, intend to submit lists of candidates for appointment in the Board of Directors and the Board of Statutory Auditors;
- the Shareholders' Meeting called to appoint the Board of Directors and the Board of Statutory Auditors;
- to the Board of Directors of the Company, as well as to the shareholders, in case - during any term of office - it is necessary to replace a member of the Board of Directors pursuant to art. 2386 of the Italian Civil Code.

### **3. Inspiring principles**

The Company is aware of the fact that diversity and inclusion are two fundamental elements for medium-long term sustainability of any business activity. Therefore, the Company acknowledges and welcomes the benefits of diversity among its management and control bodies in all respects, including gender, age, educational and professional backgrounds and, in compliance with the prerogatives of the Shareholders when designating and appointing the members of these bodies, hopes that these elements will be taken into account in their composition.

The Company also believes that creating a frank and collaborative atmosphere and an inclusive environment within the aforesaid corporate bodies, in which each member is able to express his/her potential and maximise his/her contribution, is a priority. In order to allow the members of the administration and control bodies to effectively participate in the work of the Board of Directors and the Board of Statutory Auditors respectively, as well as the different Committees set up within the Board of Directors, the Company arranges appropriate induction meetings, which may also be held during Board meetings, relating to the business of the Fine Foods Group, as well as to the principles of correct risk management and the relevant regulatory framework.

### **4. Types of diversity and their objectives**

#### **4.1 Board of Directors**

As recommended by the Corporate Governance Code, the Board of Directors carries out a self-assessment of its own functioning, size and composition, as well as those of its committees, at least every three years, in view of its renewal.

In carrying out such self-assessment, the Board of Directors shall verify that the different components (executive, non-executive, independent) and the professional and managerial skills are adequately represented, in relation to the activity carried out by the issuer, also taking into account the benefits that may stem from the presence of different age groups and seniority, gender and professional skills and other diversity aspects determined by the issuer.

With regard to gender diversity, the provisions of the Consolidated Law on Financial Intermediation (TUF)<sup>1</sup> and its implementing provisions<sup>2</sup> concerning gender balance require listed companies to achieve predefined quotas of the less represented gender, equal to at least two fifths of the directors or permanent auditors appointed, for a period of six consecutive terms. If the application of the gender distribution criterion does not result in a whole number of members of the management or control bodies belonging to the least represented gender, this number is rounded up to the nearest whole number (except for corporate bodies made up of three members, the number of which is rounded down to the nearest whole number<sup>3</sup>).

Having stated the above, in order to ensure an adequate balance of the above-mentioned aspects, as regards the composition of the Board of Directors, it is believed that:

- a) the majority, or at least half of the members, of the Directors should be non-executive, and at least two of them should meet the independence requirements laid down by law and by the Corporate Governance Code, so that they can contribute to monitoring the bodies having delegated powers, especially with regard to potential conflicts of interest, and facilitate Board discussions;
- b) at least two-fifths of the Board of Directors, both at the time of appointment and during the term of office, is made up of Directors of the lesser represented gender, in accordance with the regulations on gender balance and the recommendations of the Corporate Governance Code;
- c) the Non-executive Directors should be represented by individuals having a managerial and/or professional and/or academic and/or institutional standing such as to achieve a combination of different and complementary skills and experience. In particular:
  - management staff should have experience holding posts of responsibility within industrial groups of significant size and/or complexity, and should possess business judgement skills and be highly driven towards achieving strategies and results;
  - The professional staff should have skills and experience in certified professional firms, consultancy companies or other public or private organizations and have carried out their professional activities in the economic, accounting, legal (with particular reference to commercial, corporate, tax and financial market law), financial fields, as well as risk management and remuneration policies, with a focus on corporate activities;
  - academic and/or institutional staff should possess skills that may be useful in the pursuit of Fine Foods Group's business;

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<sup>1</sup> See articles 147-ter, paragraph 1-ter, 148, paragraph 1-bis, of the Consolidated Law on Finance.

<sup>2</sup> See article 144-undecies.1 Regulations adopted with resolution no. 11971 of May 14, 1999, as subsequently amended and supplemented.

<sup>3</sup> See art. 144-undecies.1 of the Regulations adopted with Resolution no. 11971 of May 14, 1999, as subsequently amended and supplemented.

- d) in view of the different roles played by the Chairman and the Managing Director, it is believed that they must possess the most appropriate skills for the effective performance of their respective duties. In particular:
- the Chairman should be an individual having enough authority to ensure, during his/her term of office, a correct and transparent management of the Board of Directors' operations, within which he has the task of creating a strong spirit of cohesion, while representing a guarantee for all Shareholders. He/she should be experienced in handling issues of strategic importance, as well as specific business issues, within the Board;
  - the Managing Director should be an individual having enough authority, as well as a acknowledged strategic vision and a deep knowledge of the market in which the Fine Foods Group operates and its evolution. He/she should boast significant and successful top-management experience within companies of significant size and/or complexity operating in the relevant sector and possibly distinctive for an international outlook of its activities, as well as having adequate economic-financial skills. He/she should also be well-known for his/her acknowledged leadership and a management style oriented towards being able to create a team spirit among his/her collaborators.

In order for the Fine Foods' Board of Directors to carry out its duties in the most effective manner, in addition to the diversity requirements set forth above, it is deemed essential that all Directors should guarantee to have sufficient time available in order to diligently and responsibly perform their duties, taking into account both the number and quality of the positions they hold on the boards of directors and auditors of other companies, and the commitment required of them by the additional work and professional activities performed, as well as the offices they hold in associations.

#### **4.2 Board of Auditors**

With regard to the composition of the Board of Statutory Auditors of Fine Foods, it is believed that, also considering the experience gained during their term of office:

- a) at least two-fifths of the Board of Statutory Auditors (rounded down), both at the time of appointment and during their term of office, shall be made up of Standing Auditors of the less represented gender, in compliance with the legislation on gender balance and the recommendations of the Corporate Governance Code;
- b) the Auditors must, as a whole, be competent in the sector in which Fine Foods operates or, in any case, in sectors closely related to the Company's scope of activity. To this end, the Statutory Auditors are requested to participate in appropriate induction meetings organized by the Company, which may also take place during meetings of the administrative body;
- c) the Auditors should be represented by individuals having managerial and/or professional and/or academic and/or institutional skills such as to achieve a combination of different and complementary skills and experiences. In particular, at least one of the Standing

Auditors and at least one of the Alternate Auditors must be registered with the Register of Auditors and shall have experience in carrying out legal auditing activities for a period of no less than three years. Auditors who do not meet the above requirement must meet the professional requirements set out in art. 2, paragraph 2, of Ministerial Decree no. 162/2000;

- d) the Chairman should be an individual having sufficient authority to ensure adequate coordination of the work of the Board of Statutory Auditors with the activities carried out by the other parties involved, for any reason whatsoever, in the governance of the internal control and risk management system, in order to maximise efficiency thereof and reduce duplication of work. Moreover, the Chairman has the task of creating a cohesive spirit within the Board of Statutory Auditors in order to ensure an effective performance of the supervisory functions assigned to such body, while representing - like the other Auditors - a guarantee for all Shareholders.

In order for the Board of Auditors of Fine Foods to carry out its duties in the most effective manner, in addition to the requirements in terms of diversity indicated above, it is considered essential that all Auditors should guarantee they have sufficient time available in order to diligently perform their duties, taking into account both the number and quality of the positions they hold in the administration and control bodies of other companies (in compliance with the law), and the commitment required of them by the additional work and professional activities carried out, as well as the offices they hold in associations.

#### **5. Approval and entry into force**

This Policy was approved by the Board of Directors during its meeting dated March 30, 2022, with the favorable opinion of the Remuneration and Appointments Committee and the Environment, Social and Governance Committee.

The Chairman and Chief Executive Officer, severally, are authorized by the Board to make minor amendments to the Policy required by mandatory rules, without prejudice to the powers reserved by applicable law to the Board of Directors and the Shareholders' Meeting.

#### **6. Types of diversity and their objectives**

The Board of Directors, with the support of the Remuneration and Appointments Committee and the Environment, Social and Governance Committee, monitors the implementation of such Policy and - where necessary or appropriate - updates the same, by also taking into account the outcome of the Board of Directors' self-assessment process.