



# **REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE**

**FINANCIAL YEAR 2022**

**UNDER ARTICLES 123-BIS OF LEGISLATIVE DECREE NO. 58/1998  
AND 89-BIS OF CONSOB REGULATION NO. 11971/1999**

(traditional management and control system)

Issuer: FINE FOODS & PHARMACEUTICALS N.T.M. S.p.A.

Website: [www.finefoods.it](http://www.finefoods.it)

**Report's approval date: 30 March 2023**

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## GLOSSARY

<b>Shareholders' Meeting</b>	This is the Issuer's Shareholders' Meeting.
<b>Shares or Ordinary Shares</b>	These are the Issuer's ordinary shares
<b>Borsa Italiana</b>	This is Borsa Italiana S.p.A., a London Stock Exchange Group company, with its registered office in Milan, Piazza degli Affari, no. 6.
<b>Code or Corporate Governance Code</b>	This the Corporate Governance Code of listed companies approved in January 2020 by the Corporate Governance Committee.
<b>Italian Civil Code</b>	This is Royal Decree no. 262 of 16 March 1942 -XX, as amended.
<b>Board of Statutory Auditors</b>	This is the Issuer's Board of Statutory Auditors.
<b>Board or Board of Directors</b>	This is the Issuer's Board of Directors.
<b>Consob</b>	This is the Commissione Nazionale per le Società e la Borsa (National Commission for Companies and the Stock Exchange), with its registered office in Rome, Via G.B. Martini no. 3
<b>Qualitative and Quantitative Criteria</b>	These are the qualitative and quantitative criteria used to assess the independence requirements of directors and statutory auditors, defined by the Board of Directors with resolution of 30 March 2022, under Recommendation 7, first sentence, letters c) and d), of the Corporate Governance Code.
<b>Merger Effective Date</b>	This is 1 October 2018.
<b>Listing Commencement Date</b>	This is the listing start date of the Ordinary Shares on the Euronext Milan market, STAR Segment, i.e. 12 July 2021.
<b>NFS</b>	This is the 2022 Consolidated Non-Financial Statement published under Legislative Decree no. 254/2016 by the Issuer reporting the Group's performance for the year ended 31 December 2022.
<b>Issuer or Fine Foods or Company</b>	This is Fine Foods & Pharmaceuticals N.T.M. S.p.A., with its registered office in Verdellino (BG), Via Berlino no. 39, Zingonia, Tax Code, VAT no. and Bergamo Companies' Register no. 09320600969, Economic and Administrative Index (REA) BG - 454184.
<b>Financial year</b>	This is the financial year 2022.
<b>Euronext Milan</b>	This is Euronext Milan, the market organised and managed by Borsa Italiana on which shares, SIIQ shares, convertible bonds, option rights and warrants are listed.
<b>Merger</b>	This is the Merger by incorporation of the Acquired Company into Innova Italy 1 S.p.A., with the simultaneous change of the latter's company name to "Fine Foods & Pharmaceuticals N.T.M. S.p.A.", completed on the Merger Effective Date.

<b>Fine Foods Group or Group</b>	Collectively means Fine Foods and its subsidiaries under Art. 2359 of the Italian Civil Code and Art. 93 of the TUF.
<b>Innova Italy</b>	Innova Italy 1 S.p.A. is a special purpose acquisition company with its registered office in Milan, viale Majno no. 7, Economic and Administrative Index (REA) no. 2083172, Milan Companies Register registration number, tax code and VAT no. 09320600969 (Acquiring Company under the Business Combination which, on the Merger Effective Date, took the name "Fine Foods & Pharmaceuticals N.T.M. S.p.A.").
<b>Stock Exchange Regulations Instructions</b>	These are the Markets Regulations Instructions organised and managed by Borsa Italiana, in force at the Report's date.
<b>Transaction or Business Combination</b>	This is the merger transaction between Innova Italy and the Acquired Company which provided for the Merger (which became effective on 1 October 2018) and the subsequent listing of the Ordinary Shares on Euronext Growth Milan.
<b>SMEs</b>	These are small and medium-sized enterprises issuing listed shares referred to in Art. 1, paragraph 1, letter <i>w-quater</i> ) of the TUF.
<b>Shareholder Dialogue Policy</b>	This is the policy approved by the Issuer's Board of Directors on 30 March 2022, on the Chairperson's proposal in agreement with the Chief Executive Officer, and subject to the favourable opinion of the Environmental, Social and Governance Committee. The Issuer's Board of Directors considers the commitment policies adopted and communicated to the public of institutional investors and by asset managers under Recommendation no. 3 of the Corporate Governance Code.
<b>OPC Procedure</b>	This is the procedure to carry out Related Party transactions, adopted by the Issuer under Art. 2391- <i>bis</i> of the Italian Civil Code and the OPC Regulation.
<b>Listing Prospectus</b>	This is the Company Prospectus filed with Consob on 7 July 2021, following communication of the approval measure with note dated 7 July 2021, ref. no. 0745945/21.
<b>Stock Exchange Regulations</b>	These are the Regulations of Markets organised and managed by Borsa Italiana, approved by the Board of Directors of Borsa Italiana, in force at the Report's date.
<b>Issuers' Regulations</b>	These are the TUF implementing regulations covering the issuers' regulations adopted by Consob with resolution no. 11971 of 14 May 1999, as amended and supplemented.
<b>MAR Regulation</b>	This is Regulation (EU) no. 596/2014 of the European Parliament and Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.
<b>Consob Market Regulations</b>	These are the market regulations issued by Consob under resolution no. 20249 of 28 December 2017.

<b>Related Party Transaction Regulation or OPC Regulation</b>	This is the Regulation about transactions with related parties, adopted by Consob with resolution no. 17221 on 12 March 2010, as amended and supplemented.
<b>Report</b>	This is the report on corporate governance and ownership structure drawn up under Art. 123- <i>bis</i> of the TUF.
<b>Report on Remuneration</b>	This is the report on remuneration policy and compensation drawn up by the Company under Art. 123- <i>ter</i> T.U.F. and 84- <i>quater</i> of the Issuers' Regulations.
<b>Subsidiaries</b>	These are the companies directly or indirectly controlled by the Company under Art. 93 of the TUF. " <b>Control</b> " and " <b>to control</b> " have the same meaning.
<b>Auditing Company</b>	This is the EY S.p.A. auditing company with its registered office at Via Lombardia 31, Rome, enrolled in the special register of auditing companies kept by the Ministry of Economy and Finance under Art. 161 of the TUF and enrolled in the Register of Auditors under Articles 6 et seq. of Legislative Decree no. 39 of 27 January 2010 with sequential number 70945, in charge of the legal audit of the Issuer's accounts.
<b>Acquired Company</b>	This is Fine Foods & Pharmaceuticals N.T.M. S.p.A., with its registered office in Verdellino (BG), Via Berlino no. 39, Zingonia, Tax Code 01573250162.
<b>Articles of Association</b>	These are the Company's Articles of Association in force at the date of this Report.
<b>TUF</b>	This is the " <i>Consolidated Law on Financial Intermediation</i> ", adopted by Legislative Decree no. 58 of 24 February 1998, as amended and supplemented.

## **Introduction**

This Report, approved by the Board of Directors on 30 March 2023, shows Fine Foods' corporate governance and ownership structure system as of 30 March 2023, prepared under Art. 123-*bis* of the TUF and the Corporate Governance Code recommendations and the "Report Format for corporate governance and ownership structure" (9th Version January 2022) prepared by Borsa Italiana.

On 1 October 2018, the Merger, i.e. Merger by incorporation of the Acquired Company into Innova Italy (now Fine Foods), became effective. As a result, Innova Italy (now Fine Foods) took over the rights and obligations of the Acquired Company and took on the new name of "Fine Foods & Pharmaceuticals N.T.M. S.p.A." or, abbreviated, "Fine Foods N.T.M. S.p.A." The terms "**Company**", "**Fine Foods**", and "**Issuer**" are used in this Report to refer to the Company resulting from the Merger.

On 5 July 2021, Borsa Italiana arranged for the listing of the Ordinary Shares on the STAR Segment of the Euronext Milan market and their simultaneous delisting from Euronext Growth Milan. On 12 July 2021, Ordinary Shares on the STAR Segment of Euronext Milan listing started ("**Listing Commencement Date**").

## 1. Issuer Profile

The Issuer is one of the leading Italian independent contract development and manufacturing organisation (CDMO) of solid oral forms for the pharmaceutical and nutraceutical industries. Fine Foods develops and manufactures drugs, food supplements and other nutraceutical products and medical devices for pharmaceutical and nutraceutical companies. These products are in the form of solid oral powders, granulates, filmed and non-filmed tablets, capsules and various types of packaging: sachets, sticks, pillboxes, jars, blisters, tubes and strips.

Fine Foods intends to contribute to precise Environmental, Social and Governance (ESG) objectives by improving its business objective performance.

In FY2021, Fine Foods started to strengthen and implement the values of ethics, integrity and responsibility, respecting people, the environment and the Company. Its aim was to integrate sustainability into the strategy and management of its business, defining with the various company departments the objectives to be enhanced in a sustainability plan aligned with a Group industrial plan.

Fine Foods manages dialogue with its shareholders through correct, transparent and differentiated forms of engagement. It believes that establishing and maintaining a stable and ongoing relationship with the main stakeholders is in its interest and a duty towards the market.

On 30 March 2022, the Board of Directors approved an *ad hoc* policy to conform the rules of corporate governance and management of dialogue with Shareholders to the principles set out in the Corporate Governance Code. The Shareholder Dialogue Policy adopted by the Issuer is to enhance transparency and investor engagement, as promoted by the Shareholder Rights Directive II for institutional investors and asset managers, to ensure the sustainable success of Fine Foods by creating long-term value for the benefit of Shareholders. This considers the interests of other stakeholders and the environmental, social and financial impact of its operations.

The Company published, based on mandatory rules, i.e., Legislative Decree no. 254/2016, the 2022 Non-Financial Statement (available at [www.finefoods.it](http://www.finefoods.it)).

At the Report's approval date, the Company, under Art. 1, paragraph 1, letter *w-quarter* 1) of the TUF and Art. 2-ter of the Issuers' Regulations, is an SME.

As required by the TUF, the requirements to classify as an SME are based on the simple average of daily capitalisations calculated based on the official price, recorded during the annual financial year, which must be lower than € 500 million.

The Company's average capitalisation value in 2022 was € 210,045,135.

Under Art. 2-ter, paragraph 4 of the Issuers' Regulations, by 31 January, Consob publishes the list of SMEs, based on the capitalisation values it has calculated.

The Company does not fall within the Corporate Governance Code's definition of a "large company" but can be defined as a "concentrated ownership company."

Fine Foods' Corporate Governance system is structured according to the traditional management and control system and consists of the following bodies:

- Shareholders' Meeting;
- Board of Directors; and
- Board of Statutory Auditors.



Fine Foods' Governance consists of the following Board of Directors' internal committees: (i) the Control, Risk and Related Party Transactions Committee; (ii) the Remuneration and Nomination Committee; and (iii) the Environmental, Social and Governance (ESG) Committee.

Under applicable legislation, the accounts are audited by an auditing company registered in the special register kept by Consob. A Supervisory Body has been appointed under Legislative Decree no. 231/2001, which oversees the proper functioning of the Company's Organisation, Management and Control System under Legislative Decree no. 231/2001, as amended and supplemented, and is responsible for its updating.

Fine Foods complies with the Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana in January 2020, with the additions and adjustments resulting from the Group's features specified in this Report (available on Borsa Italiana's website: <http://www.borsaitaliana.it>).

## 2. Ownership structure information

### a) Share capital structure (under art. 123-bis, paragraph 1, letter a), TUF)

At the Report's approval date, Fine Foods' share capital was € 22,770,445.02 divided into 25,560,125 shares (of which 22,060,125 Ordinary Shares listed on Euronext Milan, STAR Segment, and 3,500,000 unlisted multiple-vote shares), without a nominal value being declared, as shown in the table at the end of this paragraph.

The following table shows the breakdown of the Company's share capital into shares

Share category	Number of shares	% of share capital	Listing market	Rights and obligations
Ordinary Shares	22,060,125	86.3%	Borsa Italiana – Euronext STAR Milan	The Ordinary Shares are personally registered, freely transferable and indivisible. Each share entitles the holder to one vote during Company ordinary and extraordinary meetings and other property and administrative rights under applicable legal provisions and the Articles of Association.
Preferred shares	-	-	-	-
Multiple-voting shares	3,500,000	13.7%	-	Multiple-voting shares have regular dividend rights. Each multiple-voting share gives the right to three votes.
Other categories of shares with voting rights	-	-	-	-
Savings shares	-	-	-	-
Convertible savings shares	-	-	-	-

Other non-voting share categories	-	-	-	-
Other	-	-	-	-

At the Report's approval date, no other financial instruments granting the right to subscribe for newly issued Fine Foods Ordinary Shares were issued, nor have any share-based incentive plans been adopted.

The Shares are subject to the uncertificated procedures under Articles 83-*bis* et seq. of the TUF.

**b) Restrictions on the transfer of securities (under Art. 123-*bis*, paragraph 1, letter b), TUF)**

At the Report's approval date, there are no restrictions on the free transferability of the Ordinary Shares imposed by clauses in the Articles of Association or by the issue terms and conditions. The 2018-2021 Stock Grant Plan resolved by the Issuer's Shareholders' Meeting on 14 December 2018 (the "**2018-2021 Stock Grant Plan**") required Giorgio Ferraris, Pietro Bassani and other beneficiaries not to sell, transfer, assign or subject to any restriction 60 per cent of the Ordinary Shares received as part of the 2018-2021 Stock Grant Plan for 24 months from their delivery. This percentage was reduced by a Board of Directors' resolution dated 29 June 2022, as an exception to the plan regulations, from 60 to 50 per cent. Following a request received from the 2018-2021 Stock Grant Plan beneficiaries, on the same date, the Board of Directors approved the allocation and delivery of the 440,000 Ordinary Shares related to the rights granted in July 2022. For further information on the 2018-2021 Stock Grant Plan, please refer to the Issuer's 14 December 2018 Shareholders' Meeting minutes and the explanatory report on the relevant agenda item available on the Issuer's website (<https://www.finefoods.en/governance/>).

**c) Significant shareholdings in the capital (under Art. 123-*bis*, paragraph 1, letter c), TUF)**

The Ordinary Shares are entered into the centralised management system provided by the TUF.

At the Report's approval date, the Company is an SME; under Art. 120, paragraph 2 of the TUF, the relevant threshold for disclosure obligations of significant holdings is five per cent of the share capital with voting rights.

Based on the notifications received under Art. 120 of the TUF, the shareholders who, at the Report's approval date, hold more than five per cent of the Issuer's share capital with voting rights, directly or indirectly, including through intermediaries, trustees and subsidiaries, are shown in the table below.

Shareholder		Ordinary Shares	Multiple-voting shares	Total shares with voting rights	% of share capital	% of voting capital
Declarant	Direct shareholder					
Marco Francesco Eigenmann	Eigenfin S.r.l.	9,303,040	3,500,000	12,803,040	50.09%	62.81%
	Marco Francesco Eigenmann	666,260	-	666,260	2.61%	2.11%

As of 30 March 2023, the Company held 1,033,043 treasury shares, equal to 4.04% of the ordinary share capital as of the same date, for which voting rights are suspended under law.

**d) Securities that confer special rights (under Art. 123-bis, paragraph 1, letter d), TUF)**

At the Report's date, the Company has not issued securities that confer special control rights.

**e) Employee shareholding: system for exercising voting rights (under Art. 123-bis, paragraph 1, letter e), TUF)**

At the Report's approval date, there is no employee shareholding system in place where voting rights are not exercised directly by employees.

**f) Restrictions on voting rights (under Art. 123-bis, paragraph 1, letter f), TUF)**

Each Ordinary Share confers the right to vote without any restrictions.

**g) Shareholders' agreements (under Art. 123-bis, paragraph 1, letter g), TUF)**

At the Report's approval date, the Company is not aware of any agreements between shareholders.

**h) Change of control clauses (under Article 123-bis, paragraph 1, letter h), TUF) and Articles of Association provisions governing takeover bids (under Art. 104, paragraph 1-ter) and 104-bis, paragraph 1, TUF)**

Change of control clauses

Without prejudice to what specified below, at the Report's approval date, the Company is not a party to any agreements that take effect, are amended or terminated if there is a direct or indirect change of control of the contracting Company.

At the Report's approval date, the bond issued by the Company on 29 July 2016 and specific commercial and financing contracts (the contracts with Mediocredito Italiano S.p.A. Deutsche Bank S.p.A. Intesa Sanpaolo S.p.A. respectively stipulated on 5 August 2016, 19 March 2021 and 25 February 2022) stipulated by the company, include "change of control" clauses, under industry practice.

Statutory provisions on takeover bids

The Articles of Association do not provide for any exceptions to the provisions on takeover bids on the passivity rule under Art. 104, paragraph 1-ter, of the TUF or applying the breakthrough rules under Art. 104-bis, paragraph 1, of the TUF.

**i) Powers to increase share capital and authorisations to buyback treasury shares (under Art. 123-bis, paragraph 1, letter m) of the TUF)**

Capital increases

At the Report's approval date, no powers have been granted to the Board of Directors under Art. 2443, first paragraph of the Italian Civil Code.

Treasury shares

On 10 May 2022, the Ordinary Shareholders' Meeting resolved, subject to revocation of the previous resolution of 21 April 2021 for the unexecuted part and without prejudice to the permanent validity of the authorisation for the future disposal of treasury shares already purchased by the Issuer, to authorise the buyback and disposal of treasury shares for the purposes specified in the Explanatory Report prepared by the Board of Directors for the related agenda item of the above Shareholders' Meeting. Under Art. 2357 of the Italian Civil Code, it authorised the buyback of Ordinary Shares in one or several tranches also on a revolving basis for 18 (eighteen) months as from the shareholders' resolution effective date. These shares shall hold a value of up to 20 per cent

of the Company's share capital after considering Company ordinary shares held in the portfolio and any held by subsidiaries. This is carried out by severally giving the Board of Directors, Chairman and CEO, a mandate to identify the number of shares to be purchased for the purposes of the above Explanatory Report, at a price to be defined on a case-by-case basis, considering the method chosen to carry out the transaction and in compliance with any applicable regulations. The unit price may not be more than 15 per cent lower or higher than the official stock exchange share price recorded by Borsa Italiana S.p.A. in the session preceding each transaction, and for a maximum of € 26,000,000..

On 13 May 2022, the Board of Directors resolved to initiate the buyback of treasury shares, in execution of the authorisation approved by the Shareholders' Meeting described above.

As of 31 December 2022, the Company held 1,022,247 Treasury Shares, representing 4.00% of the ordinary share capital as of the same date, for which voting rights are suspended under law.

#### **j) Management and coordination (under Articles 2497 et seq. of the Italian Civil Code)**

At the Report's approval date, the Company was not subject to management and coordination under Articles 2497 et seq. of the Italian Civil Code.

At the Report's approval date, the Company was indirectly controlled, under article 93 of the TUF, by Marco Francesco Eigenmann, through Eigenfin S.r.l., for 52.70% of the Issuer's share capital and 64.93% of the voting share capital.

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The information required by Art. 123-*bis*, paragraph 1, letter i) of the TUF ("*agreements between the Company and directors ... providing for indemnities for resignation or dismissal without just cause or if their employment ceases following a takeover bid*") is shown in the Report on remuneration policy and compensation which will be published under Art. 123-*ter* of the TUF and Art. 84-*quater* of the Issuers' Regulations.

The information required by Art. 123-*bis*, paragraph 1, letter l), first part of the TUF on the "*rules applicable to the appointment and replacement of directors (...) and the Articles of Association amendment, if different from the additional applicable laws and regulations*" is shown in the Report's Board of Directors section (Section 4).

The information required by Art. 123-*bis*, paragraph 1, letter l), second part of the TUF on the "*rules applicable (...) to the Articles of Association amendment, if different from the additional applicable laws and regulations*" is shown in the Report's Shareholders' Meeting section (Section 13).

### **3. Compliance (under Art. 123-*bis*, paragraph 2, letter a), first part, TUF)**

Effective from the Trading Commencement Date, Fine Foods has formally adhered to the Corporate Governance Code, which is publicly available on the Corporate Governance Committee's website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

The Board of Directors resolved to follow the principles contained in the Code and adapted its governance system to the regulatory provisions.

Regarding the possible non-compliance to one or more Code recommendations, please refer to what is specified in the different sections of this Report.

The Company and its subsidiaries are not subject to any non-Italian law provisions capable of influencing the Issuer's corporate governance structure.

## 4. Board of Directors

### 4.1. Board of Directors' Role

Under applicable regulations for companies with shares listed on regulated markets and under the recommendations of the Corporate Governance Code, the Board of Directors plays a central role in the governance system.

Fine Foods intends to contribute to precise Environmental, Social and Governance (ESG) objectives by improving its business objective performance.

During FY2021, Fine Foods started to strengthen and implement the values of ethics, integrity and responsibility, respecting people, the environment and the Company. Its aim was to integrate sustainability into the strategy and management of its business, defining with the various company departments the objectives to be enhanced in a sustainability plan aligned with a Group industrial plan. Fine Foods manages dialogue with its shareholders through correct, transparent and differentiated forms of engagement. It believes that establishing and maintaining a stable and ongoing relationship with the main stakeholders is in its interest and a duty towards the market.

On 30 March 2022, the Board of Directors approved a Shareholder Dialogue Policy to conform the rules of corporate governance and management of dialogue with Shareholders to the principles set out in the Corporate Governance Code. The Shareholder Dialogue Policy is to enhance transparency and investor engagement, as promoted by the Shareholder Rights Directive II for institutional investors and asset managers, to ensure the sustainable success of Fine Foods by creating long-term value for the benefit of Shareholders. This considers the interests of other stakeholders and the environmental, social and financial impact of its operations.

For detailed information on the powers reserved to the Board of Directors, see Section 4.4 of this Report.

At the Report's approval date, the Board of Directors adopted the "Procedure for Related Party Transactions", available on the Company's website, establishing the general criteria for identifying transactions with related parties. For a description of these criteria and further information on the rules governing related party transactions, see Section 10 of this Report.

The Board of Directors resolved to avail itself of the right to derogate from the obligation to publish the prescribed disclosure documents during significant mergers, spin-offs, capital increases through the contribution of assets in kind, acquisitions and disposals under Articles 70, paragraph 8, and 71, paragraph 1-bis of the Issuers' Regulations.

### 4.2. Appointment and replacement (under Art. 123-bis, paragraph 2, letter l), TUF)

The appointment and replacement of directors are governed by Articles 16 and 17 of the Articles of Association, shown below in the text approved by the Extraordinary Shareholders' Meeting on 21 April 2021.

"Art. 16)

*16.1 The Directors are appointed by the Shareholders' Meeting based on the lists of candidates submitted by the shareholders and filed at the Company's registered office under applicable law and regulations.*

*16.2 Only those shareholders who, alone or together with others, hold shares with voting rights representing a percentage no lower than that prescribed for the Company by applicable law and regulations, can submit lists. The notice of call of the Shareholders' Meeting convened to resolve the appointment of the Board of Directors indicates the percentage shareholding required to submit candidate lists.*

*16.3 Each shareholder and (i) shareholders which belong to the same group, i.e. the controlling party (including non-corporate) under art. 2359 of the Italian Civil Code and any company controlled by or under the common control of the same party, or (ii) shareholders who are members of the same shareholders' agreement under art. 122 of the Consolidated Law on Finance Intermediation (TUF), or (iii) shareholders who have relevant relationships under applicable law and regulations, may not submit or take part in a*

*submission (neither through a third party nor trust company) of more than one list. They may not vote for different lists. Participation and votes cast in breach of this prohibition shall not be attributed to any list if they determine the vote outcome.*

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

*16.5 Without prejudice to compliance with the criterion guaranteeing a balance between genders, each list containing several candidates not exceeding seven (7) must have and expressly indicate at least one Director who meets the independence requirements established under applicable laws and regulations (the "Independent Directors"); if it contains several candidates exceeding seven (7), it must include at least two Independent Directors.*

*16.6 Any list for which the above provisions are not complied with shall be deemed not to have been submitted. Each person entitled to vote may vote for only one list.*

*16.7 The lists submitted must be filed at the Company's registered office, including remotely as indicated in the notice of call and made public within the terms and according to applicable legal and regulatory procedures.*

*16.8 The lists must be accompanied by:*

*(i) the information on the identity of the shareholders who have submitted the lists, with an indication of the total percentage of their shareholding. The certification showing ownership of such shareholding may be produced after the lists have been filed, provided that it is within the deadline set for the lists' publication by the Company;*

*(ii) exhaustive information on the personal and professional details of candidates and a declaration of the candidates stating that there are no reasons for their ineligibility and incompatibility and that they comply with the requirements - including independence, if applicable - set out by applicable law and regulations and the Articles of Association;*

*(iii) the declaration by which each candidate accepts their candidacy.*

*(iv) any other or different statement, information or document required by applicable law and regulations.*

*16.9 After the vote, the candidates of the two lists that obtained the highest number of votes are elected, provided that they exceed half of the percentage of share capital required to submit the lists. This is calculated at the time of voting, according to the following criteria:*

*(i) several directors equal to the total number of members of the Board of Directors, as previously established by the Shareholders' Meeting, minus one, are taken from the list that obtained the highest number of votes (the "Majority List"); within these limits, the candidates are elected in the numerical order indicated in the list;*

*(ii) one Director shall be drawn from the list with the second-highest number of votes and that is not connected with the shareholders who submitted or voted for the Majority List (the "Minority List"), who is the candidate indicated with the first number on the list.*

*16.10 If there is a tie between two or more lists, a new vote shall be held by the Shareholders' Meeting, for the lists that are tied, with the list obtaining the highest number of votes prevailing.*

*16.11 If the candidates elected under the above mentioned procedures do not ensure the appointment of enough Independent Directors required by legislation, the non-independent candidate who was elected last numerically from the list that obtained the highest number of votes shall be replaced by the first independent candidate who was not elected from the same list, in numerical order. If this procedure does not ensure the necessary number of Independent Directors, the replacement shall be decided by a resolution taken by the Shareholders' Meeting majority vote and subject to a submission of nominations meeting the independence requirements.*

*16.12 If the composition of the Board of Directors does not allow compliance with the provisions on gender balance, the candidate of the most represented gender elected as the last in numerical order of the only list submitted or the Majority List if more than one list is submitted, shall be excluded and shall be replaced by*

*the first unelected candidate, taken from the same list, belonging to another gender; until candidates equal to the minimum number required by applicable rules on gender balance are elected.*

*16.13 If the procedure described above does not ensure partial or full compliance with the gender balance, the Shareholders' Meeting shall integrate the Board of Directors' composition with the legal majorities, ensuring that the requirement is met.*

*16.14 If only one list is submitted, the Shareholders' Meeting shall resolve with the majorities provided for by law, and all the Directors shall be elected from that list, according to the relevant numerical order. If the candidates elected according to the above mentioned procedures do not ensure the presence of a minimum number of directors meeting the independence requirements under applicable law and regulations and compliance with the minimum legal requirements on gender balance, the Shareholders' Meeting shall appoint candidates using the legal majorities, subject to submission of candidate nominations of those with the necessary legal requirements on independence and gender balance.*

*16.15 If the lists and voting mechanisms fail to provide an adequate number of candidates required by the Articles of Association for the Board composition, or if the Board of Directors does need renewing entirely, the Board of Directors is appointed or supplemented by the Shareholders' Meeting with the legal majorities and without recourse to list voting, to ensure compliance with the minimum requirements under applicable law and regulations on gender balance. This is without prejudice to the provisions of art. 17.1 below.*

*16.16 This is without prejudice to any different or further mandatory law or regulations."*

*"Article 17*

*17.1 If, during the financial year, one or more Directors cease to hold office, provided that the majority is still made up of Directors appointed by the Shareholders' Meeting, the following will occur under art. 2386 of the Italian Civil Code:*

*- if the outgoing Director is taken from the Minority List, the Board of Directors shall appoint a replacement by co-optation, under art. 2386 of the Italian Civil Code, from among the candidates belonging to the same list as the outgoing Director, if they meet the requirements;*

*- if there are no available and eligible candidates, or if the outgoing Director is taken from the Majority List, the Board of Directors shall appoint the replacement(s) by co-optation under art. 2386 of the Italian Civil Code, without submitting lists or restrictions in the choice among the members of the previously submitted lists;*

*The Board and the Shareholders' Meeting shall make the appointment to ensure a minimum number of Directors meeting the independence requirements and compliance with gender balance law and regulations.*

*17.2 The appointed Directors shall remain in office until the next Shareholders' Meeting, and those appointed by the Shareholders' Meeting shall stay in office for the period that the replaced Directors should have remained in office.*

*17.3 If the majority of directors appointed by the Shareholders' Meeting or the Chairman of the Board of Directors cease office, the entire Board of Directors shall be deemed to have resigned and a Shareholders' Meeting shall be urgently convened by the remaining directors, or by the Board of Statutory Auditors, to appoint a new Board.*

*17.4 The loss of the independence requirements under applicable law or regulations for a Director does not constitute a cause for disqualification if the minimum number of members (under applicable laws and regulations) in possession of said independence requirements remain in office."*

Under the Articles of Association, shareholders who, at the list filing date, individually or jointly hold a shareholding of at least the amount established by Consob may submit a list for the appointment of Directors under applicable laws and regulations.

The Articles of Association allow directors to be elected (except for one) from a list with the highest number of votes cast by the shareholders in their numerical order, to ensure the election of at least one minority director. The last Director is the candidate listed in first place on the minority list that is not directly or indirectly connected with the shareholders who submitted or voted for the majority list and that obtained the second-

highest number of votes cast by shareholders. If there is a tie between lists, a new vote shall be held by the Shareholders' Meeting, only for the lists that are tied, with the list obtaining the highest number of votes prevailing.

As for the appointment mechanism adopted to ensure the election of the minimum number of independent directors under Art. 147-ter, paragraph 4 of the TUF, the Articles of Association provide that, without prejudice to compliance with the distribution criterion guaranteeing a balance between genders, the candidate who does not meet the independence requirements and is elected as the last in numerical order of the only list submitted or the majority list if more than one list is submitted, shall be excluded and replaced by the first unelected candidate, taken from the same list, belonging to another gender, until candidates equal to the minimum number required by applicable rules on gender balance are elected.

If only one list is submitted, the entire Board of Directors shall be drawn from it, if the list has the legal majority for the Ordinary Shareholders' Meeting.

The Board of Directors' members must meet the requirements of eligibility, professionalism and integrity required by law or any other requirement provided for by the applicable regulations.

A minimum number of the members of the Board of Directors corresponding to the minimum required by applicable laws must meet the legal independence requirements.

The Articles of Association do not allow the outgoing Board of Directors to submit a list.

The Articles of Association do not require independence requirements for directors other than those outlined in Art. 148, third paragraph of the TUF, as far as the Company complies with the Code, the Board of Directors verifies the possession of the independence requirements under the Code and invites the candidates for the office of Director included in the lists to declare they possess the requirements, during the appointment of the governing body by the Shareholders' Meeting.

On 30 March 2022, the Board of Directors, with the favourable opinion of the Remuneration and Nomination Committee, approved the Quantitative and Qualitative Criteria used in the process to verify the independence of the Company's directors and statutory auditors, to assess the relevance of the relationships between a director/statutory auditor and the Company or Group under Recommendation 7 of the Corporate Governance Code.

It should be noted that the Issuer is not subject to any further legal rules regarding the appointment and replacement of the Board of Directors, nor are there any additional rules other than those laid down by law and regulations related to Articles of Association amendments.

Please refer to the table in Section 4.3 to identify those who are independent among the Directors in office at the Report's approval date, under the TUF and Corporate Governance Code, and to what is specified in Section 4.7.

Refer to Section 7 for information on the role of the Board of Directors and board committees during self-assessment, appointment and succession of Directors.

#### **4.3. Composition (under Art. 123-bis, paragraph 2, letters d), TUF)**

##### **Board of Directors members**

The Issuer's Board of Directors in office at the Financial Year end date and Report's approval date comprises seven members appointed by the Issuer's ordinary Shareholders' Meeting on 21 April 2021. Two are executive members, and three are independent members. The Directors will remain in office until the approval of the 31 December 2023 Financial Statements.

The Issuer's Board of Directors members at the Report's approval date are shown in the table below:



Name and Surname	Position	Date of first appointment
Marco Francesco Eigenmann (*)	Chairperson of the Board of Directors and Chief Executive Officer	10 July 2018 <sup>(1)</sup>
Giorgio Ferraris (*)	Chief Executive Officer	10 July 2018 <sup>(1)</sup>
Marco Costaguta (**)	Director	10 July 2018 <sup>(1)</sup>
Ada Imperadore (***)	Director	21 April 2021
Chiara Mediolì Fedrigoni (***)	Director	21 April 2021
Adriano Pala Ciurlo (**)	Director	10 July 2018 <sup>(1)</sup>
Susanna Pedretti (***)	Director	21 April 2021

(\*) Executive Director.

(\*\*) Non-executive and non-independent Director

(\*\*\*) Independent Director under Art. 148, paragraph 3 of the TUF, as referred to in Art. 147-ter, paragraph 4 of the TUF, and under Art. 2 of the Corporate Governance Code.

(<sup>1</sup>) Appointment effective as of 1 October 2018.

For the appointment of the Board of Directors, no list voting was used.

The Board of Directors' members have declared that they meet the integrity requirements established for control members by regulation of the Ministry of Justice under Art. 148, paragraph 4 of the TUF.

The following is a brief curriculum vitae of the members of the Board of Directors which shows their expertise and experience in corporate management and professionalism. Non-executive directors, with their work and administrative/management experiences, can bring specific and practical sector skills and professionalism to allow a careful and timely opinion in board decisions.

**Marco Francesco Eigenmann** began his career in the family company Eigenmann & Veronelli S.p.A. From 1987 and until 1997 he was Director of Pharma-Food-Cosmetics Division and member of the Board of Directors, and Vice President since 1992. Since 1992, he has been CEO of Fine Foods, initially selected by Eigenmann & Veronelli S.p.A. In 1997, he acquired half of Fine Foods's share capital from Eigenmann & Veronelli and focused his activity exclusively on Fine Foods. In 2005, through Eigenfin, he purchased the remaining half of the Company's capital from Alberto Sada. He is the Fine Foods' President with power of attorney.

**Giorgio Ferraris** obtained a Pharmacy Degree from the University of Pavia. He attended academic programmes in Strategy and Finance for Executives at Harvard Business School. Ferraris began his career in the synthesis laboratory of Zschimmer & Schwarz – a German company that produces surfactants and emulsifiers. He took responsibility for pilot plants and quality control laboratories. He first worked in the technical support department, then sales, and later became Business Manager of the 3V Group's Detergents Division Specialty Chemicals sector. He became Corporate Business Director, with responsibility for Business Managers across the company's eight divisions. In 1995 he moved to Manhattan and took the role of Executive Vice President of 3V Inc. in Weehawken, NJ, USA, with plants in South Carolina. In 2003 he returned to Italy and was involved with Mondadori's graphic activities across five plants. This included responsibilities for captive relationships with Mondadori in Segrate and relationships with international key customers including Ikea, National Geographic, and the Metropolitan Museum in New York. He later became President of the European Association for Rotogravure printing (ERA). In 2012, he became Managing Director of the Italian branch of CTI Invest, which is part of the Austrian Trierenberg Group - a world leader in tobacco packaging. In 2013, he joined Fine Foods, first as General Manager and then as CEO. In 2013, he joined the Mondo Convenienza Board of Directors, which he gave up in 2014 due to its incompatibility with Fine Foods activities.

**Marco Costaguta** graduated cum laude in Mechanical Engineering from Politecnico di Milano in 1984, and obtained an INSEAD master's in business administration in 1987. Between 1984 and 1985, Costaguta worked for Hewlett Packard in Andover (USA), where he was Quality Control Manager. Between 1985 and 1988, Costaguta returned to Milan, Italy, where he worked in McKinsey & Co. as an Engagement Manager working on Italian and multinational companies' strategy and operations projects. Between 1989 and 2021, Costaguta worked as Director at Bain & Company, where he led Italian, UK and European strategy, operations and organisation projects in the fast-moving consumer goods [FMCG], process industries, and private equity sectors. In 2012, Costaguta founded the company Long Term Partners S.r.l., an Advisory Personal company, which provides advice to large family groups on governance and succession issues, on strategy and operations. Marco Costaguta has been the Issuer Director since 19 September 2018.

**Ada Imperadore** graduated in Economics and Business at the University of Verona and attended postgraduate courses in Preventive Arrangement and Bankruptcy, and Bankruptcy Trustee. She has a Masters in corporate tax law and another in "The Crisis of Small and Medium Enterprises being Reformed" from the Verona Odcec. Imperadore is enrolled in the Register of Auditors, the Order of Chartered Accountants of Verona, the National List of Independent Evaluation Bodies and the Register of Court-appointed appraisers and experts at the Verona Court. Between 1991 and 2000, Imperadore worked, as a Senior employee, with Studio Dott. Renato Fiorio in the tax/commercial sector. Between 2001 and 2008, she worked, as a Senior employee, with Studio Mercanti Dorio in the legal and tax field. Between 2009 and 2018, she became a Studio Mercanti Dorio partner and a Board of Directors member from 2013 to 2018. She has been a tax/commercial sector coordinator since 2009. Imperadore is a partner of Dorio Testa Imperadore - Professionisti Associati since January 2019, in the tax/commercial sector. Since 2017 Imperadore has served as President of the Institutional Training Commission ODCEC of Verona, as Member of the Study Commission in Accounting Principles of Financial Statements, and Member of the Study Commission in Business Law and Extraordinary Transactions. Among her more recent significant professional experiences, Imperadore has been Advisor in the drafting and preparing the appeal to the Arrangement with Creditors procedure and liquidation and ongoing Creditor Plan for companies of different sectors. She has been i) an AGSM S.P.A. Director; ii) Cattaneo Ventisei S.r.l. Sole Director; iii) Veneto Sviluppo S.p.A. Director; iv) Carol Invest S.r.l. Director; v) Chairman of the Board of Statutory Auditors and Auditor in companies operating in various financial sectors; vi) ESA-COM S.p.A. Chairman of the Board of Statutory Auditors; vii) Consulfiduciaria S.p.A. Statutory Auditor; viii) Videosystem S.r.l. Sole Auditor.

**Chiara Medioli Fedrigoni** graduated in Economics and Business at the University Ca' Foscari of Venice. In 1993/1994, she attended the Haas School of Business at the University of California Berkeley. From 1995 to 1998, she worked for Vodafone Omnitel as Organisation Analyst. In 1998, Medioli won the "Marco Fanno" - Mediocredito Centrale scholarship to attend an annual MBA Programme at Insead in Fontainebleau (France). From 1999, she worked at Bertelsmann AG, head office in Guetersloh (Germany), and at the London office of Booktailor Ltd. which she co-founded with Bertelsmann, holding the position of Managing Director. She joined the Fedrigoni Group in 2002, first as Head of the Fabriano Boutique chain, then as Product Development and Marketing Director and finally (2018-2022) as Chief Sustainability and Communication Director and Deputy Chairman of the Board of Directors of Fedrigoni S.p.A., an Italian multinational production and distribution company in the packaging sector, where she is working as a consultant. She has held the role of President of Fondazione Fedrigoni Fabriano since 2018 and is a member of the San Colombano S.r.l. Board of Directors.

**Adriano Pala Ciurlo** graduated in Law in 1995 at the University of Camerino. He enrolled in the Register of Lawyers in 1998 and the Register of Supreme Court Lawyers in 2015. He has been identified as an expert in leading industry publications, including: The Legal500, The European Legal, Chambers Global (2007-2008) and European Legal Experts. Pala Ciurlo is currently a partner at Grimaldi Studio Legale where he focuses on corporate and capital markets law and extraordinary corporate transactions. Between 2012 and 2017, he was a member of the Board of Directors of Frendy Energy S.p.A. - a company which was listed on AIM Italia. Before joining Grimaldi Studio Legale in 2005, Pala Ciurlo was a partner at Studio d'Urso Munari Gatti. Pala Ciurlo has been a member of the Board of Directors of Fine Foods since 2018.

**Susanna Pedretti** graduated in Law from the University of Milan in 2001. She has been a member of the Bar since 2005. Pedretti is Founding Partner of Auditability S.r.l. S.B., a consulting firm that deals with "governance compliance and sustainability", internal control and risk management systems of industrial and commercial companies, and specialises in compliance issues under Legislative Decree 231/2001 and internal control systems, corporate governance. Pedretti holds the position of Independent Director in the following listed companies: i) Ambienthesis S.p.A., Chairperson of the Risk and Sustainability Committee; ii) Full Six S.p.A., Chairperson of the Risk Control Committee and member of the Related Parties and Remuneration Committees; iii) Digital Bros S.p.A., Chairperson of the Remuneration Committee and member of the Risk Committee. Pedretti was a member or Chairperson of the Supervisory Bodies under Legislative Decree no. 231/2001, operating in the Pharma-Med Dev sector.

For the assessment of the Directors' independence requirements, please refer to what is specified in Section 4.7.

**TABLE 2: BOARD OF DIRECTORS STRUCTURE AT THE END OF FY 2022**

Board of Directors													
Position	Members	Year of birth	Date of first appointment (*)	In office from	In office until	List (submitters) (**)	List (BoD/m) (***)	Executive	Non-executive	Independence Code	Independence TUF	Number of other offices (****)	Attendance (*****)
Chairperson	Marco Francesco Eigenmann	1959	10 July 2018 <sup>(1)</sup>	21/04/2021	2023 Financial Statements Approval	-	-	X				-	8/8
CEO	Giorgio Ferraris	1957	10 July 2018 <sup>(1)</sup>	21/04/2021	2023 Financial Statements Approval	-	-	X				-	8/8
Director	Marco Costaguta	1959	10 July 2018 <sup>(1)</sup>	21/04/2021	2023 Financial Statements Approval	-	-		X			13	7/8
Director	Ada Imperadore	1963	21 April 2021	21/04/2021	2023 Financial Statements Approval	-	-		X	X	X	3	8/8
Director	Chiara Medioli Fedrigoni	1971	21 April 2021	21/04/2021	2023 Financial Statements Approval	-	-		X	X	X	2	5/8
Director	Adriano Pala Ciurlo	1970	10 July 2018 <sup>(1)</sup>	21/04/2021	2023 Financial Statements Approval	-	-		X			-	8/8
Director ○	Susanna Pedretti	1977	21 April 2021	21/04/2021	2023 Financial Statements Approval	-	-		X	X	X	3	8/8

-----DIRECTORS LEAVING OFFICE DURING THE FINANCIAL YEAR -----

**Specify the number of meetings held during the Financial Year: 8**

**Specify the *quorum* required for the submission of lists by minorities for the election of one or more members (under Art. 147-ter of the TUF): 2.5%**

**NOTES**

The symbols shown below must be inserted in the "Position" column:

• This symbol means the Director in charge of the internal control and risk management system.

○ This symbol means the Lead Independent Director (LID).

(\*) The date of first appointment of each director is the date on which the director was appointed for the first time to the Issuer's Board of Directors.

(\*\*) This column shows whether the list from which each Director was drawn was submitted by shareholders (specifying "Shareholders") or by the Board of Directors (specifying "Board of Directors").

(\*\*\*) This column shows whether the list from which each Director was drawn is "from the BoD". (specifying "BoD") or "minority" (specifying "m").

(\*\*\*\*) This column shows the number of Director or statutory auditor appointments held by the person concerned in other listed companies or companies of relevant size. Appointments are fully shown in the Report on Corporate Governance.

(\*\*\*\*\*) This column shows the directors' attendance at Board of Directors' meetings (specify the number of meetings attended compared to the total meetings; e.g. 6/8; 8/8, etc.).  
(<sup>1</sup>) Appointment effective as of 1 October 2018

### **Diversity criteria and policies in the composition of the Board of Directors and Company organisation**

National and European law guarantees and promotes diversity in terms of age, gender, nationality and skills among the members of companies' governing bodies.

Directive 2014/95/EU, amending Directive 2013/34/EU on the disclosure of non-financial and diversity information, has been implemented in Italy by Legislative Decree no. 254 of 30 December 2016. It requires that the Report on Corporate Governance and Ownership Structure under Art. 123-bis of the TUF provides information regarding the policies adopted on diversity according to the "comply or explain" principle.

Under Art. 147-ter, paragraph 1-ter of the TUF (introduced by Law no. 120 of 12 July 2011 and most recently amended by Law no. 160 of 27 December 2019), the Articles of Association of listed companies must require directors to be elected based on a criterion that ensures a balance between genders, for six consecutive terms.

Consequently, under the provisions of current regulations and Principle VII of the Corporate Governance Code, Fine Foods applied the diversity criteria, including gender, in the composition of the Board of Directors, to ensure adequate expertise and professionalism of its members.

Under Article 16 of Fine Foods' Articles of Association and Recommendation 8 of the Corporate Governance Code, without prejudice to compliance with the criterion on gender balance, each list consisting of several candidates not exceeding 7 (seven) must contain and specify at least one Director who meets the independence requirements established under applicable law and regulations. If the composition of the Board of Directors does not allow compliance with the provisions on gender balance, the candidate of the most represented gender elected as the last in numerical order of the only list submitted or the Majority List if more than one list is submitted, shall be excluded and shall be replaced by the first unelected candidate, taken from the same list, belonging to another gender; until candidates equal to the minimum number required by applicable rules on gender balance are elected.

Recommendation 22 of the Corporate Governance Code requires a self-assessment on the operation of the Board and its Committees at least every three years before the renewal of the Board of Directors. This must consider the following general principles on the diversity of its composition: (i) age, seniority and international experience; (ii) gender equality; (iii) diversity of professional and managerial skills.

To implement the provisions of applicable legislation, on 30 March 2022 the Board of Directors adopted the "**Diversity Policy**." The purpose of this Policy is to (i) ensure that the Board of Directors and Board of Statutory Auditors have a sufficient diversity of viewpoints and expertise to provide proper understanding of business and long-term risks and opportunities related to the Company's business operations; (ii) make the decision-making process more effective and thorough; (iii) enrich the discussion within the Company's governance bodies with general strategic or specific technical expertise; (iv) enable the members of the governing bodies to challenge management decisions constructively.

The Diversity Policy refers to the composition of the Board of Directors and Board of Statutory Auditors. It is addressed to those involved in the selection and appointment of Company Board of Directors and Board of Statutory Auditors' members. This includes:

- shareholders who, under the law and Articles of Association, intend to submit lists of candidates for the appointment of the Board of Directors and Board of Statutory Auditors;
- the Shareholders' Meeting called to appoint the Board of Directors and Board of Statutory Auditors;
- the Company Board of Directors, and shareholders, if it becomes necessary to replace a member of the Board of Directors during the term of office, under Art. 2386 of the Italian Civil Code.

Fine Foods focuses on diversity and inclusion issues, regardless of the obligations imposed by primary legislation.

The Board of Directors verifies that the different components (executive, non-executive, independent) and professional and managerial skills are adequately represented for the business carried out by the Issuer. This considers the benefits that may derive from the Board of Directors' presence of different age groups and seniority, gender and professional skills, and other diversity aspects identified by the Issuer.

The provisions of the TUF and its implementing measures on gender balance require listed companies to achieve predefined quotas of the less represented gender, equal to at least two-fifths of the directors or statutory auditors elected, for six consecutive terms.

To ensure an adequate balance of these aspects, as for the composition of the Board of Directors, the Company believes that:

- (a) most, or at least half, of the directors, should be non-executive, and at least two of them should meet the independence requirements laid down by law and the Corporate Governance Code so that they can contribute to the monitoring of the delegated bodies, especially for potential conflicts of interest, and enable Board discussions;
- (b) at least two-fifths of the Board of Directors, at the time of appointment and during the term of office, must be made up of Directors of the least represented gender, under the gender balance legislation and Corporate Governance Code recommendations;
- (c) where possible, considering the skills necessary for the correct and diligent performance of their duties, a balanced combination of different seniority and age groups should be ensured within the Board of Directors so that different perspectives are represented, and there is an adequate balance between continuity and change;
- (d) Managerial, professional, academic or institutional figures should represent the non-executive Directors to provide a combination of different and complementary skills and experience;
- (e) based on their tasks, the Chairperson and Chief Executive Officer should possess the most appropriate skills for the adequate performance of their duties.

At the Report's approval date, two-fifths of the members of the Board of Directors belonged to the least represented gender under Art. 147-ter, of the TUF. However, Fine Foods was not subject to those obligations at that date.

A copy of the "Diversity Policy" is available on [www.finefoods.it](http://www.finefoods.it), Governance - Corporate documents section.

#### **Maximum combination of positions held in other companies**

The Board of Directors has not defined any general criteria regarding the maximum number of directorships and control positions held in other companies compatible with the adequate performance of Company director. This is because the Board of Directors considered it appropriate to leave this compatibility assessment to individual directors.

Considering the positions held by its members in other companies, the Board of Directors believes that the number and quality of the positions held do not interfere and are compatible with the adequate performance of Company director. This is without prejudice to the right of the Board of Directors to make a different, reasoned assessment, which will be made public in the Annual Report on Corporate Governance and Ownership Structure and be duly justified.

Under the Diversity Policy adopted and Principle XII of the Corporate Governance Code, the Company considers it essential that all Directors guarantee sufficient time to perform their duties diligently and responsibly, considering the number and quality of the offices held in the governing and control bodies of other companies, and the commitment required by the additional and professional work and membership positions held.

Refer to the following table for offices held by the Issuer's directors at the Report's approval date in other listed companies or in companies of relevant size.

<b>Name</b>	<b>Company</b>	<b>Position/shareholding</b>	<b>Status</b>
<b>Marco Francesco Eigenmann</b>	-	-	-
<b>Giorgio Ferraris</b>	-	-	-
<b>Marco Costaguta</b>	Artsana S.p.A.	Member of the Board of Directors	In office
	De Agostini S.p.A	Member of the Board of Directors	In office
	DB Information S.p.A.	Member of the Board of Directors	In office
	Eurotech S.p.A.	Member of the Board of Directors	In office
	Goglio S.p.A. or full name Goglio Luigi Milano S.p.A.	Member of the Board of Directors	In office
	Hat Sgr S.p.A.	Member of the Board of Directors	In office
	Messaggerie Italiane S.p.A.	Member of the Board of Directors	In office
	Rimorchiatori Riuniti – S.p.A.	Member of the Board of Directors	In office
	San Filippo Real Estate S.r.l.	Chairman of the Board of Directors	In office
	S. Quirico Invest S.p.A.	Member of the Board of Directors	In office
	S. Quirico S.p.A.	Member of the Board of Directors	In office
	SQ Renewables S.p.A.	Member of the Board of Directors	In office
	Prénatal Retail Group S.p.A.	Member of the Board of Directors	In office
	<b>Ada Imperadore</b>	Carol Invest S.r.l.	Member of the Board of Directors
Veneto Sviluppo S.p.A.		Member of the Board of Directors	In office
Consulfiduciaria S.p.A. (in liquidation)		Statutory Auditor	In office
<b>Chiara Medioli Fedrigoni</b>	Fondazione Fedrigoni Fabriano	Chairperson	In office



	San Colombano S.r.l.	Member of the Board of Directors	In office
<b>Adriano Pala Ciurlo</b>	-	-	-
<b>Susanna Pedretti</b>	Greenthesis S.p.A.	Member of the Board of Directors	In office
	Digital Bros S.p.A.	Member of the Board of Directors	In office
	beewize S.p.A.	Member of the Board of Directors	In office

#### **4.4. Board of Directors operation (under Art. 123-bis, paragraph 2, letter d), TUF)**

Under Article 18 of the Articles of Association, the Board of Directors can meet outside the registered office, provided that it is in the European Union, Switzerland, the United Kingdom or the United States of America, or only electronically, every time the Chairperson deems it appropriate, and when requested by those entitled to do so under applicable law.

The Board of Directors is convened by the Chairperson or, in their absence or impediment, by the Chief Executive Officer with notice sent by post, telefax, e-mail or other methods established by the Board of Directors at least 3 (three) days before the meeting, or, in urgent cases, at least 24 (twenty-four) hours before the meeting. The Board of Directors meetings will be valid if all the directors and statutory auditors in office are present.

The Board of Directors meetings can be held by audio or video conferencing, provided that: (a) the Chairperson of the Meeting can ascertain the identity of participants, regulate the Meeting, ascertain and announce the results of voting; (b) the person taking the minutes is allowed to adequately perceive the Meeting's events being recorded; (c) participants are allowed to take part in the discussion and vote simultaneously on the agenda items, and view, receive or transmit documents; (d) the notice of call indicates (or immediately after, but as soon as possible and with a reasonable notice before the Meeting date), (i) if the Meeting is held in videoconferencing, the audio/video locations connected by the Company where participants may gather or the relevant remote access methods that allow only those entitled to participate; and (ii) if the Meeting is held in teleconferencing, the telephone number to which those entitled may connect by providing the access password.

By Board of Directors resolution of 21 April 2021, the Company adopted a regulation to define the rules for the Board of Directors operation.

Under the above regulation, minutes must be drawn up for each Board of Directors' meeting, signed by the Chairperson of the Board of Directors and Secretary. Copies of the minutes signed by the Chairperson, deputy, or the Secretary under the Articles of Association are considered evidence. The minutes are typically submitted for approval at the first Board meeting. Once transcribed in the corporate book, they are kept by the Secretary and may be consulted, if requested, by each Director and member of the Board of Statutory Auditors and other entitled parties under applicable law.

Under Article 19 of the Articles of Association, the Board of Directors is vested with the broadest powers for ordinary and extraordinary Company administration and carry out everything necessary for the achievement of the corporate purpose, excluding the powers which are legally reserved to the Shareholders' Meeting. In addition to exercising the powers granted to it by law, the Board of Directors is responsible for resolving on: (a) merger and demerger, in the cases provided for by the law; (b) establishing or closing down branch offices; (c) indication of which Directors may represent the Company; (d) reduction of share capital in case of withdrawal of one or more shareholders; (e) adjustment of the Articles of Association to regulatory provisions; (f) transfer of the registered office within the country; (g) adjusting the Articles of Association to meet regulatory requirements or Articles of Association provisions that have ceased to exist. The Board of Directors

will arrange the filing with the relevant Companies' Register of a consequently updated version of the Articles of Association with the cancellation of such provisions. The attribution of these powers to the Board of Directors does not exclude the Shareholders' Meeting to resolve on the same matters.

The Board of Directors appoints the Manager responsible for preparing the corporate financial reports, subject to the opinion of the Board of Statutory Auditors, under Art. 154-*bis* of the TUF.

The Board of Directors, under the Corporate Governance Code and the Board of Directors regulations:

- a. examines and approves the Company and Group business plan, based on the analysis of the issues relevant to the generation of value in the long term, carried out with the possible support of a committee whose composition and functions are decided by the Board of Directors;
- b. periodically monitors the business plan implementation and assessment of the general operating performance by periodic comparison between the results achieved and planned;
- c. defines the nature and level of risk compatible with the Company's strategic objectives, including the elements that may be relevant for the Company's sustainable success in its assessments;
- d. defines the Company's corporate governance system and Group structure;
- e. assesses the adequacy of the Company organisational, administrative and accounting structure and its strategically essential subsidiaries, particularly the internal control and risk management system (see Section 9 of the Report for detailed information);
- f. resolves on the Company and its subsidiaries' operations of significant strategic, economic, asset or financial relevance, establishing the general criteria for identifying relevant transactions;
- g. at the Chairperson's proposal, in agreement with the Chief Executive Officer, adopts a procedure for the internal management and external communication of Company documents and information, especially inside information (see Section 5 of the Report);
- h. periodically assesses its effectiveness and the contribution made by its components through supervised formal procedures.

The Board of Directors:

- a) defines the guidelines for the internal control and risk management system in line with the Company's strategies and assesses the system's adequacy for the Company business and the risk profile assumed, and its effectiveness at least once a year;
- b) appoints and revokes the Internal Audit Head, defines their remuneration in line with corporate policies, and ensures they are provided with adequate resources to perform their duties. If it decides to entrust the Internal Audit, entirely or by segments of operations, to an entity external to the Company, it shall ensure that the entity has adequate professional, independence and organisation requirements and provide sufficient reasons for such choice in the Corporate Governance Report;
- c) approves the work plan prepared by the Internal Audit Head at least once a year, after consulting the control body and Chief Executive Officer;
- d) assesses whether it is appropriate to adopt measures to ensure the effectiveness and impartiality of judgement of the other corporate functions involved in controls (such as the risk management and legal and non-compliance risk monitoring), verifying that they have adequate professional expertise and resources;
- e) tasks the control body or another expressly set up control body under Art. 6, paragraph 1, letter b) of Legislative Decree no. 231/2001. If the body does not coincide with the control body, the Board of

Directors assesses the advisability of appointing at least one non-executive Director or one member of the control body or the holder of the Company's legal or control functions to ensure coordination between those involved in the internal control and risk management system;

- f) after consulting the control body, assesses the results set out by the statutory auditor in any letter of suggestion, and in the additional Report addressed to the control body;
- g) describes the primary internal control and risk management system's features and coordination methods between the parties involved in the Corporate Governance Report. It specifies the systems and national and international reference best practices, expressing its overall assessment of the system's adequacy and explaining the supervisory body composition choices referred to in the previous letter.

Under applicable legal provisions, regulations or the Corporate Governance Code, or when deemed appropriate Board of Directors may:

- express an opinion on its best quantitative and qualitative composition at the time of its renewal considering the self-assessment results;
- require adequate information about the list compliance with the Board of Directors' guidelines to be included in the documentation from those submitting a list containing more than half the number of candidates. This includes diversity criteria under Principle VII and Recommendation 8 of the Corporate Governance Code and the candidate for the office of Chairperson of the Board of Directors, whose appointment shall occur according to the Articles of Association's procedures.

Any outgoing Board of Directors opinion concerning its renewal is published on the Company's website in advance of the publication of the Shareholders' Meeting call notice. The guideline identifies the managerial and professional profiles and skills deemed necessary, considering the Company's sector, diversity criteria under Principle VII and Recommendation 8 of the Corporate Governance Code, and the guidelines on the maximum number of offices under Recommendation 15 of the Corporate Governance Code.

The Board of Directors performs the above tasks and additional tasks assigned under the Corporate Governance Code, availing itself of the support of the Board committees, where provided for by the Corporate Governance Code or organisation regulations.

In implementing the above, at the Report's approval date, the Board of Directors has:

- positively assessed the adequacy of the Company's general organisational, administrative and accounting structure, including the internal control system and risk management. This assessment was carried out based on the information and evidence gathered with preliminary work carried out by the Risk Control Committee and with the contribution of the Company's management and Internal Audit Head;
- assessed the general management performance, considering the information received from the Chief Executive Officer, and periodically comparing the results achieved and planned;
- defined a Procedure for the general criteria to identify transactions with strategic, economic, asset or financial relevance for the Company. The following are identified as the most relevant transactions:
  - definition of the budget and strategic plan;
  - any sales or acquisitions of shareholdings, companies, company branches, real estate for (i) a total exceeding €10 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) a total exceeding €20 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer;
  - investments in technical fixed assets (i) for a total exceeding €5 million for each transaction carried

out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €15 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer;

- leases (or sub-leases) of real estate assets or a company or business unit, including those exceeding nine years (i) for a total exceeding €5 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €10 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer;
- settlements of disputes before any judicial authority or arbitrators, (i) for a total exceeding €4 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €8 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer;
- granting of loans or guarantees, other than guarantees given as part of commercial activities, (i) for a total exceeding €5 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €10 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer, whether in the interest of the Company or companies (or associations, foundations, consortia or entities) directly or indirectly controlled by the Company, or third parties.
- assumption of any loans, mortgages or debt securities and against the issue of financial instruments (i) for a total exceeding €10 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €20 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer.

During the Financial Year, eight Board of Directors' meetings were held, each of which lasted an average of approximately one hour, on the following dates: 25 January 2022, 24 February 2022, 30 March 2022, 13 May 2022, 29 June 2022, 13 September 2022, 07 October 2022 and 14 November 2022.

The number of meetings scheduled for the current year is five, one of which has already been held at the Report's approval date. The tables at the end of Section 4.3 show the attendance of each Director at the meetings of the Board of Directors and the relevant Committees held from 1 January 2022 to 31 December 2022.

The timeliness and completeness of the pre-meeting information is ensured by the Chairperson of the Board of Directors by providing Directors with the documentation on the agenda items in the days immediately preceding the date scheduled for the Meeting, which is usually simultaneous with the call notice. The Board of Directors regulation requires that the documentation supporting the decisions to be taken, containing any proposals for resolutions and information suitable to support the Board of Directors' work, is made available to Directors and Auditors at least two days before the Meeting's date, except in cases of urgency in which the documentation will be made available as soon as possible before the start of the Board meeting. This deadline for sending documents two days before the meeting, as required by the Board of Directors' Regulation, was always met. For confidentiality and urgency reasons, it was sometimes only possible to provide information on specific items on the agenda during the board meeting. On these occasions, the issues were initially handled by the Board Committees, under their responsibility. The Chairperson ensured that adequate information was provided during the Board's meetings.

During the financial year, the following participated in the Board of Directors' meetings to provide adequate information on the agenda items: the Chief Financial Officer, the Company's legal advisor, and functions identified in the minutes of the Board meetings for each agenda item.

#### **4.5. Board of Directors Chairperson's role**

Under the combined provisions of the Articles of Association and Board of Directors Regulation, the Board of Directors elects a Chairperson from among its members if the shareholders do not appoint them at the time of appointment.

The Chairperson, or, in their absence or impediment, the CEO or, in their absence, the Director appointed by those present, chairs the Board of Directors' meeting. The Chairperson chairs the Shareholders' Meeting.

The Chairperson shall promote the effective operation of the corporate governance system by ensuring the balance of powers between the Company's decision-making bodies, guiding and coordinating the Board of Directors in pursuing the Company's interests.

The Chairperson is responsible for convening the Board of Directors, setting the agenda, coordinating its work and ensuring that adequate information on the agenda items is provided to Directors, and has the power to propose Board resolutions.

The Chairperson ensures the most appropriate management of board meetings timing, favouring streamlined debate and regulating the extent of the discussion according to the agenda items' relevance, as follows: (i) in agreement with the Chief Executive Officer, the Chairperson ensures that the Company's executives and those of the group companies responsible for the corporate functions involved in the relevant matters attend Board meetings, at the request of individual Directors, to provide the appropriate in-depth analysis of the agenda items; and (ii) ensures that there is adequate pre-meeting information and the information provided during meetings is suitable to enable Directors to act in an informed manner.

The Chairperson ensures that Directors and Statutory Auditors can participate in initiatives that provide them with adequate knowledge of the Company's business sector, corporate dynamics and evolution, after their appointment and during the term of office. This must take into account the Company's sustainable success, principles of proper risk management and the regulatory and self-regulatory framework.

The Chairperson and Board of Directors ensure the adequacy and transparency of the Board's self-assessment process.

During the Financial Year, the Chairperson:

- ensured the timeliness and completeness of the pre-meeting information by providing Directors with the documentation on the agenda items in the days immediately preceding the Board of Directors' meeting date, which is usually simultaneous with the call notice, thus enabling the Directors to act in an informed manner;
- ensured that the work of Board committees with investigative, proposing and advisory functions was coordinated with the Board of Directors' work. This takes place with the Board of Directors Secretary help;
- ensured that the Chief financial Officer of the Company and Group companies and other managers and heads of the relevant corporate functions could attend Board meetings, at individual directors' request, to provide in-depth analyses of the agenda items. This is in agreement with the Chief Executive Officer;
- provided directors with information that enabled them to obtain adequate knowledge of the Issuer and Group business sector, corporate dynamics and their evolution, principles of correct risk management and relevant regulatory and self-regulatory framework, under Art. 3, Recommendation 12, letter d) of the Code;
- ensured that the Board of Directors was informed on the development and significant contents of the dialogue with shareholders by the next meeting.

The Chairperson shall ensure its adequacy and transparency with the support of the Remuneration and Nomination Committee, when carrying out the Board of Directors' self-assessment, which will take place every three years from the Board appointment (before its renewal).

### **Board Secretary**

Under Article 21.3 of the Articles of Association, upon the Chairman's proposal, the Board of Directors shall appoint a Secretary and a deputy, who may be external to the Company, for the Directors' term or one or more meetings.

Under Art. 8 of the Board of Directors Regulation, the Secretary may be chosen from outside the Board of Directors' members. If the Secretary is absent, the Board of Directors designates a person to replace them.

The Secretary supports the Chairperson's work and provides impartial assistance and advice to the Board of Directors on matters relevant to the corporate governance system. They draw up the minutes of each Meeting and sign them together with the Chairperson; they keep the minutes and Company books.

At the Report's approval date, the Board of Directors appointed a Secretary, as specified by the Chairperson, for individual Board meetings.

### **4.6. Executive Directors**

#### **Chief Executive Officers**

Under art. 20 of the Articles of Association, within the limits of Article 2381 of the Italian Civil Code, the Board of Directors may delegate its powers to any of its members, determining the powers' content, limits, and methods. Within their limits, the powers of the delegated bodies include granting powers of attorney for individual deeds or categories of deeds to Company employees and third parties, with the power to sub-delegate.

The Board of Directors may delegate part of its powers to an Executive Committee, composed of a minimum of three and a maximum of five directors, establishing delegation limits, Committee number of members and operating procedures, or it may appoint a General Manager and one or more Managers, and establish their powers.

The Board of Directors may set up one or more board committees with advisory, proposing or control functions, including those recommended by codes of conduct on corporate law promoted by the management companies of regulated markets or trade associations.

The delegated bodies shall promptly report - verbally, or in a written report when the Chairperson deems it appropriate, to the Board of Directors and Board of Statutory Auditors. In the absence of delegated bodies, the directors shall promptly report to the Board of Statutory Auditors - at least quarterly and at Board's meetings, on the general management performance and its foreseeable evolution and the most significant economic, financial and asset transactions, by size or characteristics, carried out by the Company and its subsidiaries. They report on the transactions in which they have an interest, on their behalf or on behalf of third parties, or which are influenced by the party exercising management and coordination.

Under art. 24 of the Articles of Association, the Chairperson of the Board of Directors and Chief Executive Officer are vested with Company signatory and representation powers when dealing with third parties and in legal proceedings within the limits of their powers.

The Board of Directors has delegated certain powers to Marco Francesco Eigenmann (Chairperson) and Giorgio Ferraris (CEO).

On 30 June 2021, the Board of Directors resolved to grant Chairperson Marco Francesco Eigenmann and Director Giorgio Ferraris the following system of delegations and powers:

#### *Delegations and powers of Chairperson Marco Francesco Eigenmann*

(A) grant the Chairperson of the Board of Directors, Marco Francesco Eigenmann, the title of Chief Executive Officer, with sole signatory powers and Company representation, with ordinary and extraordinary

administration powers, excluding the powers which are reserved to the Board of Directors under the law and Articles of Association. The following powers are excluded since they fall under the Board of Directors' responsibility.

- (i) definition of the budget and strategic plan;
- (ii) any sales or acquisitions of shareholdings, companies, company branches, real estate for (i) a total exceeding €10 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) a total exceeding €20 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer;
- (iii) investments in technical fixed assets (i) for a total exceeding €5 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €15 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer;
- (iv) leases (or sub-leases) of real estate assets or a company or business unit, including those exceeding nine years (i) for a total exceeding €5 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €10 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer;
- (v) settlements of disputes before any judicial authority or arbitrators, (i) for a total exceeding €4 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €8 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer;
- (vi) granting of loans or guarantees, other than guarantees given as part of commercial activities, (i) for a total exceeding €5 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €10 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer, whether in the interest of the Company or companies (or associations, foundations, consortia or entities) directly or indirectly controlled by the Company, or third parties.
- (vii) assumption of any loans, mortgages or debt securities and against the issue of financial instruments (i) for a total exceeding €10 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €20 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer.

*Delegations and powers of Chief Executive Officer Giorgio Ferraris*

- (A) grant Giorgio Ferraris the title of Company Chief Executive Officer with the powers specified below;
- (B) grant the Chief Executive Officer signing authority and powers, within the limits conferred below, until revocation or resignation, excluding the powers reserved to the Board of Directors under the law and Articles of Association. The following powers are excluded since they fall under the responsibility of the Board of Directors as a collective body.
  - (i) definition of the budget and strategic plan;
  - (ii) any sales or acquisitions of shareholdings, companies, company branches, real estate for (i) a total exceeding €10 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) a total exceeding €20 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer;
  - (iii) investments in technical fixed assets (i) for a total exceeding €5 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €15 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer;

- (iv) leases (or sub-leases) of real estate assets or a company or business unit, including those exceeding nine years (i) for a total exceeding €5 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €10 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer;
  - (v) settlements of disputes before any judicial authority or arbitrators, (i) for a total exceeding €4 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €8 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer;
  - (vi) granting of loans or guarantees, other than guarantees given as part of commercial activities, (i) for a total exceeding €5 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €10 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer, whether in the interest of the Company or companies (or associations, foundations, consortia or entities) directly or indirectly controlled by the Company, or third parties.
  - (vii) assumption of any loans, mortgages or debt securities and against the issue of financial instruments (i) for a total exceeding €10 million for each transaction carried out by the Chairperson or Chief Executive Officer; or (ii) for a total exceeding €20 million for each transaction carried out with the joint signature of the Chairperson and Chief Executive Officer.
- (C) grant the Chief Executive Officer the following delegations and powers with authority to delegate, within the powers conferred below, the functions and powers that are necessary for the performance of functions and duties entrusted, appointing special attorneys (Company employees and third parties) for individual or categories of deeds, and conferring and revoking the power to represent the Company and the manner of exercising such power:
- appoint and revoke Italian and foreign representatives, agents, commission agents, distributors, dealers, business procurers, establishing and modifying the related rights and obligations;
  - hire and dismiss employees, establishing or modifying their duties and fixed and variable salaries;
  - define the organisation chart and Company organisation;
  - adopt any disciplinary measures against employees that may be necessary or appropriate;
  - sign the declarations to be issued to entitled employees, public bodies and third parties on the existence of facts and circumstances relating to existing or terminated employment relationships, as they result from private records kept by the Company regarding individual employment and social security relationships;
  - represent the Company in relations with trade unions or employers' associations, stipulate contracts and trade union agreements and promote any procedure concerning employees and submit to the relevant offices and bodies any application concerning labour matters;
  - stipulate any Company contracts and assignments and establish the related conditions;
  - purchase goods, place orders for raw materials and products, stipulate supply contracts and any other type of contract with suppliers;
  - sell goods and products and stipulate supply and other contracts with customers;
  - stipulate confidentiality agreements, letters of intent, expressions of interest, non-competition agreements and knowledge agreements with customers, suppliers and subcontractors;
  - stipulate, amend and terminate non-financial leases of immovable and movable property, including



those of more than nine years;

- stipulate, amend and terminate movable and immovable property free loan contracts;
- purchase, using financial leasing contracts, exchange and sell, registered movable property and other movable property, establishing prices, terms and conditions;
- carry out any operations at the Public Register of Motor Vehicles (Pubblico Registro Automobilistico, P.R.A.) by requesting transfers, updates and certificates, and validly signing the related deeds or documents in the Company's name;
- collect any sum due to the Company, issuing the related receipts on account or balance;
- sign correspondence and any other document requiring the Company signature;
- collect letters, packages, parcels and various objects, including registered or insured mail from the Post Office, railways, land, sea or air transport companies, issuing a receipt;
- carry out any banking transaction at any bank, including abroad, and operate on the Company's accounts overdrawn within the limits of authorised credit, including the Bank of Italy and Italian Exchange Office;
- endorse any promissory notes, bills of exchange, drafts and cheques and payment orders issued by third parties to the Company for collection and discount;
- carry out any operation on the Company's current postal accounts;
- enter into compulsory or optional insurance contracts, signing the related policies;
- modify the above contracts, withdrawing, agreeing on the indemnity due from the insurer if there is a claim, issuing a receipt for the amount collected;
- carry out any transaction connected with the registration of trademarks, formulas, patent applications and knowledge;
- represent the Company before the bodies providing public services;
- carry out any transaction and represent the Company before the Public Administration, government offices, local authorities, chambers of commerce, state-controlled, social security and autonomous bodies, signing any applications, appeals and documents. Enter into deeds and contracts within negotiating powers conferred by this deed, constituting and withdrawing security deposits with Ministries, Public Debt Offices, Cassa Depositati, the General Revenue Office, customs offices, provinces, regions, and any other public office or body;
- carry out any transaction relating to taxes, duties and contributions, challenge tax assessments, sign tax and fiscal declarations (direct, indirect and local taxes), forms and questionnaires, submit applications, appeals, complaints, pleadings and documents before any tax office or commission, including the Central Tax Commission, refunds and interest, issuing receipts, drawing up reports and forms for third-party income subject to withholding tax, monthly and annual VAT reports, making payments or collecting refunds by adjustment;
- have protests and injunctions issued, procedures and acts of conservatorship and enforcement;
- participate in judicial auctions, public and private tenders and auctions called by public administrations and private entities; submit bids, including minimum bid increments, accept and sign provisional and final awards and the related contracts;

- represent the Company in dealings with any governmental or local tax office, including abroad;
- represent the Company at the Customs offices, general warehouses, private or under concession Italian and foreign bonded warehouses of land, sea and air transport companies;
- represent the Company in proceedings before any court in Italy or abroad, including the Supreme Court of Cassation, the Constitutional Court, the Court of Auditors, the Council of State, at every stage and level of judgement;
- bring civil actions (using special attorneys if required), file complaints and lawsuits about offences in which the Company is an injured party;
- grant and revoke mandates to lawyers, attorneys and consultants and grant the power to settle and reconcile any dispute;
- represent the Company in bankruptcy proceedings, administrative compulsory liquidation, agreement with creditors and receivership until the settlement of such proceedings, collecting sums on account or in balance and issuing receipts; file petitions and appeals or vote in such proceedings;
- settle or reconcile any dispute in or out of court;
- represent the Company in arbitration proceedings in Italy and abroad, appoint and revoke arbitrators, settle disputes through arbitration;
- represent the Company in compulsory or optional mediation proceedings, including in tax matters;
- make third-party declarations under Art. 547 of the Italian Code of Civil Procedure and represents the Company before the judicial authorities in proceedings under Art. 547 of the Italian Code of Civil Procedure;
- manage the Company's external communications, requesting the Investor Relator function reports to the Chief Executive Officer in coordination with the Chairperson;
- represent the Company before public, local and administrative authorities, including the competition and market authority, national commission for companies, stock exchange, Borsa Italiana S.p.A. and any other Italian and foreign company managing the financial instruments market;
- represent the Company in association and institutional relations, including financial community and institutions.

(D) grant Chief Executive Officer Giorgio Ferraris the necessary direct and autonomous powers to act in the Company's name, carrying out anything needed for the ongoing, punctual regulatory and good practice compliance and updating on workplace safety and hygiene, environmental protection, fire prevention, and waste management under applicable regulations and their scope of application. Chief Executive Officer Ferraris, who has the title of Employer under Art. 2, paragraph 1, letter b) of Legislative Decree no. 81/2008, is conferred with the following powers in workplace safety, accident prevention, environmental protection and waste management:

- a) appoint one or more technically qualified persons to entrust them with the specific tasks, including control and monitoring, for accident prevention and hygiene in the workplace, and pollution prevention to safeguard the environment. This is requested to fulfil technical functions for compliance with applicable regulations to control, monitor, maintain and verify corporate structures and employee training and information.

Once the person(s) has/have been identified, the CEO may delegate them the powers necessary, useful and appropriate for compliance with applicable regulations and Company protection;

- b) represent the Company before public and private bodies and organisations responsible for supervision, verification and control, provided for by the general and specific regulations on accident prevention, hygiene at work, environmental protection and fire prevention, including the National Insurance Institute against Accidents at Work (I.N.A.I.L.), under Presidential Decree no. 1124/1965. Unless otherwise provided for by the Board of Directors, the CEO can submit the BoD and ask it to endorse policies for the insurance cover of the Company against third-party and employee liability damage and any other procedures necessary to indemnify the Company against any damage;
- c) consult the Company's Technical Advisors;
- d) the widest decision-making and signatory powers, with spending autonomy, within the Company's administrative criteria, obtaining the relevant financial support necessary to perform the tasks delegated to the CEO, including those listed below:

- 1) autonomously provide for the planning, organisation, management, verification and control of the tasks to implement and comply with the rules on environmental safety and hygiene and the protection of the air, water and soil for what is necessary to carry out business.

The CEO is vested with decision-making and initiative powers, acts with the same prerogatives as his assignor and replaces it in terms of decision-making and financial autonomy within the Company's administrative criteria. The CEO deals with the issues connected with and resulting from applying any laws on the subject and is assisted by the services established for this purpose.

He shall administer emergency, ordinary and necessary expenses connected with this mandate, make the necessary investments, define contractual relations, costs and charges with other companies and specialised bodies in charge of safeguarding health;

- 2) he shall focus on applicable legislation concerning, for example:
  - a) hygiene and safety in the workplace, including for temporary or mobile construction sites;
  - b) environmental protection;
  - c) fire prevention;
  - d) waste management;
- 3) prepare and apply appropriate internal rules made of general measures and instructions under applicable law;
- 4) ensure strict compliance with the adopted measures within the organisational chart and subordinates' responsibilities by arranging inspections;
- 5) assess the company risks and draw up the relevant document under Articles 28 and 29 of Legislative Decree no. 81/2008, ensuring that a periodic meeting is held under the procedures and deadlines established by Art. 35 Legislative Decree no 81/2008;
- 6) carry out the necessary actions to identify the prevention measures and prepare the related implementing programmes;
- 7) organise the prevention and protection service within the Company or the production unit by identifying and appointing, if appropriate and allowed by Article 31, paragraph 6 and Article 34 of Legislative Decree no. 81/2008, the prevention and protection service manager (including appointing himself), checking the adequacy of their skills under the legislation governing the matter and after consulting the workers' representative;

- 8) consult the elected or appointed safety representative under the law and provide the prevention and protection service with information on the risks' nature, work organisation, planning and implementation of prevention and protection measures, description of plants and production processes, data from the register of injuries and occupational diseases, and supervisory bodies' requirements;
- 9) enable workers to verify the application of safety and health protection measures through their institutional representative and under the law;
- 10) provide, promote, organise and supervise information to workers in the Company on specific work-related, safety and health risks connected with the Company's business. Disseminate prevention, safety and hygiene rules using means that makes them more practical, immediate and comprehensive. Attend to the specific and general training of individual workers by organising and holding courses, sometimes appointing service companies;
- 11) update the prevention measures on organisational and production changes that are relevant to occupational health and safety or in line with prevention and protection technological developments;
- 12) arrange, control and demand, under disciplinary rules, that everyone complies with the law and internal provisions on safety, hygiene and environmental protection, using what is made available;
- 13) ensure that safety devices and personal protective equipment are appropriate to the risks, correctly used and in perfect working order as part of workers' training. Use appointed personnel with supervisory tasks under the law or Company organisational chart, who shall report for disciplinary measures those employees who do not use or irregularly use or tamper with personal protective equipment;
- 14) organise the provision for workplaces and passageways general precautions and specific precautions for the construction, maintenance and use of fixed and mobile ladders, suspended bridges, guardrails, lighting systems, fire protection, protection against atmospheric discharges, etc.;
- 15) adopt preventive, technical, organisational and information measures necessary to perform work involving manual handling of loads, and similar work, under applicable regulations;
- 16) manage maintenance and repair operations of buildings and works in workplaces for safety purposes after obtaining the authorisations and concessions required by law. The works include ancillary services, installations, machines, equipment, tools, and protective equipment;
- 17) arrange and adopt personal general and specific protective equipment for workers, and oversee the preparation and operation of emergency aid;
- 18) ensure the efficiency and improvement of protective equipment;
- 19) draw up emergency plans for cases of severe and immediate danger under applicable legislation, implementing every requirement;
- 20) keep and compile the register of injuries at work under the law and comply with Art. 18 letter R of Legislative Decree no. 81/2008;
- 21) constantly check that machines, tools, equipment, etc. comply with legal provisions and are adapted to the latest safety, hygiene and environmental technologies and with fire prevention regulations;

- 22) ensure the adoption of the necessary protective measures concerning machinery, particularly the operation and location of engines, transmissions and gears, and provide the required protection for each task or machine, equipment, installation or work involving the use of dangerous or harmful materials or products;
- 23) take the necessary preventive measures for lifting, transport and storage, equipment and methods for the safety of machinery, hooks, brakes, ropes and chains, stop and signalling devices, etc.;
- 24) implement the necessary hygiene measures in the premises and spaces owned or used by the Company, ensuring that the appropriate preventive means are prepared and provided. Ensure that the working environment conditions comply with the law and that the processes involving the use of harmful agents are carried out under the mandatory work hygiene measures, under regulations on polluting agents' disposal, discharge and emissions;
- 25) Adopt preventive, assessment, technical, hygienic, health, protective, organisational, procedural and training-information measures for the protection from possible carcinogenic and biological agents, under the relevant legal obligations;
- 26) ensure that first-aid and hygiene services comply with legal requirements; organise the physical and medical supervision of workers by appointing a company physician and preventive and periodic examinations carried out under the supervision of qualified experts and authorised doctors;
- 27) require compliance by the company physician with the obligations provided for by Legislative Decree no. 81/2008, informing them of the processes and risks connected with production;
- 28) manage the duties regulated by environmental and ecological, waste and atmospheric emission laws, and act to avoid any form of water, air and soil pollution.

Check that effluents at the production site are authorised and comply with the applicable table limits, preparing the necessary adjustment and periodic control measures. Request or renew the authorisations that the anti-pollution regulations may impose on any solid, liquid or gaseous effluents and residues;

- 29) arrange and manage the construction, operation and maintenance of smoke abatement systems, to ensure compliance with applicable legal limits;
- 30) ensure that waste disposals comply with the relevant regulations, under any authorisations required and using duly authorised companies or bodies.

Request, renew and enforce any required authorisations, notifying the Authorities;

- 31) arrange and implement the necessary measures for compliance with fire prevention regulations and initiate the procedures to request the authorisations needed for fire prevention certificates;
- 32) manage any administrative task related to the environment and matters covered by this delegation;
- 33) prevent any technical procedure which might cause risks to the population's health and outside environment deterioration;
- 34) oversee compliance with legal obligations on the use of video display equipment, particularly provisions of Title VII of Legislative Decree no. 81/2008;
- 35) verify contractors or self-employed workers' technical and professional suitability for any service under contract within the Company or production unit under Art. 26 of Legislative Decree no. 81/2008. This includes:

- a) providing detailed information on risks and prevention and emergency measures;
- b) cooperating when implementing the measures to protect against occupational risks, which are incidental to the work under the contract;
- c) coordinating the relevant actions;
- d) demanding contractors or self-employed workers information on their working methods in the Company.

Under art. 26, paragraph 3 of Legislative Decree no. 81/2008, the CEO prepares a risk assessment document specifying the measures adopted to minimise the risks of interference between the Company's activities and those of contractors or self-employed workers operating within the principal's Company, ensuring that such document is attached to the contract. The contract shall specify the costs for work safety, especially individual contract costs;

- 36) ensure the fulfilment of the obligations on the organisation of measures, verification of safety and coordination plans equivalent to risk assessment, identification of methods, verification of the regular compilation of reports, their implementation supervision, employee coordination, updating of technology, training and information of workers, under Legislative Decree no. 81/2008, particularly Title IV (temporary or mobile worksites). Assume the role and function of principal on behalf of the Company, carrying out preliminary investigations for the choice and identification of persons from whom to appoint the professional figures referred to in Art. 89 of Legislative Decree no. 81/2008, particularly the works supervisor and design and implementation coordinator. Verify the existence of technical features and legal prerogatives of the companies to which the works are to be entrusted when there is a direct contract. Carry out the necessary checks to ensure that the mandate given to the professionals complies with applicable legislation, particularly Title IV of Legislative Decree no. 81/2008;
- 37) deal with public and private entities which have the relevant supervision and control powers, represent the Company before the Judicial Authorities, procedural and trial stages which establish offences, particularly those related to special regulations on the subject and Legislative Decree no. 758/94;
- 38) represent the Company before Public Administrations using delegated control, verification and assessment bodies;
- 39) periodically make oral or written reports to the Board of Directors on accident prevention and health and safety at work, to allow the Board of Directors, or those on its behalf, to prepare measures for the formal control of work;
- 40) report to the Board of Directors any circumstances where he cannot fulfil the obligations in the previous points;
- 41) designate a deputy in circumstances in which the Chief Executive Officer is temporarily unable to perform his duties, due to illness or other justified absence, after notifying the Board of Directors of the impediment and the deputy's name;

(E) grant the Chairperson and Chief Executive Officer, acting severally, the authorisation to make any necessary terminological adjustments to the wording of the powers conferred by the previous resolutions without changing the resolutions' content.

**Chairman of the Board of Directors**

On 21 April 2021, the Shareholders' Meeting appointed Marco Francesco Eigenmann as Chairperson of the Board of Directors.

The Chairperson of the Board of Directors is an executive director and a controlling shareholder of the Issuer through Eigenfin S.r.l.

For further information on the powers attributed by the Board of Directors, see the paragraph "Chief Executive Officers" above.

Under Recommendation no. 4 of the Corporate Governance Code, granting management powers to the Chairman, in addition to the Chief Executive Officer, is justified since the Chairman is the Fine Foods group founder and has the greatest amount of company experience. The Chairman role is not limited to institutional and representative functions, but is fully operational and essential for the Company's best performance.

#### **Disclosure to the Board by Directors/delegated bodies**

At the Report's approval date, the Chief Executive Officer provided the Board of Directors with quarterly information on the work carried out and the primary operations performed by the Company and its subsidiaries.

#### **Other executive directors**

On the Report's approval date, there are no other executive directors besides Giorgio Ferraris, Company Chief Executive Officer, and Marco Francesco Eigenmann, Chairperson of the Board of Directors, identified above. None of the non-executive directors: i) holds the position of Chief Executive Officer or Executive Chairperson in a subsidiary of the Issuer having strategic importance or ii) holds management positions in the Issuer or one of its subsidiaries.

### **4.7. Independent Directors and Lead Independent Director**

#### **Independent Directors**

On 21 April 2021, the Fine Foods Shareholders' Meeting appointed 3 (three) directors, Chiara Medioli, Ada Imperadore and Susanna Pedretti, who have the independence requirements under Art. 148, paragraph 3 of the TUF and Recommendation 7 of the Corporate Governance Code. The number of independent directors and their expertise is adequate for the Company's needs, the Board of Directors and the establishment of the relevant committees.

Under Recommendation 6 of the Corporate Governance Code, on 21 April 2021, after the appointment of the new governing body, as communicated to the market on the same date, the Board of Directors assessed the existence of the independence requirements under Art. 148, paragraph 3, of the TUF and Recommendation 7 of the Corporate Governance Code, for the independent non-executive members of the Board of Directors, based on the information provided by the interested parties or available to the Company. It assessed the circumstances that might compromise the independence identified by the TUF and Corporate Governance Code. The last assessment for independent directors' independence requirements was carried out by the Board of Directors on 30 March 2023. Each non-executive director provided the elements necessary or useful for the Board of Directors' assessments.

On 30 March 2022, the Board of Directors, with the favourable opinion of the Remuneration and Nomination Committee, approved the Quantitative and Qualitative Criteria used in the process to verify the independence of the Company's directors and statutory auditors, to assess the relevance of the relationships between a director/statutory auditor and the Company or Group under Recommendation 7 of the Corporate Governance Code.

At least once a year, the directors' independence requirements are assessed by the Board of Directors during the term of office when there are circumstances relevant to independence.

The Board of Statutory Auditors has positively verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members.

At the Report's approval date, the Company President was not qualified as independent as he was vested with executive and management powers.

The directors who specified their eligibility to qualify as independent in the lists for the appointment of the Board of Directors pledged to promptly notify the Board of Directors during their term of office if there are changes to their independence.

### **Lead Independent Director**

Since the Chairperson of the Board of Directors indirectly controls the Issuer and holds significant management powers, the Board of Directors appointed independent Director Susanna Pedretti as "Lead Independent Director" at its 21 April 2021 meeting. This was conditionally effective on the Trading Commencement Date, to perform the functions set out in Art. 3, Recommendation 14 of the Corporate Governance Code.

## **5. Management of corporate information**

The Company Board of Directors has approved and adopted the following procedures: (i) Inside information disclosure procedure and maintenance of the insider list, last updated on 14 November 2022, and (ii) Internal dealing procedure, last updated on 21 April 2021.

The updated procedures are available on the Issuer's website, Governance - Corporate documents section.

Under the MAR Regulation, the Procedure for processing inside information governs the following: (i) management and processing of inside information and procedures to follow for the disclosure of inside information, inside and outside the Company; and (ii) the establishment and management of the register of persons who have access, occasionally or regularly to inside information ("**Insider List**") due to their work, profession, or functions.

The Procedure includes Consob recommendations on the management of inside information contained in the Guidelines published by Consob in October 2017 and Legislative Decree no. 10/2018 introduced by Legislative Decree no. 107 of 10 August 2018, including "*Rules adopting national legislation to the MAR Regulation.*"

The Internal dealing procedure governs the disclosure obligations to Consob, the Issuer and the public, the behavioural procedures for "Managers" and "Relevant Parties" as described, and parties closely associated with them on transactions involving the Issuer's financial instruments.

The essential elements of the Inside information disclosure procedure and the Internal dealing procedure, in force at the Report's approval date, are briefly shown below.

### **Procedure for processing inside information**

#### **Definition of inside information**

Inside information is defined, under Art. 7 of the MAR Regulation, as information which: (i) is specific or (a) relates to a set of circumstances that either exists, might happen, or to an event that have occurred or might occur, and (b) is specific enough to allow conclusions to be drawn on the possible effect of the circumstances or event under point (a) on the prices of financial instruments issued by the Company (identified under law); (ii) has not been made public; (iii) relates directly or indirectly to the Issuer or companies directly or indirectly controlled by the Issuer or to the Issuer's financial instruments; and (iv) if made public, would be likely to have a significant effect on the prices of the Issuer's financial instruments, i.e., would be likely to be used by a reasonable investor in their investment decisions.

During a prolonged process that determines a certain circumstance or event, this circumstance or event and all the steps between can be considered specific information.



### Recipients of the Inside information disclosure procedure

The following parties are required to comply with the methods defined in the Inside information disclosure procedure: (a) members of the Company's Board of Directors and Board of Statutory Auditors; (b) those performing top management functions in the Company who, although not members of the bodies referred to in (a) above, have regular access to inside information and the power to take management decisions that may affect the Company or Group's future development and prospects; (c) those who perform the functions referred to in points (a) and (b) above in a subsidiary; (d) those who participate in the Company's share capital; (e) those who have access to inside information in the exercise of their employment, profession or function; (f) any other person who possesses inside information in circumstances other than those referred to in the previous points, when that person knows or should know that it is inside information.

### Processing relevant and inside information

The procedure recipients must maintain utmost confidentiality regarding relevant or inside information of which they become aware. Inside information shall be carefully processed so its circulation within the corporate framework is carried out without prejudice to its confidential nature until this information is disclosed to the market according to the methods under the procedure and applicable regulations. A similar obligation exists for the processing of relevant information, until it is disclosed to the public under the procedure and applicable regulations (because it has become inside information or it is necessary or appropriate for the relevant Company bodies), or until it loses its relevance.

The recipients are prohibited from: (a) buying, selling or carrying out operations on financial instruments issued by the Company (including cancelling or modifying orders if the order was forwarded before the person possessed inside information), directly or indirectly on their behalf or for third parties using inside information; (b) recommending or inducing others to carry out transactions based on inside information under (a); (c) disclosing inside information to third parties, outside their work, profession, function or office. It is forbidden to give interviews to the press or make statements that contain inside information concerning the Company and its subsidiaries, which is not yet disclosed to the market under the procedure. Disclosure of the recommendations or inducements under (b) to third parties shall be considered unlawful if the person disclosing the recommendation or induction knows or should know that they are based on inside information.

The Board of Directors resolved to appoint the Investor Relator, Carlo Larghi, as contact person for the Inside information disclosure procedure, with effect from the Trading Commencement Date. The Issuer's Board of Directors confirmed this appointment on 19 April 2021.

### Insider List

The Board of Directors has set up the Insider List, appointing the information contact person responsible for updating it to ensure easy consultation and data extraction.

### Internal dealing procedure

Under the MAR and TUF Regulations and relevant executive regulations, the Internal dealing procedure imposes on "Managers" and "Relevant Parties" strict disclosure obligations to the Issuer and Consob concerning transactions in the Company's shares (or another related financial instrument) (the "**Relevant Transactions**") carried out by them, or on behalf of persons closely associated with them, with the exclusion of transactions of less than €20,000 by the end of the calendar year (the "**Relevant Amount**"). Once the Relevant Amount is exceeded:

- Managers and those closely associated with them must report transactions subsequently carried out by the end of the year;
- Relevant Parties and those closely associated with them must report transactions exceeding an additional €20,000 by the end of the year.

For Internal dealing procedure purposes, the following shall mean:

– **"Manager"**:

- (a) each member of the Issuer's Board of Directors and Board of Statutory Auditors;
- (b) each Company top manager who, although not a member of the bodies referred to in (a) above, has regular access to inside information relating directly or indirectly to the Company and has the power to take management decisions that may affect the Company's future development and prospects;

– **"Relevant Parties"**:

a relevant party is anyone who holds shares of at least ten per cent of the Company's share capital, or any other who controls the Company.

Managers and those closely associated with them must notify Consob of Relevant Transactions carried out by them or others on their behalf within three working days from the transactions' execution date. Relevant Parties shall notify Consob and publish the information on Relevant Transactions carried out by them or persons closely associated with them by the end of the 15th day of the month following the transaction's execution date.

If Managers and Relevant Parties intend to use the Company to notify Consob of Relevant Transactions, they must inform the Company respectively within three working days from the transaction's execution date and within the end of the 10th day of the month following the transaction's execution date. The Company makes public disclosure of Relevant Transactions of which it has received notice respectively within two working days of receiving notification of the transaction from the Managers or those closely associated with them and by the end of the open market day following the day on which it received the information from the Relevant Parties or those closely associated with them.

The Internal dealing procedure regulates the prohibition for Managers to directly or indirectly carry out, on their behalf or for third parties, transactions on Fine Foods financial instruments and financial instruments linked to them during the 30 calendar days preceding the announcement (black-out period) of: (i) the preliminary results (or, if the Company does not approve preliminary results, the draft Financial Statements and Consolidated Financial Statements); (ii) the half-yearly report; (iii) periodic financial information in addition to the annual and half-yearly financial reports.

The Board of Directors resolved to appoint the Investor Relator, Carlo Larghi, as responsible for the Internal dealing procedure.

## **6. Board of Directors' internal committees (under Art. 123-bis, paragraph 2, letter d), TUF)**

Under the Corporate Governance Code, which recommends that listed companies set up Board of Directors' internal committees with specific responsibilities, Art. 20.4 of the Articles of Association grants the Board of Directors the power to set up internal committees with advisory, proposal-making or control functions under applicable laws and regulations.

On 21 April 2021, the Board of Directors resolved to set up the following board committees with advisory and proposal-making functions, effective from the Trading Commencement Date:

- The Remuneration and Nomination Committee comprises independent directors Ada Imperadore and Susanna Pedretti. Ada Imperadore is the Chairperson;
- The Control, Risk and Related Parties Transactions Committee comprises independent directors Susanna Pedretti and Ada Imperadore. Susanna Pedretti is the Chairperson;

- The Environmental, Social & Governance Committee includes independent directors Chiara Medioli, Chairperson, Ada Imperadore, and Giorgio Ferraris who is the executive Director.

Each Committee reports on its work, proposals and guidelines to the first available Board of Directors' meeting.

The Committees accesses Company information and departments, have adequate financial resources at their disposal, and can use external consultants through corporate departments under the Board of Directors' terms. This is provided that they are not in situations that compromise their opinion independence.

Those who are not committee members may attend committee meetings by invitation and for individual agenda items. Minutes of committee meetings are taken by their secretaries.

The board committee regulations state that after each meeting, the Chairperson of each Committee shall inform the Board of Directors of the matters discussed and their observations, recommendations and opinions at the first available meeting.

At the Report's approval date, none of the proposal-making and advisory functions of the board committees were reserved for the entire Board of Directors under the Chairperson's coordination.

At the Report's approval date, the Board of Directors defined the committees' tasks and their composition, prioritising their members' knowledge and experience, under Recommendation 17 of the Corporate Governance Code. It defined the composition of the board committees, avoiding an excessive concentration of tasks of their members.

Regarding Sections 7.2 and 9.2 of the Report, the main features of board committees that are part of Fine Foods' governance at the Report's approval date are described below.

At the Report's approval date, the Company has not established any Executive Committee.

### **Environmental, Social & Governance (ESG) Committee**

#### **Composition**

The Environmental, Social & Governance Committee comprises two independent directors, Chiara Medioli (as Chairperson) and Ada Imperadore, and the Company's Chief Executive Officer, Giorgio Ferraris.

#### **Tasks**

The ESG Committee makes proposals and advises the Board of Directors, to (i) promote the continuous integration of national and international best practices in Fine Foods' corporate governance and environmental, social and governance factors in corporate strategies, and (ii) create value for shareholders and stakeholders in the medium-long term, under the principles of sustainable development.

During the Financial Year, the ESG Committee met three times, on 21 April 2022, 19 July 2022 and 4 November 2022, with meetings lasting approximately two hours on average, to discuss the following agenda items: Approval of the draft Code of Ethics and draft Anti-Corruption Policy, Sustainability Plan progress, Corporate Social Responsibility activities, approval of draft Climate Environment Policy, Supplier Code of Conduct, Corporate Social Responsibility projects, Sustainability Plan projects' progress, draft Health, Safety, Well-being and Inclusion Policy, campaign to disseminate the "near misses: recognise, report, prevent" Policy, work plan for the non-financial statement drafting.

The percentage attendance of ESG Committee members at meetings is shown in the table at the end of Section 6 of this Report.

The ESG Manager and ESG Committee Secretary participated in the ESG Committee works.

The ESG Committee has its regulations governing the Committee's operation and duties, which were approved by the Board of Directors on 12 November 2021.

Under the ESG Committee Regulation, the Committee main tasks include the following:

- (a) supporting the Board of Directors in identifying issues relevant for generating long-term value, in coordination, where necessary, with the Company's Control and Risk Committee;
- (b) supporting the Board of Directors in approving the Company's business plan, ensuring that the issues relevant for generating long-term value for shareholders and other stakeholders are included in the Plan. This includes:
  - formulating opinions and making proposals to define a strategy that integrates sustainability into business processes;
  - proposes projects and activities to implement this strategy;
  - monitors the progress of activities and projects that implement the Company's sustainability strategy based on previously defined quantitative and qualitative indicators;
- (c) monitoring the evolution of sustainability issues:
  - assessing the guidelines, best practices and national and international principles gradually emerging on the subject;
  - monitoring the Company's market positioning by participating in the Company's ESG performance assessment and analysing the sustainability performance of competitors and peers;
- (d) promoting the adoption of codes of conduct and policies based on the evolution of the above issues;
- (e) assessing the non-financial statement suitability, based on its consistency with the requirements specified in national and international regulations and principles expressed by the standards adopted for the Statement preparation. The outcome of its assessments is submitted to the Board of Directors;
- (f) promoting the Company's participation in relevant social responsibility initiatives and events, to consolidate the Company's national and international reputation;
- (g) expressing opinions on issues that may impact sustainability issues, at the request of the Board of Directors or the CEO;
- (h) monitoring the implementation of the decisions adopted by the Board of Directors on sustainability issues;
- (i) supervising policies and sustainability issues related to business activities; and
- (j) monitoring and promoting stakeholder engagement activities;
- (k) promoting, assessing and verifying the activities for the implementation of the dual purpose required from Benefit Corporations. It verifies that the Company, in addition to profit, pursues purposes of common benefit and operates responsibly, sustainably and transparently towards persons, communities, regions and the environment, cultural and social assets and activities, entities and associations, workers, customers, suppliers, lenders, creditors, public administration and the civil society;
- (l) carrying out any further tasks assigned by the Board of Directors;

(m) reporting to the Board of Directors on its sustainability activities, at least every six months and when the Non-Financial Statement is approved.

During the current financial year, the ESG Committee met once, on 31 January 2023, with a meeting lasting approximately 120 minutes, to discuss the work plan for drafting the Non-Financial Statement, view the presentation of the "Supplier ESG Assessment" plan and take note of the results that were achieved during the financial year. This meeting was attended by all ESG Committee members.

**TABLE 3: STRUCTURE OF BOARD COMMITTEES AT THE END OF FY 2022**

Directors		Control, Risk and Related Transactions Committee		Remuneration and Nomination Committee		ESG Committee	
		(*)	(**)	(*)	(**)	(*)	(**)
<b>Position/Qualification</b>	<b>Members</b>						
Chairperson of the Board of Directors	Marco Francesco Eigenmann						
Chief Executive Officer	Giorgio Ferraris					3/3	M
Independent Director	Ada Imperadore	5/5	M	4/4	C	3/3	M
Independent Director	Chiara Medioli Fedrigoni					3/3	C
Director	Marco Costaguta						
Independent Director	Susanna Pedretti	5/5	C	4/4	M		
Director	Adriano Pala Ciurlo						
----- DIRECTORS LEAVING OFFICE DURING THE FINANCIAL YEAR -----							
<b>Number of meetings held during the financial year:</b>		5		4		3	
<b>NOTES</b> (*) This column shows the directors' participation at committee meetings (specify the number of meetings attended compared to the total meetings; e.g. 6/8; 8/8 etc.). (**) This column specifies the Director role within the Committee: "C": chairperson; "M": member.							

## **7. Self-assessment and succession of directors - Nomination Committee**

### **7.1. Self-assessment and succession of directors**

The Company, which is a concentrated ownership company, under Recommendation 22 of the Corporate Governance Code, conducts a self-assessment process at least every three years before the renewal of the Board of Directors and check the proper composition and functioning of the governing body and board committees.

Under applicable legal provisions, regulations or the Corporate Governance Code, or when deemed appropriate, the Board of Directors may:

- express an opinion on its best quantitative and qualitative composition at the time of its renewal considering the self-assessment results;
- require adequate information about the list compliance with the Board of Directors' guidelines to be included in the documentation from those submitting a list containing more than half the number of candidates. This includes diversity criteria under Principle VII and Recommendation 8 of the Corporate Governance Code and the candidate for the office of Chairperson of the Board of Directors, whose appointment shall occur according to the Articles of Association's procedures.

Any outgoing Board of Directors opinion is published on the Company's website in advance of the publication of the Shareholders' Meeting call notice for its renewal.

The Chairperson and Board of Directors ensure the adequacy and transparency of the Board's self-assessment process.

At the Report's approval date, the Board has not adopted a succession plan for the Chief Executive Officer and executive directors, nor have any procedures been adopted by the Company for the succession of top management.

### **7.2. Nomination Committee**

#### **Composition and operation of the Nomination Committee (under Art. 123-bis, paragraph 2, letter d), TUF)**

On 21 April 2021, the Board of Directors resolved to establish a Remuneration and Nomination Committee, with the same Board of Directors' term of office.

The Remuneration and Nomination Committee comprises two independent directors other than the Chairperson of the Board of Directors, Ada Imperadore (as Chairperson) and Susanna Pedretti. The Board of Directors has acknowledged that both members have adequate knowledge and experience in financial matters or remuneration policies.

During the Financial Year, the Remuneration and Nomination Committee met four times (average meeting duration of 75 minutes). The percentage attendance of Remuneration and Nomination Committee members at meetings is shown in the table at the end of Section 6 of this Report.

The Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and Financial Reporting Manager, the Board of Statutory Auditors, and the consultants appointed to support the Company on specific projects examined by the Committee, participated in the Committee's work at the invitation of the Committee Chairman.

During the above meetings, the Remuneration and Nomination Committee carried out the following prior review of: the Remuneration Policy and Compensation, performance objectives set out in the 2018-2021 stock-grant plan, diversity policy, documentation to verify the independence requirements of independent directors, remuneration variable components of directors holding special offices, and medium/long-term incentive plan.

### Nomination Committee functions

The Remuneration and Nomination Committee has its regulations governing the Committee's operation and duties, which were approved on 21 April 2021.

Under the regulations, the Board of Statutory Auditors attends the Remuneration and Nomination Committee meetings. For individual agenda items, the Chairperson of the Remuneration and Nomination Committee may invite other members of the Board of Directors and representatives of corporate departments or third parties, to committee meetings whose presence may be helpful for the Committee's better performance. The Chairperson of the Board of Directors and the Chief Executive Officer may attend committee meetings.

The Remuneration and Nomination Committee supports the Board of Directors in its assessment and decisions on remuneration and nomination by carrying out preliminary propositional and advisory functions.

By carrying out preliminary propositional and advisory functions, the Remuneration and Nomination Committee supports the Board of Directors in carrying out the following tasks when assessing and deciding on appointments:

- self-assessment of the governing body and its committees;
- the best composition of the governing body and its committees;
- identification of candidates for the office of Director if there is a co-optation;
- possible presentation of a list by the outgoing governing body to ensure transparency in its establishment and presentation;
- preparation, updating and implementing succession plans for the chief executive officer and the other executive directors.

The Remuneration and Nomination Committee may access the company information and departments and use external consultants within the Board of Directors' approved budget limits at Fine Foods' expense. Under the Corporate Governance Code, if the Remuneration and Nomination Committee intends to use the services of a consultant to obtain information on market practices on remuneration policies, it must first verify that the consultant is not in a situation that compromises their independence.

The Remuneration and Nomination Committee shall exchange information relevant to the performance of its tasks with other Company bodies and departments that perform pertinent finance or remuneration policy tasks.

The Remuneration and Nomination Committee Chairperson shall report to the first Board of Directors about the Committee meetings, proposals and guidelines.

### **8. Remuneration of directors - Remuneration Committee**

For information on this section, please refer to the relevant parts of the Report on Remuneration policy and Compensation published under Art. 123-ter of the TUF on the website [www.finefoods.it](http://www.finefoods.it), Governance - Corporate documents section.

### **9. Internal control and risk management system - Control and Risk Committee**

The Company's internal control and risk management system is the set of rules, procedures and organisational structures to identify, measure, manage and monitor the main risks. This system is integrated into the more general organisational and corporate governance structures adopted by the Issuer and considers existing national and international reference models and best practices. The internal control and risk management system contributes to the company management in line with the Board of Directors' corporate objectives, encouraging informed decision-making. It ensures the protection of the Company's assets, efficiency and



effectiveness of business processes, reliability of the information provided to the corporate bodies and the market, compliance with rules and regulations, the articles of association and internal procedures.

The structural elements of the internal control and risk management environment consist of: the Code of Ethics, which defines the principles and founding values of corporate ethics, and the rules of conduct related to them; the system of powers and proxies through general and special powers of attorney and internal proxies under the assigned responsibilities; corporate operating procedures; information systems that support management, production activities, accounting and financial processes. For compliance purposes, the Company has adopted an Organisation, Management and Control System under Legislative Decree no. 231/2001, which is updated, and a control system under Law 262/2005 for financial reporting (for further details, see below under "Main features of the risk management and internal control system for the financial reporting process").

The control tools described above are monitored by management and, independently by the internal audit function by verifying the activities set out in the annual audit plan. The results of the audits are reported to the Chairperson, Chief Executive Officer and Company management and, periodically, to the Control and Risk Committee and the Board of Statutory Auditors.

*Main Features of the risk management and internal control system for the financial reporting process (under Art. 123-bis, paragraph 2, letter b), TUF)*

The Company's internal control and risk management system for financial reporting is defined as the activities that identify and assess actions or events the occurrence or absence of which could partially or totally compromise the reliability, accuracy, trustworthiness and timeliness of financial information objectives. It is part of the overall internal control and risk management system.

This system ensures that the administrative and accounting procedures adopted and their application ensure the reliability and accuracy of financial information and the Financial Statements preparation process to produce timely and reliable accounting and financial information under the relevant accounting standards.

The internal control and risk management system for financial reporting has been defined under commonly accepted frameworks. It will be subject to periodic assessment and review of the control measures to minimise business risks.

Preliminary analysis of the risk of potential errors in financial reporting is conducted annually at Fine Foods through quantitative and qualitative analysis of the information provided periodically to the market. The control system verifies that the administrative-accounting procedures can intercept significant intentional and unintentional errors related to the processes that lead to the preparation of financial information. To define this system, the risk areas in which events could compromise the achievement of reliable financial reporting are identified and assessed.

Based on the identification and assessment of risk areas, the internal control system components for financial reporting were analysed using:

- an overall summary analysis of the leading Group companies on the financial reporting reliability controls;
- analysis of financial statement items for financial reporting of each operational process, using a correlation matrix between objectives identified on the processes and associated controls.

Under current legislation, the system's features are described below, particularly (a) the risk management and internal control system phases during the financial reporting process and (b) roles and functions involved and the parties' coordination methods.

*Risk management and internal control system phases during the financial reporting process*

The internal control system is divided into the following macro-phases:

- a) identification and assessment of risks in financial reporting (scoping phase);

- b) identification of controls against the identified risks (assessment of the existing controls design);
- c) verification of the control and risk management system's operation (periodic testing phase);
- d) control system monitoring and development.

(a) Identification and assessment of risks in financial reporting:

Risk identification is carried out to avoid financial reporting errors, against which control objectives are defined. This includes completeness of costs, compliance with authorisation limits, separation of incompatible tasks, controls on the existence and ability to record assets, documentation and traceability of transactions. Risks identification includes fraudulent activities, such as intentional acts capable of generating a false economic-financial representation in the Financial Statements or misappropriating the Company's assets.

(b) Identification of controls against identified risks:

Based on the risk assessment, specific control activities are identified to mitigate the risk, which can be divided into the following macro-types:

- controls applicable to the entire corporate organisation (Group/Company) which, since they are common and involve the entire organisation, are structural elements of the internal control system on financial reporting ("Entity Level Control");
- specific "Process Level Controls";
- controls on the operation, management and security of information systems ("IT General Control").

(c) Verification of the control and risk management system's operation:

To verify and guarantee the financial reporting internal control system's functioning, monitoring activities are put in place during normal company operations by those responsible for the processes ("process owners") and by independent third parties (Internal Audit).

(d) Control system monitoring and development:

To allow adequate system monitoring, the "design" of its components is subject to annual assessment and, upon the occurrence of significant events. The controls' operation specified in the administrative-accounting system's procedures is assessed every six months through specific testing.

Any shortcomings in the controls design and operation are reported to the process owners and the Manager responsible for preparing the corporate financial reports to plan remedial actions, the actual implementation of which is verified.

The Manager responsible for preparing the corporate financial reports, with the Chief Executive Officer, provides the certification required by Art. 154-*bis*, paragraph 5 of the TUF.

Roles and functions involved

The internal control and risk management system related to financial reporting involve the following:

1. the Board of Directors provides guidance and assesses the system's adequacy. The Board has identified the following from among its members:
  - a. the Chief Executive Officer, responsible for setting up and maintaining the internal control and risk management system; and

- b. the Control and Risk Committee that supports, based on preliminary analysis, the Board of Directors' assessments and decisions on the internal control and risk management system and the approval of periodic financial reports;
2. the internal audit head, who is responsible for verifying that the internal control and risk management system for reporting purposes is functioning and adequate;
3. other corporate roles and functions with specific internal control and risk management tasks;
4. the Board of Statutory Auditors supervises compliance with the law, articles of association, and sound management principles in the interest of third parties.

Art. 154-bis of the TUF introduced the role of "Manager responsible for preparing the corporate financial reports" within the corporate organisation of listed companies. The Manager is appointed by the Board of Directors, in agreement with the Chief Executive Officer, and is responsible for designing, implementing and approving the accounting and administrative control system and assessing its application, issuing a certificate on the half-yearly, annual and consolidated Financial Statements.

The Manager is responsible for preparing adequate administrative and accounting procedures for the preparation of the Financial Statements and Consolidated Financial Statements and for providing the subsidiaries, which are relevant in the preparation of the Group's Consolidated Financial Statements, with instructions on how to carry out an appropriate assessment of their accounting control system.

On 30 March 2023, the Board of Directors, after receiving the opinion of the Control and Risk Committee, assessed the adequacy of the internal control and risk management system for the business features and risk profile assumed and its effectiveness under Recommendation 33 letter a) of the Corporate Governance Code.

### **9.1. Chief Executive Officer**

To comply with Recommendation 32 of the Corporate Governance Code, on 21 April 2021, with effect from the Trading Commencement Date, the Board of Directors appointed Giorgio Ferraris as Chief Executive Officer, responsible for establishing and maintaining the internal control and risk management system.

The Chief Executive Officer, under Recommendation 34 of the Corporate Governance Code, carried out the following during the financial year:

- took care of the identification of the leading corporate risks, considering the Company and its subsidiaries' business, and periodically submitted them to the Board of Directors for examination;
- implemented the guidelines defined by the Board of Directors, designing, implementing and managing the internal control and risk management system, verifying its adequacy and effectiveness, adapting it to the operating conditions' dynamics and the legislative and regulatory framework;
- entrusted the internal audit function to carry out checks on operational areas and on compliance with internal rules and procedures during corporate transactions, simultaneously notifying the Board of Directors, Control and Risk Committee, and control body's chairpersons.

The internal control and risk management system for financial reporting has been defined under commonly accepted frameworks. It will be subject to periodic assessment and review of the control measures to minimise business risks.

### **9.2. Control and Risk Committee**

Under Recommendation 16 of the Corporate Governance Code, on 21 April 2021, the Board of Directors established the Control, Risk and Related Party Transactions Committee effective from the Trading Commencement Date.

### **Control and Risk Committee composition and operation (under Art. 123-bis, paragraph 2, letter d), TUF)**

Under Recommendation 26 of the Corporate Governance Code, the Control, Risk and Related Party Transactions Committee comprises 2 (two) independent directors, Susanna Pedretti (as Chairperson) and Ada Imperadore. They both possess adequate accounting, financial and risk management knowledge and experience, recognised by the Board of Directors.

The Control, Risk and Related Party Transactions Committee has regulations governing its operation and duties, approved by the Board of Directors on 21 April 2021, and endorsed by the Committee following the start of trading.

At the invitation of the Chairman of the Control, Risk and Related Party Transactions Committee, in its capacity as the Control and Risk Committee, the internal audit head, Chief Executive Officer, Chief Financial Officer and Financial Reporting Manager, Chairman of the Board of Statutory Auditors and other statutory auditors, representatives of the Auditing Company, Supervisory Body, and representatives of the relevant corporate departments (after having informed the CEO) have participated in the meetings of the Control, Risk and Related Party Transactions Committee.

### **Control and Risk Committee functions**

The Control, Risk and Related Party Transactions Committee makes proposals and advises the Board of Directors, based on preliminary analysis, supporting the Board's assessments and decisions on the internal control and risk management system, and the approval of periodic financial and non-financial reports.

The Control, Risk and Related Party Transactions Committee, under the Corporate Governance Code, supports the Board of Directors' activities specified below:

- (a) defines the guidelines for the internal control and risk management system in line with the Company's strategies and assesses the system's adequacy for the Company business and the risk profile assumed, and its effectiveness at least once a year;
- (b) appoints and revokes the internal audit head;
- (c) approves the work plan prepared by the internal audit head, at least once a year, after consulting the control body and Chief Executive Officer;
- (d) assesses whether it is appropriate to adopt measures to ensure the effectiveness and impartiality of the other corporate functions specified in Recommendation 32, letter e) of the Corporate Governance Code, checking that they have adequate professional expertise and resources;
- (e) tasks the control body or another expressly set up supervisory body under Art. 6, paragraph 1, letter b) of Legislative Decree no. 231/2001;
- (f) after consulting the control body, assesses the results set out by the statutory auditor in any letter of suggestion, and in the additional Report addressed to the control body;
- (g) describes the primary internal control and risk management system's features and coordination methods between the parties involved in the Corporate Governance Report. It specifies the systems and national and international reference best practices, expressing its overall assessment of the system's adequacy and explaining the supervisory body composition choices referred to in the previous letter.

The Control, Risk and Related Party Transactions Committee, under the Corporate Governance Code, carries out the following when assisting the Board of Directors:

- (a) assesses, together with the Manager responsible for preparing the corporate financial reports and having consulted the statutory auditor and the Board of Statutory Auditors, the correct use of

accounting standards and their uniformity for preparing the Consolidated Financial Statements before the Board approved of the Consolidated Financial Statements;

- (b) assesses the suitability of periodic financial and non-financial information to correctly represent the Company's business model, strategies, the impact of its activities, and the performance achieved;
- (c) examines the content of periodic non-financial information relevant to the internal control and risk management system;
- (d) expresses opinions on specific aspects for the identification of the leading corporate risks and supports the Board of Director's assessments and decisions on the management of risks arising from prejudicial events of which it has become aware;
- (e) examines the periodic reports concerning the assessment of the internal control and risk management system and the relevant reports prepared by the Group Internal Audit;
- (f) monitors the independence, adequacy, effectiveness and efficiency of the Group Internal Audit;
- (g) may entrust the Internal Audit with carrying out checks on specific operational areas, simultaneously notifying the Chairperson of the Board of Statutory Auditors and the Director in charge of the internal control and risk management system, unless the request for verification concerns the latter's work;
- (h) reports to the Board of Directors, at least every six months when the annual and half-yearly Financial Statements are approved, on the work and adequacy of the internal control and risk management system.

The Control, Risk and Related Party Transactions Committee may access the Company information and departments while performing its duties and use external consultants within the Board of Directors' approved budget limits.

As for transactions with related parties, the Committee performs the functions assigned by the Board of Directors in the "Procedure for Related Party Transactions" adopted by the Company.

During the Financial Year, the Control, Risk and Related Party Transactions Committee, in its capacity as Control and Risk Committee, met five times on 16 March 2022, 25 March 2022, 13 May 2022, 9 September 2022 and 14 November 2022, with an average meeting duration of two hours. The Committee met twice during the current financial year on 8-17 March 2023 and 27 March 2023. The percentage attendance of the Control, Risk and Related Party Transactions Committee members at the meetings is shown in the table at the end of Section 6 of this Report.

The Control, Risk and Related Party Transactions Committee carried out the following in the meetings mentioned above:

- exchange of information with the Chief Executive Officer (CEO), the latter in his capacity as Director in charge of the internal control and risk management system, on the work to identify risks and design and formalise the control system;
- exchange of information and coordination with the Internal Audit, to understand the existing control system and monitoring according to priorities;
- analysis of the Internal Audit Report assessing the internal control and risk management system, and control of the independence, adequacy and effectiveness of its function;
- examination of the proposed 2022 Audit Plan;

- analysis and expression of a favourable opinion on the proposed Audit Plan for FY 2023 on the 30 March 2023 Board of Directors' meeting agenda;
- assessment of the correct use of accounting standards and group-level consistency when preparing the Consolidated Financial Statements. This is in agreement with the Manager responsible for preparing the corporate financial reports, after hearing the opinion of the Auditing Company and the Board of Statutory Auditors. This is part of the internal control and risk management system assessment for the financial reporting process. The assumptions and results of the impairment tests were shared and acknowledged by the Committee;
- meetings with the Financial Reporting Manager and the Board of Statutory Auditors for the 31 March 2022 Interim Financial Report;
- exchange of information with the Auditing Company on the legal audit of the consolidated and separate Financial Statements;
- exchange of information with the Auditing Company concerning the accounting of the Euro Cosmetic S.p.A. acquisition;
- meetings with the Supervisory Body and examination of its annual report;
- under Recommendation 33 - letter g) of the Corporate Governance Code, the Committee offered its support in defining the 2022 Report on Corporate Governance and Ownership Structure proposed regarding the paragraphs "Control and Risk Committee Internal Control and Risk Management System";
- a brief discussion on the main improvements considering the Corporate Governance Committee recommendations for 2023 (see "Corporate Governance Committee Recommendations for 2022", the accompanying letter from Chairperson Lucia Calvosa, and the 2022 Report on the evolution of corporate governance for listed companies);
- examination of the amendments to the Company's Procedure for Related Party Transaction, subject to approval by the Board of Directors on 30 March 2022.

The Committee can access the Company information and departments necessary for its duties and use external consultants and experts at the Company's expense, within the Board of Directors' budget for committees.

### **9.3. Internal Audit Head**

On 21 April 2021, the Board of Directors established the internal audit function which verifies that the internal control and risk management system is adequate.

The Board of Directors appointed an external, internal audit head, Paolo Villa, as required by Art. 7, Recommendation 36 of the Corporate Governance Code.

The tasks of the internal audit head are:

- (a) verifying the operation and suitability of the internal control and risk management system following international standards, using a Board of Directors approved audit plan based on structured analysis and prioritisation of the main risks;
- (b) preparing periodic reports containing adequate information on their work, risk management methods and containment plan compliance. The periodic reports shall assess the internal control and risk management system suitability;
- (c) preparing timely reports on significant events at the control body's request;

- (d) transmitting the reports referred to in points b) and c) to the chairpersons of the control body, Control and Risk Committee, Board of Directors, and the Chief Executive Officer, except where the reports concern their activity;
- (e) verifying the reliability of information systems, including accounting systems, as part of the audit plan.

The Board of Directors defined the internal audit head's remuneration under Company policies on the same date. It ensured that he was provided with adequate resources to carry out his duties under Recommendation 33, b) of the Corporate Governance Code.

The internal audit head is not responsible for any operational area and reports to the Board of Directors.

On 30 March 2023, the Board of Directors approved the work plan prepared by the internal audit head for 2023 after consulting the Board of Statutory Auditors and Chief Executive Officer under Recommendation 33, c) of the Corporate Governance Code.

During the Financial Year and the meetings already held during 2023, the internal audit head worked under the Audit Plan approved by the Board of Directors and the schedule shared with the Chief Executive Officer. On 27 March 2023, he issued an Annual Report where he stated that, based on the audit, the Company's operations complied with law and regulations, the internal rules, and the internal control system appears to be adequately structured. He also expressed a favourable summary opinion for the 2022 audit. Internal Audit presented the Plan for 2023 in the Annual Report.

#### **9.4. Organisation system under Legislative Decree no. 231/2001**

The Company adopted and effectively implemented a System that represents the organisation and management tool to prevent the Company's employees and co-workers from committing offences under Legislative Decree no. 231/2001 ("**System 231**" or "**System**").

The tasks of supervising the System's adequacy, updating and effectiveness have been delegated by the Company to a collective Supervisory Body. The Supervisory Body composition ensures synergies in the control system, including the Internal Audit Head Villa and Independent Director Pedretti.

The System will be constantly updated and monitored, focusing on the prevention of crimes and risk assessment following the changes in the regulatory framework.

The Board of Directors last approved and updated the System on 14 November 2022.

The Company will require the adoption of the System by its subsidiaries.

The System consists of a general and a specific part, organised in different sections.

The general part includes the Code of Ethics, disciplinary system and a specific section on the Supervisory Body. The specific part includes a "mapping" of the at-risk areas and the control and conduct principles through which controls prevent offences in the areas identified in the mapping.

On 13 May 2022, the Board of Directors approved and adopted the Fine Foods Group's Anti-Corruption Policy, which is an integral part of System 231 (the "**Anti-Corruption Policy**").

The Anti-Corruption Policy implements the fundamental Company values, which are expressed in the Code of Ethics. With this Policy the Group follows the principles of the United Nations Global Compact. Fine Foods shall implement the 10th Principle on the fight against corruption which reads as follows: "Businesses should work against corruption in all its forms, including extortion and bribery."

The Anti-corruption Policy recipients are directors, employees, agents, external and internal co-workers, whatever the work relationship, distributors, business partners and any other person acting on behalf of the Group, who are prohibited from giving, offering or promising any object or other valuable utility or service

(for example, gifts, hospitality, tickets to events, travel, goods in kind, employment opportunities, business opportunities, personal favours) to public officials or anyone else, to improperly obtain or retain a personal business advantage or for the benefit of third parties. Recipients are prohibited from requesting or accepting such improper rewards.

The System and the Anti-Corruption Policy are available on the Company's website ([www.finefoods.it](http://www.finefoods.it)), Governance - Sustainability section.

### **9.5. Auditing Company**

At the Report's approval date, the Company the company appointed for the legal audit of the Issuer's accounts was EY S.p.A. with its registered office is in Rome, Via Lombardia no. 31, registered with the Rome Companies Register, Tax Code 00434000584, VAT no. 00891231003, registration no. 70945 of the Register of Statutory Auditors under Articles 6 et seq. of Legislative Decree no. 39/2010, as amended by Legislative Decree no. 135 of 17 July 2016.

Due to acquiring an entity subject to intermediate regulatory regime (ESRI) status, on 30 April 2020, the Issuer's Ordinary Shareholders' Meeting, under Art. 13, paragraph 3, of Legislative Decree no. 39/2010 and Art. 4, paragraph 1, letter g), of Ministerial Decree no. 261/2012, revoked the assignment for the legal audit of the accounts conferred on the auditing company Deloitte & Touche S.p.A. on 19 September 2018, for just cause. On the Board of Statutory Auditors' proposal and its reasons, the Company appointed the auditing company EY S.p.A with the legal audit of the Financial Statements, verification of the Company accounts compliance and consistency of the management report with the financial statements and its compliance with the law, for the 2020-2028 nine-year period.

This assignment was updated on 19 April 2021 given the Ordinary Shares listing on Euronext STAR Milan and the change in the Issuer's status from ESRI to "public interest entity" (EIP) under Art. 16 of Legislative Decree no. 39/2010.

During the year, the Board of Directors, having consulted with the Board of Statutory Auditors, assessed the results presented by the auditor.

### **9.6. Manager responsible for preparing the corporate financial reports and other corporate roles and functions**

Art. 32.1 of the Articles of Association requires the Board of Directors, subject to the mandatory but non-binding opinion of the Board of Statutory Auditors, to appoint the Manager responsible for preparing the corporate financial reports under Art. 154-bis of the TUF. The Manager responsible for preparing the corporate accounting documents shall have significant professional experience in the accounting, economic and financial field for at least five years, and any further requirements established by the Board of Directors or legal and regulatory provisions. The Manager must meet the integrity requirements laid down for Statutory Auditors by legislation.

On 21 April 2021, effective from the Trading Commencement Date, after having assessed the existence of the requirements in the Articles of Association and obtained the opinion of the Board of Statutory Auditors, the Board of Directors appointed Pietro Bassani, Issuer's Chief Financial Officer, as the Manager responsible for preparing the corporate financial reports.

The Manager is legally responsible for the financial reporting internal control system. The Manager defines the administrative and accounting procedures to ensure adequate controls in preparing periodic accounting documents and any other financial communication. Together with the Chief Executive Officer, the Manager certifies their practical application by preparing a report attached to the annual and half-yearly Financial Statements.

The Manager must be provided with adequate powers and means to allow the effective exercise of his functions. The Board of Directors has granted the Manager the following powers:



- obtain from any person within the Company or its subsidiaries administrative and accounting information needed for the preparation of the Financial Statements and Consolidated Financial Statements;
- quickly obtain from any person within the Company or its subsidiaries management information related to events that may significantly influence the Company and Group performance;
- participate "ad audiendum" in the Board of Directors' meetings where the agenda includes topics that have an impact on the economic or financial situation and issues relevant to his work;
- have access to corporate body resolution documents that impact the Company's economic and financial position;
- suggest guidelines for the Group companies for the management and control organisational structure to the Company Board of Directors;
- receive prior information on proposed changes to Company procedures;
- carry out controls on any corporate process that has any impact on the preparation of the financial statements and consolidated financial statements;
- make changes to the internal accounting control system (the set of people, tools, information, rules for the mitigation of corporate risks) of the Company and its subsidiaries;
- freely access any information, documentation or data deemed necessary to perform the tasks required by law and regulations and kept by any corporate department;
- use any corporate function to perform the tasks assigned and external consultancies;
- request certifications from the other Company and Group Companies' functions, or external parties, of the data disclosed to keep accounting records and prepare corporate communications.

At the Report's approval date, except for the Control, Risk and Related Party Transactions Committee, Chief Executive Officer and Internal Audit Head, no other corporate roles and functions with internal control and risk management tasks have been established.

Due to the Internal Control and Risk Management System's (SCIGR) effectiveness, during the year, the Board of Directors did not consider it appropriate to adopt additional controls to guarantee the effectiveness and impartiality of judgement of the corporate functions involved in the system.

#### **9.7. Coordination between parties involved in the internal control and risk management system**

The Company detailed the roles and responsibilities of those involved in the internal control and risk management system and their coordination methods in the Control, Risk and Related Party Transactions Committee Regulations.

The Company encourages meetings between those involved in the internal control system to allow coordination and exchange of information. Under Art. 3 of the relevant regulations, the Board of Statutory Auditors may participate in the Control, Risk and Related Party Transactions Committee work.

Under the same "coordinating issues of common interest" objectives, the Company's Board of Statutory Auditors, Control, Risk and Related Party Transactions Committee and Supervisory Body under Legislative Decree no. 231/01, organised and held joint meetings during the financial year, as described below.

## **10. Directors' interests and Related Party Transactions**

At the Report's approval date, the Board of Directors, after obtaining the favourable opinion of the independent directors under Art. 4 of the Related Party Transaction Regulation, adopted a Procedure for identifying Related Party Transactions ("**RPT Procedure**") to ensure the transparency and substantive and procedural fairness of such transactions. This is based on the amendments to the above regulation containing related party transactions provisions made by Consob resolution no. 21624 of 10 December 2020.

The RPT Procedure is available on the Company's website ([www.finefoods.it](http://www.finefoods.it)), in the Governance - Corporate documents section.

Under the RPT Procedure, a related party transaction is any transfer of resources, services or obligations between the Company and one or more associated parties. This is regardless of whether a consideration is agreed upon, as defined under international accounting standards adopted under the procedure set out in Art. 6 of Regulation (EC) no. 1606/2002.

Before approving related party transactions under RPT Regulations, the Control, Risk and Related Party Transactions Committee must express a reasoned, non-binding opinion on the Company's interest in carrying out the transaction and the conditions' appropriateness and substantive fairness.

For the Control, Risk and Related Party Transactions Committee composition, please refer to Section 9.2.

To allow the Control, Risk and Related Party Transactions Committee to issue its reasoned opinion, the Chief Executive Officer shall provide the Committee with complete and adequate information on the related party transaction with a reasonable advance. Such information shall include at least the name of the related party, the relationship nature, subject, expected consideration and other core transaction terms and conditions, expected timing, underlying reasons for the transaction and any risks for the Company and its subsidiaries. For transactions defined as standard or market equivalent, objective evidence is required.

The Control Risk and Related Party Transactions Committee must give its opinion before the final approval of the related party transaction by the Board of Directors, if the transaction falls within its responsibility, or by the Shareholders' Meeting, if the transaction falls within its responsibility.

If a Transaction of greater importance resolution proposal submitted to the Shareholders' Meeting is approved but opposed by the Control, Risk and Related Party Transactions Committee, without prejudice to Articles 2368, 2369 and 2373 of the Italian Civil Code, this transaction cannot be carried out if the majority of the unrelated Shareholders, representing a stake of at least ten per cent of the share capital, vote against it.

As part of the RPT Procedure, framework resolutions that allow the Company to perform, directly or through subsidiaries, a series of similar transactions with specific categories of related parties identified by the Board of Directors are permitted. Framework resolutions must be in force for no more than one year. They must specify the transactions, the expected maximum amount of the transactions carried out in the reference period and the reasons for their conditions.

At the Report's approval date, without prejudice to the RPT Procedure, the Board of Directors has not yet adopted operational solutions to enable the identification and adequate management of where a director has a direct or indirect personal or third-party interest. This is because the Board of Directors' decisions are taken with adequate transparency and after exhaustive discussion that verifies any possible conflict of interest or co-interest.

## **11. Board of Statutory Auditors**

### **11.1. Appointment and replacement**

Under Article 26 of the Articles of Association, the Board of Statutory Auditors comprises 3 (three) statutory members and 2 (two) alternate members, appointed by the Shareholders' Meeting and operating under the law. Auditors are appointed for three financial years, and their term of office expires on the date of the Meeting

called to approve the Financial Statements for the last financial year of their term of office, and they can be re-elected.

Those who exceed the limits on the number of offices held, or for whom there are grounds for ineligibility or disqualification, or do not meet the requirements of integrity and professionalism and the other requirements laid down by applicable laws and regulations, cannot be elected Auditors and, if elected, shall forfeit their office. To establish the professionalism and integrity requirements, topics relating to commercial law and tax law, business economics and corporate finance, and disciplines with a similar or comparable purpose, and topics and sectors related to the Company's business sector are considered.

The members of the Board of Statutory Auditors shall be entitled to remuneration established for the entire term of office by the Shareholders' Meeting at the time of their appointment. The Auditors' powers and duties shall be those established by law.

Art. 27 of the Articles of Association allows the appointment and replacement of members of the Board of Statutory Auditors as follows.

*"Article 27*

*27.1 The Statutory Auditors and the Alternate Auditors are appointed by the Shareholders' Meeting based on lists of candidates submitted by the shareholders and filed at the Company's registered office within the terms and following applicable legal and regulatory provisions, in which the candidates must be listed sequentially in numerical order.*

*27.2 Shareholders who, alone or together with others, represent at the time of submitting the list at least the percentage of share capital specified in article 18.3 above to submit lists of candidates for the office of Director, shall be entitled to submit lists. The notice of call of the Shareholders' Meeting convened to resolve the appointment of the Board of Statutory Auditors indicates the percentage shareholding required to submit candidate lists.*

*27.3 Each shareholder and (i) shareholders which belong to the same group, i.e. the controlling party (including non-corporate) under art. 2359 of the Italian Civil Code and any company controlled by or under the common control of the same party, or (ii) shareholders who are members of the same shareholders' agreement under art. 122 of the Consolidated Law on Finance Intermediation (TUF), or (iii) shareholders who have relevant relationships under applicable law and regulations, may not submit or take part in a submission (neither through a third party nor trust company) of more than one list. They may not vote for different lists. Participation and votes cast in breach of this prohibition shall not be attributed to any list if they determine the vote outcome. If a shareholder who submitted the Majority List of Statutory Auditors, or a person connected to a shareholder who submitted or voted for the Majority List of Statutory Auditors, voted for another list, the vote or the existence of such connection shall be decisive only if the vote was decisive for Statutory Auditor election purposes. This Auditor is taken from that other list and solely with reference to the vote cast for it.*

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

*27.5 The list shall consist of two sections: one for candidates for the office of Statutory Auditor, the other for candidates for the office of Alternate Auditor. The list must indicate at least one candidate for the office of Statutory Auditor and one candidate for the office of Alternate Auditor and may contain up to a maximum of three candidates for the office of Statutory Auditor and two candidates for the office of Alternate Auditor.*

*27.6 The first of the candidates in each section must be enrolled in the register of Statutory Auditors and have exercised statutory auditing activities for not less than three (3) years. If other candidates do not meet the requisites above, they must have the other professional requisites provided by the Articles of Association and applicable law and regulations.*

27.7 To ensure a genders balance, the lists of at least three candidates must be composed of candidates belonging to both in each of the two sections. This means that a number of candidates belonging to the less represented gender complies with the applicable minimum legal requirements.

27.8 The lists must be accompanied by:

(i) the information on the identity of the shareholders who have submitted the lists, with an indication of the total percentage of their shareholding. The certification showing ownership of such shareholding may be produced after the lists have been filed, provided that it is within the deadline set for the lists' publication by the Company;

(ii) a statement of the shareholders who have submitted the lists other than those who hold, (even jointly), a controlling or relative majority of the shares, confirming the absence of any connection, even indirect, with the latter under the Articles of Association and applicable law and regulations;

(iii) comprehensive information on the candidates personal and professional features, listing the management and control positions held in other companies, and a declaration of the candidates stating that they comply with the requirements, including integrity, professionalism, independence and combination of offices, under applicable law and regulations and the Articles of Association;

(iv) the declaration by which each candidate accepts their candidacy;

(v) any other or different statement, information or document required by applicable law and regulations.

27.9 The lists submitted must be filed at the Company's registered office, including remotely as indicated in the notice of call and made public within the terms and according to applicable legal and regulatory procedures. If, by the deadline for filing lists, only one list has been filed, or only lists submitted by shareholders who relate to each other, applicable regulations for companies with shares listed on regulated markets shall apply.

27.10 If there is a failure to comply with the obligations set out in this article, the list shall be deemed not to have been submitted. Any changes that may occur up to the day the Shareholders' Meeting is held shall be promptly notified to the Company.

27.11 The vote of each shareholder shall relate to the list and automatically to all its candidates, without the possibility of changes, additions or exclusions.

27.12 The Board of Statutory Auditors shall be appointed under the following provisions:

(i) two Statutory Auditors and one Alternate Auditor are taken from the list that obtained the highest number of votes (the "**Majority List of Auditors**"), according to the numerical order in which they are listed;

(ii) the remaining Statutory Auditor, who shall be appointed Chairperson of the Board of Statutory Auditors, and the other Alternate Auditor are chosen from the list that obtained the second-highest number of votes and that is not connected directly or indirectly, under the Articles of Association and applicable legal and regulatory provisions, to those who submitted or voted for the Majority List (the "**Minority List of Auditors**"), based on the numerical order in which they are listed in the list sections.

27.13 If more than one list has obtained the same number of votes, a new ballot shall be held between these lists by those entitled to vote at the Meeting, and the candidates on the list with the relative majority shall be elected.

27.14 If only one list is submitted, the Shareholders' Meeting shall resolve with the majorities provided for by law, and all the Auditors shall be elected from that list, according to the relevant numerical order.

27.15 If, as a result of the voting for lists or voting for a single list, the composition of the Board of Statutory Auditors is not ensured or does not follow the minimum applicable legal and regulatory requirements on

*gender balance, the candidate for Statutory Auditor of the most represented gender elected as last sequentially from the Majority List of Auditors or the single list shall be replaced by the next sequential candidate from the same list and belonging to the other gender.*

*27.16 If no list is submitted, the Shareholders' Meeting shall appoint the Board of Statutory Auditors with the legal majorities to ensure compliance with the minimum applicable legal and regulatory requirements on gender balance.*

*27.17 In the latter cases, the Chairperson of the Board of Statutory Auditors shall be the top of the only list submitted or the person appointed by the Meeting if no list has been submitted."*

Under Article 27 of the Articles of Association, shareholders who, when the list is filed with the Company, hold a shareholding of at least the amount determined by Consob, may submit a list for the appointment of auditors, under applicable laws and regulations.

To ensure the appointment of at least one statutory auditor elected from the minority list, the Articles of Association require that two Statutory Auditors and one Alternate Auditor are taken from the list obtaining the highest number of votes, in the sequential order in which they are listed. The third Statutory Auditor, who shall chair the Board of Statutory Auditors, and the second Alternate Auditor shall be drawn from the list obtaining the second-highest number of votes and have no connections with shareholders who submitted or voted for the majority list under the applicable provisions.

If there is a tie between lists, a new ballot shall be held between these lists by those entitled to vote at the Meeting, and the candidates on the list with the relative majority shall be elected.

When the Shareholders' Meeting appoints the Statutory or Alternate Auditors needed to complete the Board of Statutory Auditors, the procedure shall be as follows:

- (i) if it is necessary to replace auditors taken from the Majority List of Auditors, the appointment shall be made by a relative majority vote without list constraints, under the applicable legal and regulatory provisions on gender balance;
- (ii) if it is necessary to replace Auditors taken from the Minority List of Auditors, the appointment shall be made by relative majority vote, choosing from among the candidates indicated on the Minority List of Auditors. If this is not possible, they are taken from the list that received the third-highest number of votes, in both cases without considering the original candidacy for the office of Statutory or Alternate Auditor, following the applicable statutory and regulatory provisions on gender balance.

## **11.2. Composition and operation (under Article 123-bis, paragraph 2, letters d) and d-bis), TUF)**

Under the Articles of Association, the Issuer's Board of Statutory Auditors comprises 3 (three) Statutory Auditors and 2 (two) Alternate Auditors.

The Board of Statutory Auditors in office at the end of the Financial Year and at the Report's approval date is shown below. The appointment was made by the Shareholders' Meeting on 21 April 2021 and will expire with the Shareholders' Meeting called to approve the 31 December 2023 Financial Statements.

For the appointment of the Board of Statutory Auditors in office, list voting was not used.

Board of Statutory Auditors members in office at the end of the Financial Year and at the Report's approval date are shown in the table below.

Name and Surname	Position	Date of appointment
Laura Soifer	Board of Statutory Auditors Chairperson	21 April 2021
Mario Tagliaferri	Statutory Auditor	21 April 2021
Luca Manzoni	Statutory Auditor	21 April 2021
Matteo Zucca	Alternate Auditor	21 April 2021
Marco Valsecchi	Alternate Auditor	21 April 2021

Under Article 144-*novies* of the Consob Issuers' Regulations and the Corporate Governance Code, the Board of Statutory Auditors assesses its members' personal and professional qualifications. It sends the results to the Board of Directors. The Board issues a press release and mentions the results in the annual Report.

The *curricula vitae* of each Board of Statutory Auditors member in office at the Report's approval date, showing their expertise and experience in corporate management, are set out below.

**Laura Soifer** graduated in Business Administration at Luigi Bocconi University in Milan in 1998, and in 2010, she obtained the title of Chartered Accountant and Auditor (Milan Register). Between 1999 and 2001, Soifer worked at Sap Italia Spa as a Junior Consultant in the development team, designing and implementing the Management Control system in companies operating in the industrial, pharmaceutical, textile and service sectors. Between 2001 and 2006, Soifer was Senior Consultant at EOS Management Consulting Srl in the development team, responsible for designing and implementing the Management Control system in companies operating in the industrial, pharmaceutical, textile and service sectors. She also worked in the Strategy and Finance team. Between 2006 and 2009, Soifer held the role of Finance Director of Cordea Savills SGR SpA as a Senior Member of the Finance Europe area responsible for new product development, corporate finance (capital raising from Institutional Investors of Luxembourg Funds, debt capital raising, mergers and acquisitions), and group taxation. Soifer dealt with the development and management of the Administration, Finance and Control Area Team in Italy and its coordination. From 2009 to date, Soifer has been Associate Professional at Studio Commercialisti Fumagalli e Codega. Since 2018, Soifer has been Lecturer of "Company Methodologies and Quantitative Determinations" and "Management accounting" at the Faculty of Economics of the Università Cattolica del Sacro Cuore. Since December 2019, Soifer has been the Independent Director of Orsero SpA and since March 2020, Independent Director of Digital Bros S.p.A.

**Mario Tagliaferri** graduated in Economics and Business at the University of Bergamo in 1987. Since 1990, Tagliaferri has been enrolled in the Register of Chartered Accountants, in the Register of Auditors since 1995 and has been a technical consultant of the Court of Cremona since 1991. Tagliaferri works as a chartered accountant and auditor, as a partner of Studio LEXIS - Dottori Commercialisti Associati in Crema (Cr). His work involves tax and corporate consulting for large and medium-sized companies, focusing on corporate and business reorganisations carried out through extraordinary transactions. Tagliaferri is a speaker at professional conventions and has published technical texts and articles on civil and fiscal matters in specialised magazines of important publishers, such as Il Sole24Ore and IPSOA. Tagliaferri holds positions as statutory auditor and auditor in industrial, service and banking companies.

**Luca Manzoni** graduated in Law from the Università Cattolica del Sacro Cuore in Milan in 2019 and has a master's in corporate tax law from the Luigi Bocconi University of Milan in 2014. Manzoni has been a member of the Bergamo Bar since 2013, and practised Law at Studio Donati Fachinetti Giavazzi from 2009 to 2012. Between 2012 and 2014, he worked with Studio Manzoni, accountants, auditors, lawyers, and since 2015 he has worked with Studio Integrato Tributario in Viale Majno 45, in Milan.

**Matteo Zucca** graduated in Economics and Business at the Università Cattolica del Sacro Cuore in Milan in 1997, and became a Chartered Accountant in 2001. Since 2002, he has been enrolled in the Register of

Technical Consultants of the Court of Cremona and since 2003 in the Register of Auditors. He obtained two masters in Planning and Management Control in 2012 and Management Control in 2013. Since 2001, he has been working as a chartered accountant and auditor as a partner of Studio Associato Tagliaferri, which became LEXIS - Dottori Commercialisti Associati in Crema (Cr) in 2010. Tagliaferri work involves tax and corporate consultancy, particularly joint-stock companies, management control consultancy, and the company's auditor role. Over the years, Tagliaferri has specialised in the valuation of companies and shareholdings, preparing budgets and business plans, and the preventive and final analysis of financial statements. Tagliaferri holds positions of statutory auditor and auditor in industrial and service companies. He has been a speaker at conferences organised by the ODCEC in Milan and a lecturer at the School of Higher Education SAF of the Milan ODCEC. He taught a Corporate Finance course on the subject "Financial Mathematics for the accountant" in 2017. Tagliaferri participated in the drafting of technical texts for major publishers such as Il Sole24Ore and Franco Angeli.

**Marco Valsecchi** graduated in Business Administration at the Luigi Bocconi University in Milan in 1990. Valsecchi has been a qualified chartered accountant since 1992, and is registered in the Register of Chartered Accountants of Milan and Register of Auditors. Between 1992 and 1994, Valsecchi worked as an assistant auditor at Price Waterhouse SpA, between 1994 and 1997 at the same company as a tax specialist, and between 1997 and 1998 as an assistant of Studio Tributario Amministrativo Internazionale, PricewaterhouseCoopers SpA's correspondent in Italy. Since 1998, Valsecchi has been the owner of the "Studio Valsecchi Associazione Professionale". His work focuses on medium and large-sized companies and concerns i) ongoing consultancy on tax and corporate matters; ii) ordinary tax assistance on direct and indirect taxes, preparation of tax returns, electronic transmissions; iii) assistance in the preparation of statutory and consolidated financial statements; iv) tax assistance concerning extraordinary operations; v) assistance and representation in court in tax litigation. Valsecchi holds several offices as Chairperson of the Board of Statutory Auditors and Statutory Auditor.

All Board of Statutory Auditors members meet the eligibility requirements outlined in Art. 2399 of the Italian Civil Code.

On 21 April 2021, 30 March 2022, and most recently on 30 March 2023, the Board of Directors checked that Board of Statutory Auditors members met the independence requirements outlined in Art. 148, paragraph 3 of the TUF and Corporate Governance Code, and the requirements of integrity and professionalism outlined in Art. 148 of the TUF and the implementing regulation adopted by Minister of Justice Decree no. 162/2000.

To the best of the Issuer's knowledge, the Board of Statutory Auditors members comply with the provisions of Art. 144-*terdecies* of the Issuers' Regulations on limits to the combination of offices.

At the Report's approval date, no member of the Board of Statutory Auditors had any direct or indirect connections (through professional firms/companies/close relatives) with the Issuer or subjects related to the Issuer which could affect the independence requirement.

**TABLE 4: BOARD OF STATUTORY AUDITORS STRUCTURE AT THE END OF FY 2021**

<b>Board of Statutory Auditors</b>									
<b>Position</b>	<b>Members</b>	<b>Year of birth</b>	<b>Date of first appointment *</b>	<b>In office from</b>	<b>In office until</b>	<b>List **</b>	<b>Independence Code</b>	<b>Attendance at Board meetings ***</b>	<b>Number of other offices ****</b>
Chairperson	Laura Soifer	1974	21 April 2021	21 April 2021	2023 Financial Statements Approval	-	X	8/8	6
Statutory Auditor	Mario Tagliaferri	1961	21 April 2021	21 April 2021	2023 Financial Statements Approval	-	X	8/8	19
Statutory Auditor	Luca Manzoni	1984	21 April 2021	21 April 2021	2023 Financial Statements Approval	-	X	8/8	5
Alternate Auditor	Matteo Zucca	1972	21 April 2021	21 April 2021	2023 Financial Statements Approval	-	X	N/A	9
Alternate Auditor	Marco Valsecchi	1967	21 April 2021	21 April 2021	2023 Financial Statements Approval	-	X	N/A	33
<b>----- AUDITORS LEAVING OFFICE DURING THE FINANCIAL YEAR -----</b>									
<b>Number of meetings held during the relevant financial year: 8</b>									
<b>Specify the quorum required for the submission of lists by minorities for the election of one or more members (under Art. 148 TUF): 2.5%</b>									

**NOTES**

\* The date of first appointment of each auditor is the date on which the auditor was appointed for the first time to the issuer's Board of Statutory Auditors.

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

\*\*\* This column shows the auditors' participation in the Board of Statutory Auditors meetings (specify the meetings attended compared to the total meetings).

\*\*\*\* This column shows the number of positions as director or auditor held by the person concerned in companies other than Fine Foods under Art. 148-bis of the TUF and related implementing provisions contained in the Consob Issuers' Regulations. Consob publishes the complete list of offices on its website under Art. 144-*quinqüesdecies* of the Consob Issuers' Regulations.



The Shareholders' Meeting determines the remuneration of the Statutory Auditors at the time of their appointment.

The remuneration of the Board of Statutory Auditors in office was set by the 21 April 2021 Shareholders' Meeting, providing for an annual fee of € 30,000 for the Chairperson of the Board of Statutory Auditors and € 20,000 for each Statutory Auditor, gross of withholding taxes. The remuneration accrued in 2022 is detailed in the Report on Remuneration policy and Compensation.

During the Financial Year and up to the Report's approval date, the Board of Statutory Auditors met 10 times, with meetings lasting approximately 120 minutes.

Acknowledging the recommendations of the Corporate Governance Code, the Board of Statutory Auditors supervises financial reporting, legal auditing, particularly the provision of non-auditing services.

The Board of Statutory Auditors works with the internal audit head and the Control, Risk and Related Party Transactions Committee by attending committee meetings. These meetings are attended by the head of the internal audit. The Board of Statutory Auditors cooperated with the Supervisory Body appointed under Legislative Decree no. 231/2001 and liaised with the Chief Executive Officer on the internal control and risk management system. The Board of Statutory Auditors participated in the Remuneration and Nomination Committee works.

As part of its supervision of the procedures for the practical implementation of the corporate governance rules, the Board of Statutory Auditors verified the correct application of the criteria and practices adopted by the Board of Directors to assess the independence of its members. These checks were reported to the market.

### **Diversity criteria and policies**

Under Section 4.3 of the Report, Recommendation 8 of the Corporate Governance Code and Art. 148, paragraph 1-*bis* of the TUF, Fine Foods has applied diversity criteria, including gender criteria, in the Board of Statutory Auditors' composition to ensure adequate expertise and professionalism of its members.

Under article 27.7 of the Articles of Association, lists consisting of at least 3 (three) candidates must be composed of candidates belonging to both genders so that several candidates belonging to the less represented gender complies with the applicable minimum legal requirements on gender balance.

At the Report's approval date, one-third of the Board of Statutory Auditors comprises auditors of the least represented gender.

For further details on the Diversity Policy applied to the Board of Statutory Auditors, see Section 4.3 of the Report.

### **Independence**

The Articles of Association, under Art. 148, paragraph 3 of the TUF and Recommendations 6 and 9 of the Corporate Governance Code, require that the Board of Directors assess the independence of each non-executive director and statutory auditor after the appointment and during their term of office if circumstances relevant to independence arise. Otherwise, they do not provide for independence requirements additional to those outlined in Art. 148, paragraph 3 of the TUF.

Under the Corporate Governance Code, in the 2021 financial year, the Board of Statutory Auditors:

- a. assessed the existence and continuation of the independence requirements for the Board of Statutory Auditors members under Recommendation 6 of the Corporate Governance Code, and
- b. in making the above assessments, considered the information made available by each member of the Board of Statutory Auditors, and assessed the circumstances that appear to compromise independence identified by the TUF and the Corporate Governance Code;

- c. applied director independence criteria set out in the Corporate Governance Code under Recommendation 7 of the Corporate Governance Code.

As part of its supervision of the procedures for the practical implementation of the corporate governance rules, the Board of Statutory Auditors verified the correct application of the criteria and practices adopted by the Board of Directors to assess the independence of its members. Under Recommendation 10 of the Corporate Governance Code, these checks were reported to the market.

### **Remuneration**

Under Recommendation 30 of the Corporate Governance Code, the remuneration of Statutory Auditors is proportionate to the commitment required, the importance of the role covered and the Company size and sector.

### **Management of interest**

Under Recommendation 37 of the Corporate Governance Code, a member of the control body who, on their behalf or behalf of third parties, has an interest in a Company transaction shall promptly inform the other members of the body and the Chairperson of the Board of Directors about the nature, terms and scope of the interest.

## **12. Relations with shareholders**

### **Access to information**

The Issuer has set up an easily identifiable and accessible section on its website called "Investor Relations", where information concerning the Issuer relevant to its shareholders is available to exercise their rights in an informed manner. The Issuer has set up an easily identifiable and accessible "Governance" section on its website, containing extensive documentation.

As for the dissemination and storage of regulated information under Art. 113 of the TUF, the Company:

- a. uses an SDIR - NIS circuit, managed by BIt Market Services, to transmit Regulated Information. BIt Market Services is a London Stock Exchange Group company, with its registered office in Piazza degli Affari no. 6, Milan;
- b. uses the centralised storage system for regulated information called "Info" to store Regulated Information, available at [www.1info.it](http://www.1info.it), managed by Computershare S.p.A. with its registered office in Milan and authorised by CONSOB with Resolution no. 18852 of 9 April 2014.

On 19 April 2021, the Company confirmed Carlo Larghi as Investor Relator. The Company's Investor Relations department handles relations with investors, ensuring proper, continuous and complete communication.

The Company's Investor Relations department also handles relations with the financial analysts who follow the Company and institutional investors. This department organises periodic conference calls on economic and financial information. The documentation shown in these meetings is simultaneously made available to the public on the Company's website and at Borsa Italiana.

The Issuer provides timely and easy access to information relevant to its shareholders by publishing it on its website.

The Chairperson of the Board of Directors usually reports to the Shareholders' Meeting on the activities carried out and planned by the Investor Relations department and works to ensure that shareholders are provided with adequate information on the elements necessary to make their decisions with sufficient awareness.

### Dialogue with shareholders

On 30 March 2022, under Recommendation 3 of the Corporate Governance Code, the Company's Board of Directors, on the Chairperson's proposal in agreement with the Chief Executive Officer, and subject to the favourable opinion of the Environmental, Social and Governance Committee, approved and adopted a Shareholder Dialogue Policy, to align the rules of corporate governance and management of dialogue with shareholders with the principles set out in the Corporate Governance Code.

This Policy:

- identifies and governs the out-of-the-meeting dialogue between the Board of Directors and investors' representatives on issues under the Board's responsibility;
- defines the dialogue rules, identifying the parties, criteria for assessing requests, topics, internal governance processes, timing and interaction channels.

Fine Foods acts with diligence and transparency. It ensures these Policy principles and criteria and internal Company and Group policies comply with applicable laws and regulations through efficient and effective processes for equal treatment of investors and market integrity. Under the Shareholder Dialogue Policy, the Company operates under the following principles:

- transparency of the information provided during the dialogue. Information shall be clear, complete, correct, truthful and not misleading;
- equal treatment of the bearers of Fine Foods financial instruments;
- compliance with applicable legal and regulatory provisions, including those on market abuse, internal governance rules, ensuring the application of the collaboration and transparency principles when dealing with supervisory authorities and relevant administrations.

The topics discussed as part of the dialogue with shareholders concern:

- (a) the pursuit of sustainable success;
- (b) corporate governance, such as issues relating to the corporate governance system, Board of Directors appointment and composition, including the number of members, professionalism, integrity, independence and diversity, Board Committee composition, duties and functions, CEO succession plan, and any other executive directors, etc.;
- (c) social and environmental sustainability;
- (d) policies on the remuneration of directors and managers with strategic responsibilities and their implementation;
- (e) internal control and risk management system.

The Shareholders Dialogue Policy does not cover the management aspects of the dialogue relating to the Shareholders' Meeting. These are governed by laws and regulations and the Company's Articles of Association.

The Shareholder Dialogue Policy is to enhance transparency and investor engagement, as promoted by the Shareholder Rights Directive II for institutional investors and asset managers, to ensure the sustainable success of Fine Foods by creating long-term value for the benefit of Shareholders. This considers the interests of other stakeholders and the environmental, social and financial impact of its operations.

The Shareholder Dialogue Policy is available on the Issuer's website, [www.finefoods.it](http://www.finefoods.it).

### **13. Shareholders' Meetings**

Under Art. 14 of the Articles of Association, the Ordinary and Extraordinary Shareholders' Meeting resolves on matters reserved to it by law and the Articles of Association. Shareholders' Meeting resolutions which are taken under the law and the Articles of Association are binding on all shareholders. As a rule, the Shareholders' Meeting is held on a single call. The Board of Directors and the Chairperson of the Board of Directors or, in their absence or impediment, the Chief Executive Officer may call the Shareholders' Meeting on the second and third call, under applicable laws and regulations, explaining the reasons for the Meeting. The Shareholders' Meeting is constituted and resolves on the matters attributed to it by law and these Articles of Association with legal majorities.

The right to attend and vote at the Shareholders' Meeting is governed by applicable law and regulations.

Those legally entitled to attend the Shareholders' Meeting have the right to vote if the Company has received a communication from an authorised intermediary based on their accounting records at the end of the seventh trading day before the date set on a single call for the Shareholders' Meeting, and received by the Company within the legal deadlines.

The Ordinary and Extraordinary Shareholders' Meeting may be held with participants located in different places, near or distant, audio/video connected, provided that the collective method and principles of good faith and equal treatment of shareholders are followed.

Those who have the right to vote may be represented at the Shareholders' Meeting under the law, by a proxy issued according to legislation. The proxy may be notified to the Company electronically, by e-mail under the notice of call procedures. The Company may designate, for each Shareholders' Meeting, and mention this in the notice of call, a person on whom the shareholders may confer proxy with voting instructions on all or some of the proposals on the agenda, under legal terms and procedures.

The Shareholders' Meeting is chaired by the Chairperson of the Board of Directors or, in their absence or impediment, by the Chief Executive Officer, failing which the Shareholders' Meeting elects its Chairperson.

On 30 April 2020, the Company's Shareholders' Meeting approved the Shareholders' Meeting Regulations. This text can be consulted on the Company's website, to ensure that Shareholders' Meetings can be conducted in an orderly and functional manner and to guarantee that each Shareholder can speak on the agenda items.

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During FY2022, the Ordinary Shareholders' Meeting met once on 10 May 2022, on a single call, with an attendance of 65.509359% of the ordinary share capital and 72.924394% of the voting rights attributed to the capital, and resolved the following: (i) approval of the Company's Financial Statements for the year ended 31 December 2021; (ii) allocation of the year profit and distribution of the dividend; (iii) authorisation to buyback and dispose of treasury shares under Articles 2357 and 2357-ter of the Italian Civil Code, subject to the revocation of the unexecuted part, of a previous Shareholders' Meeting authorisation dated 21 April 2021; (iv) approval of the first section and expression of a favourable opinion on the second section of the Report on the Remuneration Policy and Compensation drawn by the Board of Directors under Articles 123-ter of the TUF and 84-quater of the Issuers' Regulation.

The Board of Directors, through its Chairperson, during the Shareholders' Meeting did its utmost to ensure that shareholders were provided with adequate information on the elements necessary, so they were aware of the facts before making decisions for which the Shareholders' Meeting is responsible.

### **14. Additional corporate governance practices**

At the Report's approval date, the Issuer applied no additional corporate governance practices beyond the obligations provided for by laws or regulations.

## **15. Changes since the end of the reporting period**

Without prejudice to what is set out in the Report, there have been no further changes in the corporate governance structure since the end of the relevant Financial Year.

## **16. Considerations on the Corporate Governance Committee Chairperson's letter**

The recommendations for 2023 contained in the letter dated 25 January 2023 from the Corporate Governance Committee Chairman regarding corporate governance were brought to the attention of the Control, Risk and Related Party Transactions Committee at its 8 March 2023 and 27 March 2023 meetings and the Board of Directors at its 30 March 2023 meeting.

At that meeting, the Board of Directors noted that almost all recommendations had been substantially implemented by the Company and decided not to take any further initiatives, in addition to those already implemented or started, and not to implement any specific actions for the reasons specified in the sections of the Report on Corporate Governance and Ownership Structure and Report on Remuneration Policy and Compensation.