



# **Report on Corporate Governance and Ownership Structure**

## **2021**

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## 2021

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

Issuer: GVS S.p.A.

Website: [www.gvs.com](http://www.gvs.com)

Year to which Report refers: 2021

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# Contents

	Glossary	4			
01	Issuer Profile	6	12	Shareholder Relations	67
02	Information on the ownership structure (pursuant to article 123-bis, paragraph 1, CFA)	8	13	Shareholders' Meeting	69
03	Compliance (pursuant to Article 123-bis, paragraph 2, letter a) of the CFA)	14	14	Additional Corporate Governance Practices	71
04	Board of Directors	14	15	Changes to the Closure of the Financial Year of Reference	72
05	Processing of Corporate Information	38	16	Considerations on the Letter of 03 December 2021 from the Chairman of the Corporate Governance Committee	74
06	Board Committees (pursuant to Article 123-bis, paragraph 2, letter d) of the CFA)	40		Tables 1: information on the ownership Structure as at 22 march 2022	76
07	Self-Assessment and Succession of Directors - Appointments and Remuneration Committee	41		Tables 2: Structure of the Board of Directors at the end of the financial year	78
08	Remuneration of Directors - Remuneration Committee	46		Tables 3: Structure of the Board Committees at the end of the financial year	80
09	Internal Control and Risk Management System - Control and Risk Committee	47		Tables 4: Structure of the Board of Statutory Auditors at the end of the financial year	82
10	Interests of The Directors and Related Party Transactions	58		Tables 5: appointments of the Board of Directors	
11	Board of Statutory Auditors	60			





# Glossary

Director(s)	Individually or collectively, as applicable, the members of the GVS Board of Directors.
Chief Executive Officer	The chief executive officer of GVS.
Appointed Director	The director in charge of the Issuer's internal control and risk management system, a position assigned by GVS to the CEO in accordance with Recommendation 32, letter b) of the Corporate Governance Code.
Shareholders' Meeting	The meeting of the Shareholders of GVS.
Shareholders	The shareholders of GVS.
Italian Stock Exchange or Borsa Italiana	Borsa Italiana S.p.A.
Self-Regulatory Code	The Self-Regulatory Code for listed companies approved by the Corporate Governance Committee and brought into effect by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria in July 2018 and applicable by issuers until the coming into force of the Corporate Governance Code.
Code/Corporate Governance Code	The Corporate Governance Code of Listed Companies approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, applicable by issuers from the first financial year starting after 31 December 2020 and accessible to the public on Borsa Italiana's website ( <a href="http://www.borsaitaliana.it">www.borsaitaliana.it</a> ).
Civil Code/c.c.	The Italian Civil Code.
Board of Auditors	The Issuer's Board of Auditors.
Committees	Collectively, the committees formed within the Board of Directors.
Control, Risk and Sustainability Committee	GVS's Control, Risk and Sustainability Committee, established within the Board of Directors in accordance with Principle XI of the Corporate Governance Code and integrating the functions outlined in Recommendation 35 of the Code.
Appointments and Remuneration Committee	The appointments and remuneration committee set up within the Board of Directors pursuant to Principle XI of the Corporate Governance Code and incorporating the functions outlined in Recommendations 19 and 25 of the Code.
Board or Board of Directors	The board of directors of the Issuer.
CONSOB	The National Commission for Companies and the Stock Exchange.
Subsidiaries	The companies directly and indirectly controlled by GVS pursuant to Article 2359 of the Civil Code and Article 93 of the CFA.
Trading Start Date	The date of commencement of trading of GVS shares on the electronic share market organised and managed by Borsa Italiana (i.e. 19 June 2020).

Head of Corporate Financial Reporting	The manager in charge of drawing up the corporate accounting documents appointed by the Board of Directors pursuant to Article 154- <i>bis</i> of the Consolidated Finance Act and Article 30 of the Articles of Association.
Financial Year	FY 2021, the company financial year to which the Report refers.
Euronext Milan or EXM	The electronic share market organised and managed by Borsa Italiana.
GVS Group or the Group	Jointly, GVS and the Subsidiaries.
GVS or the Company or the Issuer	GVS S.p.A.
Regulation of the Board of Directors	The Regulation of the Board of Directors of GVS approved by the Board of Directors on 10 September 2020, as amended and supplemented over time, most recently on 17 December 2021.
Issuers' Regulation	The Regulation issued by Consob with Resolution no. 11971 of 1999 (and subsequent amendments) on the matter of issuers.
Market Regulation	The Regulation issued by Consob under the 2017 resolution no. 20249 relating to markets.
Related Parties Regulation	The Regulation issued by Consob with resolution no. 17221 of 12 March 2010 (and subsequent amendments) on related party transactions.
Report	La presente relazione sul governo societario e gli assetti proprietari, redatta ai sensi dell'art. 123- <i>bis</i> del TUF.
Independent Auditing Firm	The company appointed to audit GVS.
Articles of Association	The articles of association of GVS.
CFA	Legislative Decree no. 58 dated 24 February 1998 (Consolidated Finance Act).

Unless otherwise specified, the definitions in the Corporate Governance Code relating to: **directors, executive directors, independent directors, significant shareholder, chief executive officer (CEO), administrative body, control body, business plan, concentrated ownership company, large company, sustainable success, top management**, shall also be considered by reference.

# 01. Issuer Profile

GVS S.p.A. (hereinafter also "**GVS**" or the "**Company**" or the "**Issuer**") is incorporated as a joint-stock company, is registered with the Bologna Register of Companies under no. 03636630372, VAT no. 00644831208 and in the Economic and Administrative Index (REA) at the Bologna Register of Companies under no. BO - 305386 and has its registered office in Zola Predosa (BO), at Via Roma n. 50, 40069.

The Company is organised according to the traditional administration and control model as per Articles 2380-*bis et seq.* of the Civil Code, which provides for the Shareholders' Meeting, the Board of Directors and the Board of Auditors.

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

GVS currently has 17 plants in Italy, the United Kingdom, Brazil, the United States, China, Mexico, Romania and Puerto Rico and 18 sales offices located across the world

## Sustainability

Pursuant to the Code of Corporate Governance, it is the duty of the Board of Directors to guide the Company by pursuing its sustainable success; an objective which is embodied in the creation of long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to GVS.

For guidance on how this objective is implemented by the Board of Directors in GVS's strategies, remuneration policies, and system of internal control and risk management, see Sections 4, 8, and 9 of the Report below, respectively.

## Non-Financial Statement

In accordance with Articles 3 and 4 of Legislative Decree 254/2016, the Company has prepared the consolidated non-financial statement for the Year, which is available on the Company's website ([www.gvs.com](http://www.gvs.com) - Governance Section).

## Declaration on SME status

Pursuant to Article 1, paragraph 1, letter w)-*quater*.1 of the CFA, "SMEs" are considered to be small and medium-sized enterprises, issuers of listed shares with a market capitalisation of less than 500 million euros. Issuers of listed shares which have exceeded this limit for three consecutive years are not considered SMEs.<sup>1</sup>

Pursuant to Article 2-*ter* of the Issuers' Regulation, for the acquisition of the SME qualification, the capitalisation is corresponding to the simple average of the daily capitalisations calculated with reference to the official price, recorded during the year.

Despite the fact that during both FY 2020 and FY 2021 the Issuer exceeded the market capitalisation parameter provided for the purpose of qualifying as a SME, as of the date of this Report GVS qualifies as a "SME" for the turnover requirement<sup>2</sup> pursuant to and for the purposes of the transitional regime set forth in paragraph 2 of Article 44-*bis* of Decree-Law no. 76 of 16 July 2020, coordinated with conversion law no. 120 of 11 September 2020.<sup>3</sup>

Specifically, pursuant to this provision, it is envisaged that issuers which, like GVS, on the date of entry into force of the above conversion law (i.e. on 15 September 2020) were qualified as SMEs based solely on the criterion of turnover (i.e. turnover not exceeding 300 million euros) continue to maintain this qualification for the following two financial years.

## Qualification of GVS under the Corporate Governance Code

Please note that the Issuer falls within the definition of "concentrated ownership company", as set out in the Corporate Governance Code.

Refer to paragraph 7.1 and Section 16 of the Report for information on GVS's use of the Code's application flexibility options.

1. The definition of SME in the CFA was amended by Article 44-*bis*, paragraph one of Law Decree no. 76 of 16 July 2020, introduced by Conversion Law no. 120 of 11 September 2020. Before the amendment, Article 1, paragraph 1, letter w)-*quater*.1 of the Consolidated Finance Act defined "SME" as small and medium-sized enterprises, issuers of listed shares, whose turnover (also prior to the admission of their shares to trading) was less than 300 million euros, or which had a market capitalisation of less than 500 million, specifying that "issuers of listed shares that have exceeded both these limits for three consecutive years are not considered SMEs". The amendment has eliminated the reference to the turnover parameter, so that, as of today, small and medium-sized enterprises, issuers of listed shares, with a market capitalisation of less than 500 million euros are considered "SMEs" and "issuers of listed shares that have exceeded this limit for three consecutive years are not considered SMEs". The same Article 44-*bis* of the aforementioned decree, in paragraph two, has provided for a transitional regime on the basis of which: "Issuers that on the effective date of the law converting this decree (i.e. as of 15 September 2020) assume the status of SME based solely on the criterion of turnover continue to maintain this status for two financial years following the current one."

2. See the list of listed share issuers classifiable as "SMEs" as of 31 January 2022 prepared by CONSOB, [https://www.consob.it/web/area-pubblica/emittenti-quotati-pmi#\\_ftn001](https://www.consob.it/web/area-pubblica/emittenti-quotati-pmi#_ftn001).

3. See note 1. above.

## 02.Information on the Ownership Structures

(pursuant to article. 123-bis, paragraph 1, CFA)

(a) Share capital structure (pursuant to Article 123-bis, paragraph 1, letter a) of the CFA)

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

### 2020 - 2022 Performance Share Plan

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

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

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

For more information about the 2020-2022 Performance Share Plan, please refer to the Report on Remuneration, published on the Company's website [www.gvs.com](http://www.gvs.com), in the "Governance" section.

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

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

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

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

Declarant	Direct shareholder	% share of ordinary share capital	% share of voting rights
Massimo Scagliarini	GVS Group S.r.l.	75,000	75,000

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

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

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

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

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

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

- (i) any shareholder who intends to be included on the list must make a request to the Company in the manner and within the terms provided by specific regulations published on the Company's website;
- (ii) the Company, after verifying the necessary prerequisites, shall enter the shareholder on the list by the 15th day of the calendar month following the month in which the shareholder's request is received, accompanied by the above documentation;
- (iii) subsequent to the request for inclusion on the list, the holder of the shares for which inclusion on the list was requested - or the holder of the real right conferring the right to vote - must notify the Company without delay, directly or through his or her intermediary, of any eventual termination of the increased voting right or of the related conditions.

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

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

The increased voting right is lost in the event of the transfer of shares for consideration or free of charge, including operations of constitution or alienation, even temporary, of partial rights on the shares by virtue of which the shareholder registered on the List is (ex lege or contractually) deprived of the right to vote. In the event of a transfer for consideration or free of charge, involving only a part of the Issuer's shares with an increased voting right, the transferor shall retain the increased voting right limited to the Issuer's shares not subject to transfer, it being understood that the benefit of the increased voting right shall be retained (i) in the event of succession due to death (ii) as a result of a transfer by virtue of a donation in favour of legitimate heirs, a family agreement, or the constitution and/or endowment of a trust, an estate fund or a foundation of which the transferor himself or his legitimate heirs are beneficiaries and (iii) in the event of a merger or spin-off of the holder of the shares. In the case of points (i) and (ii) above, the successors in title are entitled to apply for registration with the same seniority of registration as the natural person in title.

The party entitled to the increased voting right has the right to irrevocably waive, in whole or in part, the increased voting right for the shares held by it, by means of a notice to be sent to the Company in the manner and within the terms provided for by specific regulations published on the Company's website. The waiver has permanent effect and is acknowledged in the List, without prejudice to the right to re-register on the part of the shareholder who subsequently intends to benefit from the increase in voting rights.

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

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

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

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

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

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

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

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

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

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

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

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

***(i) Delegated powers to increase the share capital and authorise the purchase of treasury shares (pursuant to Article 123-bis, paragraph 1, letter m) of the CFA)***

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



On the same date, the Shareholders' Meeting also resolved to grant the Board of Directors the power to increase the share capital against payment, pursuant to Article 2443 of the Italian Civil Code, in one or more instalments, including in several tranches, until 13 March 2025, with the exclusion of pre-emption rights:

- for a number of ordinary shares not exceeding 20% of the total number of ordinary shares in circulation as at the date of any exercise of the proxy pursuant to Article 2441, paragraph 4, first sentence, of the Italian Civil Code, by means of the contribution of assets in kind concerning companies, business units or equity investments, as well as assets contributing to the corporate purpose of the Company and its subsidiaries; and

for a number of ordinary shares not exceeding 10% of the total number of ordinary shares in circulation as at the date of the possible exercise of the proxy, pursuant to Article 2441, paragraph 4, second sentence of the Italian Civil Code, provided that the issue price corresponds to the market value of the shares and this is confirmed in a specific report by a statutory auditor or an independent auditing firm. The Shareholders' Meeting, in its meeting of 27 April 2021, authorised the purchase and disposal - also in service of share-based incentive plans, as well as in order to support on the market the liquidity of the shares in compliance with current provisions and accepted market practices - on one or more occasions, of treasury shares of the Company, up to a maximum number of shares in total not exceeding 20% of the share capital of the Issuer (the **"Buyback Plan"**). The authorisation to purchase treasury shares is effective for a period of 18 months from 27 April 2021.

In execution of the aforementioned shareholders' resolution, on 08 October 2021 the first part of the Buyback Plan was launched for a maximum number of own shares able to be purchased of 450,000 (equal to 0.26% of the subscribed, paid-up share capital), with a maximum value set at 6,000,000 euros. During the period between 08 October 2021 and 28 January 2022, GVS purchased 450,000 ordinary shares (equal to 0.26% of the share capital), for a total value of 4,844,190 euro and a volume-weighted average price of 10.76 euro.

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

The Issuer is controlled by law, pursuant to Article 2359, paragraph 1, of the Civil Code and Article 93 of the CFA, by GVS Group S.r.l. - whose share capital with voting rights is held 50.52% by Massimo Scagliarini, Chief Executive Officer of the Issuer - which indirectly controls the Issuer by right pursuant to Article 93 of the CFA.

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

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

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

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

Lastly, it is specified that:

- the information relating to "agreements between the company and the directors [...] which provide for indemnities in the event of resignation or dismissal without just cause or if their employment ceases following a takeover bid" is contained in the report on the remuneration policy and compensation paid published in accordance with Article 123-*ter* of the CFA, which will be made available to the public within the terms and according to the procedures of the applicable laws and regulations;
- information relating to "the rules applicable to the appointment and replacement of directors [...] as well as to the amendment of the Articles of Association, if different from the laws and regulations applicable in the alternative" is illustrated in paragraph 4.2. below of this Report, dedicated to the Board of Directors.



## 03. Compliance

(ex art. 123-bis, comma 2, lettera a), TUF)

The Company has adhered to the Corporate Governance Code, which is available on the Corporate Governance Committee's website (<https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>).

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

## 04. Board Of Directors

### 4.1 Role of the Board of Directors

#### PERFORMANCE OF THE ASSIGNMENT

In accordance with the provisions of the Articles of Association and the Regulation of the Board of Directors, GVS is administered by a Board of Directors elected by the Shareholders' Meeting. The Directors of GVS act and deliberate with full knowledge of the facts and independence of judgement, pursuing the priority objective of creating value for shareholders within the framework of the ethical principles defined by the Company.<sup>4</sup>

In particular, pursuant to Article 10.2 of the Regulation of the Board of Directors, the Board exercises and organises business activities with the aim of pursuing sustainable success through the creation of long-term value for the benefit of shareholders, taking into account the interests of the Company's other relevant stakeholders. In defining the nature and level of risk compatible with the Company's strategic objectives, the Board includes in its evaluations all risks that may be relevant to the achievement of sustainable success.

The Board of Directors defines the corporate governance system that is most suitable for carrying out the Company's activities and pursuing its strategies, within the limits of the provisions of the law, regulations and Articles of Association applicable to the Company. In order to achieve a corporate governance system that is more functional with regard to corporate needs, the Board can submit to the Shareholders' Meeting reasoned proposals concerning the choice and characteristics of the corporate model; size, composition and appointment of the Board and term of office of its members; administrative and property rights attributed to the shares; and percentages set out for the instruments for the safeguard of minorities.<sup>5</sup>

4. Article 5.3 of the Regulation of the Board of Directors.

5. Article 10.6 of the Regulation of the Board of Directors.

The Board of Directors also promotes, in the most appropriate forms, the dialogue with the Shareholders and the other relevant stakeholders of the Company. For more information on GVS's policy on shareholder dialogue, see Section 12 of the Report.

#### COMPETENCES OF THE BOARD OF DIRECTORS

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

In addition, the Board of Directors, in accordance with Recommendation 1 of the Corporate Governance Code:

- (a) examines and approves the Company's and the Group's business plan, also on the basis of an analysis of the issues relevant to the generation of long-term value;
- (b) periodically monitors the implementation of the business plan, as well as assesses the general performance of operations, periodically comparing the results achieved with those planned;
- (c) defines the nature and level of risk compatible with the Company's strategic objectives, including in its evaluations all risks that may be relevant to the Company's sustainable success;
- (d) defines the Company's corporate governance system and the structure of the Group;
- (e) assesses the adequacy of the organisational, administrative and accounting structure of the Company and its Subsidiaries of strategic relevance, with particular reference to the internal control and risk management system;
- (f) resolves on transactions carried out by the Company and its Subsidiaries that are of significant strategic, economic, capital or financial importance for the Company, establishing the general criteria for identifying significant transactions;
- (g) adopts, upon proposal of the Chairman in agreement with the CEO, a procedure for the internal management and external disclosure of documents and information concerning the Company, with particular reference to inside information.

#### ASSESSMENT OF GENERAL OPERATING PERFORMANCE

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

In particular, with regard to this issue, express reference is made to what is reported in the consolidated financial statements as at 31 December 2021 of the GVS Group.

## **ASSESSMENT OF THE ADEQUACY OF THE ORGANISATIONAL, ADMINISTRATIVE AND ACCOUNTING STRUCTURE OF THE ISSUER AND ITS SUBSIDIARIES HAVING STRATEGIC RELEVANCE**

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

In this regard, reference is made to Section 9 of this Report.

## **TRANSACTIONS OF SIGNIFICANT STRATEGIC, ECONOMIC, CAPITAL OR FINANCIAL IMPORTANCE**

As regards the transactions of the Company and its Subsidiaries, when such transactions are of strategic, economic, equity or financial importance for the Company, they are reserved to the exclusive competence of the Board of Directors, which applies the general criteria and limits pursuant to Article 20.3 of the Articles of Association.

Pursuant to such provision, in addition to those that cannot be delegated by law, the Board of Directors, as a collective body, has exclusive jurisdiction over resolutions concerning:

- (a)** any investment or divestment exceeding, individually or cumulatively for each fiscal year, Euro 2,500,000, which are not envisaged in the multi-year business plan;
- (b)** bank loans or other forms of financing, not envisaged in the approved multi-year business plan, for each individual financial year, exceeding Euro 10,000,000;
- (c)** operations of extraordinary administration of the Issuer, of any type, it being understood that, in the case of acquisitions or disposals of fixed assets, extraordinary administration shall mean those of amounts exceeding, individually or cumulatively for each corporate year, Euro 5,000,000.00 of enterprise value;
- (d)** constitution of liens, encumbrances and encumbrances on company shareholdings in other companies or other assets of the Issuer;
- (e)** granting of collateral and/or personal guarantees for amounts exceeding Euro 5,000,000;
- (f)** granting of advances to employees of the Company, in compliance with the applicable regulations and, in any case, of a unit amount not exceeding Euro 250,000 for each advance and of a total amount not exceeding Euro 400,000 with reference to the total amount of advances granted over time;
- (g)** filing of bankruptcy petitions or requests for the opening of other insolvency procedures by the Issuer;
- (h)** merger in the cases provided for by Articles 2505 and 2505-bis of the Civil Code;
- (i)** the establishment and closure - in Italy and abroad - of secondary offices;

- (j)** an indication of which directors have the power to represent the Issuer;
- (k)** transferring of the registered office within the national territory.
- (l)** the reduction of capital in the event of shareholder withdrawal;
- (m)** adaptations of the Articles of Association to regulatory provisions.

## **INSIDE INFORMATION PROCEDURE**

With reference to the procedure adopted by GVS for the communication of privileged information to the market, see Section 5 of this Report.

## **CORPORATE GOVERNANCE SYSTEM**

On the basis of the evaluations carried out during the financial year, the Board considers that the corporate governance system of GVS is functional to the needs of the company and, for this reason, it did not deem it appropriate to draw up justified proposals to submit to the Shareholders' Meeting in this regard.

## **SHAREHOLDER DIALOGUE POLICY**

On 17 December 2021, the Board of Directors adopted a policy for managing dialogue with the general membership in accordance with Recommendation 3 of the Corporate Governance Code. The updated text of the policy is available on the Company's website [www.gvs.com](http://www.gvs.com) - Governance Section.

For detailed information on GVS's policy for managing shareholder dialogue, please refer to Section 12 of the Report.

For information on the powers assigned to the Board with regard to (i) its composition and functioning, (ii) appointment and self-assessment, (iii) remuneration policy and (iv) internal audit and risk management system, reference should be made to paragraphs 4.3 and 4.4 and Sections 7, 8 and 9 of the Report, respectively.

## 4.2 Appointment and Replacement

pursuant to Article 123-bis, paragraph 1, letter l), of the CFA)

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

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

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

Each shareholder as well as (i) shareholders belonging to the same group, meaning the controlling party, including non-corporate, pursuant to Article 2359 of the Civil Code and any company controlled by, or under the common control of, the same party, or (ii) shareholders who are party to the same shareholders' agreement pursuant to Article 122 of the CFA, or (iii) shareholders who are otherwise associated with each other by virtue of associative relationships relevant under the law, including regulations, in force, may not submit - or participate in the submission, even through a third party or trust company - more than one list or vote for different lists. Accessions and votes cast in violation of this prohibition will not be attributed to any list if they determine the outcome of the vote. Each candidate may appear on only one list under penalty of ineligibility.

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

At the end of the vote, the candidates on the two lists that have obtained the highest number of votes, provided that they exceed half of the percentage of share capital required for the presentation of lists, to be calculated at the time of voting, are elected according to the following criteria: (a) a number of directors equal to the total number of members of the Board of Directors, as previously established by the Shareholders' Meeting, minus one, is taken from the list that has obtained the highest number of votes (the "**Majority List**"); within these numerical limits, the candidates are elected in the numerical order indicated on the list (b) one director is taken from the list that obtained the second highest number of

votes and that is not connected in any way, not even indirectly, with the shareholders who submitted or voted for the Majority List (the "**Minority List**"), in the person of the candidate indicated with the first number on the list.

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

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

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

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

The Articles of Association do not provide for independence requirements, other than those established for auditors pursuant to Article 148 of the CFA, and/or integrity and/

or professionalism requirements for assuming the office of director, also with reference to the requirements in this regard provided by codes of conduct drawn up by companies managing regulated markets or by trade associations.

The Articles of Association do not contain any provision pursuant to which the outgoing Board of Directors has the power to submit a list of candidates.

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

4.3 Members  
(pursuant to Article 123-bis, paragraph 2, letter d) and d-bis) of the CFA)

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

In addition to the CEO, Massimo Scagliarini, the Directors Marco Scagliarini, Mario Saccone and Matteo Viola qualify as executive Directors, while the remaining 5 Directors are non-executive. All Directors have professionalism and skills appropriate to the tasks assigned to them. Moreover, the Issuer believes that the number and powers of the non-executive Directors are such as to ensure their significant influence on the adoption of resolutions by the Board and to guarantee an effective management monitoring. With the exception of the Chairman, all non-executive Directors meet both the independence requirements of the Corporate Governance Code and those established by the CFA.

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

Position	Name	In office since	In office until
Chairman	Grazia Valentini	18 March 1987	Approval of the financial statements as at 31/12/2022
Chief Executive Officer	Massimo Scagliarini	24 July 1990	Approval of the financial statements as at 31/12/2022
Managing Director	Marco Scagliarini	24 July 1990	Approval of the financial statements as at 31/12/2022
Managing Director	Mario Saccone	23 July 2010	Approval of the financial statements as at 31/12/2022
Managing Director	Matteo Viola	23 May 2018	Approval of the financial statements as at 31/12/2022
Director	Nadia Buttignol	19 June 2020	Approval of the financial statements as at 31/12/2022
Director	Arabella Caporello	19 June 2020	Approval of the financial statements as at 31/12/2022
Director	Alessandro Nasi	19 June 2020	Approval of the financial statements as at 31/12/2022
Director	Michela Schizzi	19 June 2020	Approval of the financial statements as at 31/12/2022

Please refer to **Table 2** annexed hereto for full details on the members of the Board of Directors.

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

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

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

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

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



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

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

**Arabella Caporello** - Born in Ortona (CH) on 20 September 1972, she graduated in Economics and Business from the Università Cattolica del Sacro Cuore of Milan in 1996. After several stints as a financial analyst with General Electric and Gallo & C. (Mediobanca), she joined Advent International - Private Equity Funds in 1999 as a senior associate. After a brief period as Head of Business Development /M&A for the Humanitas Group, from 2006 to 2012, she held the position of Vice President Investindustrial Advisor S.p.A. Subsequently, in 2012 she joined Banca Popolare di Milano as Executive Assistant to the Management Board, before moving in 2014 to the Lugano office of Investindustrial Advisor to cover the role of senior vice president. From 2016 to 2018, she served as General Manager of Milan City Council. Since 2018, she has been advising private equity funds in their investment activities in small-mid cap companies active in the Italian market. She has held board positions in several Italian companies, including listed ones. Starting from May 2021, she has been in charge in Italy of the private equity funds managed by L Catterton Europe.

**Alessandro Nasi** - Born in Turin on 18 April 1974, he graduated in Business Administration from the University of Turin in 2002. After several national and international experiences, as financial analyst at Europlus Asset Management, Pricewaterhouse Coopers, Merrill Lynch and J.P. Morgan, in 2005 he joined the Fiat Group as Corporate Business Development manager. In 2008, he joined CNH Industrial, a Fiat Group listed company, where he currently serves as a member of the Board of Directors. Also within the Fiat Group, he has held various management and administrative positions in the group's domestic and foreign companies. Since April 2019, he has been Chairman of the Board of Directors of Iveco Defence and in November of the same year he joined the Advisory Board of Lego Brand Group. He has been Chairman of the Board of Directors of Comau since June 2020 and Chairman of Astra since April 2021. He has been a member of the Board of Directors of Iveco Group since January 2022. He is deputy chairman of Exor and sits on the board of Giovanni Agnelli NV.

**Michela Schizzi** - Born in Viareggio (LU), on 30 August 1982, she graduated in Law from La Sapienza University of Rome in 2006. In 2009, she also obtained an LLM in European Law from King's College London. In 2006, she joined the Rome office of the international law firm Cleary Gottlieb Steen & Hamilton LLP as an associate. In 2012, she joined Snam S.p.A., where she held the position of Senior Vice President Regulated Business Legal Affairs. Within the Snam group affiliates, she also served from 2015 to 2018 as a member of the board of directors and audit committee of some of the Group's foreign companies. In 2020, she moved to the holding company of the Allianz insurance group where she is in charge, within the legal department, of the group's worldwide M&A transactions.

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

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

**DIVERSITY CRITERIA AND POLICIES**

At present, GVS has not adopted a specific diversity policy pursuant to Article 123-*bis*, paragraph 2, letter d-*bis* of the CFA, given that the Articles of Association already provide for rules for the members of the lists and supplementary voting mechanisms aimed at ensuring the presence on the Board of the minimum number of members belonging to the least represented gender, in accordance with the provisions of the applicable legislation.

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

**MAXIMUM NUMBER OF OFFICES HELD IN OTHER COMPANIES**

The list of positions held by the Company's Directors in other companies, including companies listed on regulated markets (including foreign markets), in financial, banking, insurance or other large companies, is given in **Table 5** of this Report.

On the proposal of the Appointments and Remuneration Committee, the Board of Directors meeting held on 22 March 2022 adopted the guideline described below regarding the maximum number of administration and control positions that Directors may hold in other companies of significant size and that can be considered compatible with an effective performance of the role of Director of the Issuer, taking into account the commitment resulting from the role held.

Specifically:

- (a) an executive Director, in addition to the office held in the Company, should not hold office in companies of significant size:
  - (i) no executive Director positions;
  - (ii) more than 3 offices as non-executive Director and/or standing auditor;
- (b) a non-executive Director, including an independent one, in addition to the office held in the Company, should not hold office in companies of significant size:
  - (i) more than 2 offices as an executive Director and more than 4 offices as a non-executive Director and/or standing auditor; and
  - (ii) more than 6 offices as non-executive Director and/or permanent auditor.

For the purposes of the aforesaid cumulation, companies of significant size are understood to be:

- (a) companies with shares listed on regulated markets, including foreign markets;
- (b) Italian or foreign banking, insurance or financial companies, whereby relevant financial companies are understood to be the financial intermediaries referred to in Article 106 of Legislative Decree no. 385 of 1993 (the "**Consolidated Banking Act**" or "**CBA**") and companies that provide investment services or collective asset management pursuant to the Consolidated Finance Act, it being understood that, where foreign companies are concerned, substantial equivalence must be assessed;
- (c) other companies with consolidated revenues in excess of 500 million euros.

For the purposes of this calculation (i) positions held within GVS and its Subsidiaries or in Committees do not count; and (ii) positions held in more than one company belonging to the same group will count as one.

The Board, in its evaluations of each subjective position, may take into account the individual Director's specific circumstances and professional commitments to possibly allow an exception to the office limits. In any event, the Board of Directors shall ensure that the Directors have sufficient time and can devote sufficient effort to the performance of their duties.

## 4.4 Function of the Board of Directors

(pursuant to Article 123-bis, paragraph 2, letter d), of the CFA)

On 10 September 2020, GVS's Board of Directors adopted rules of procedure, subsequently updated on 17 December 2021 to reflect the provisions of the Corporate Governance Code (the "**Regulation of the Board of Directors**"), which govern, *inter alia*, the deadlines for submitting documentation to support Board meetings and the manner in which Board meetings are to be minuted. In particular, Article 7 of the Regulation of the Board of Directors provides that as far as reasonably possible, these documents shall be made available to the Directors and Auditors in such a way as to guarantee the necessary confidentiality, through the use of a specific, dedicated IT platform, and sufficiently in advance of the date of the Board meeting, normally within 5 days prior to the date set for the meeting. In cases of urgency, the documentation will be made available as promptly as possible, subject to prior notice within the same period.

If the documentation made available to the members of the Board is particularly complex and voluminous, the Chairman, with the help of the Secretary, shall ensure that it is accompanied by a document summarising the most significant and relevant points for the examination of the items on the agenda.

Directors and Auditors may in any case have access to the above information documentation at the Company's registered office in the days immediately preceding that of the meeting. The Chairman verifies at the offices that the above information has been duly made available to the directors and auditors. In the event that the Chairman deems it appropriate, in relation to the content of the subject matter and the related resolution, the informative documentation may be provided and illustrated directly at the meeting. Pursuant to Article 9 of the Regulation of the Board of Directors, the Secretary shall take the minutes of the meeting. These minutes record the communications made and the resolutions adopted; the minutes are transcribed in a special book to be kept and archived pursuant to Article 2421, point 4, of the Italian Civil Code, and signed by the Chairman of the meeting and the Secretary or a notary public. When required by law or when the Chairman deems it appropriate, the resolutions shall be recorded by a notary public chosen by the Chairman.

For the sole purpose of facilitating the taking of minutes of the meeting, and unless otherwise ordered by the Chair of the meeting, meetings of the Board may be recorded by audio instruments, it being understood that the audio-video media shall be subject to destruction as soon as the relevant minutes are transcribed in the Board meeting book. The minutes shall normally be submitted to the next Board meeting and shall remain available for inspection at the request of any of the Directors or Auditors. Copies and extracts of Board minutes may be issued and certified true by the Chairman or Secretary. In case of specific needs, it is also possible to approve the minutes or single items of the agenda during the Board meeting.

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

In FY 2021, the GVS Board of Directors met a total of 9 times with an average duration of approximately 110 minutes for each meeting. The percentages of each director's attendance at meetings are set out in **Table 2** of this Report.

With regard to FY 2022, 7 board meetings are scheduled (including 1 already held, at the date of approval of this Report, on 22 March 2022).

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

## 4.5 Role of the Chairman of the Board of Directors

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

The Chairman of the Board of Directors is vested with the powers envisaged by law and by Article 19 of the Articles of Association as regards the convocation and regular and orderly functioning of the meetings of the Board of Directors and by Article 14 of the Articles of Association as regards the regular and orderly functioning of the meetings of the Shareholders' Meeting and, pursuant to Article 21 of the Articles of Association, the general legal representation of the Company towards third parties.

On 13 March 2020, the Board of Directors of GVS, as part of the listing process, granted the Chairman of the Board of Directors, Grazia Valentini, as of the date of commencement of trading, the powers assigned by law and Articles of Association including the powers to:

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

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

### FUNCTIONS OF THE CHAIRMAN

In accordance with Recommendation 12 of the Corporate Governance Code, the Chairman of the Board of Directors shall, with the assistance of the Secretary, ensure:

- (a)** that the pre-meeting briefing and additional information provided at meetings is adequate to enable the Directors to act in an informed manner in carrying out their role;
- (b)** that the activities of the Board committees with investigative, propositional and advisory functions are coordinated with the activities of the Board of Directors;
- (c)** in liaising with the CEO, that the Company's managers and those of the Group's companies, responsible for the relevant corporate departments, attend the Board's meetings, also at the request of individual Directors, in order to provide any necessary information on the items on the agenda;
- (d)** that all members of the Board of Directors and Board of Auditors may participate, after their appointment and during their term of office, in initiatives aimed at providing them with adequate knowledge of the business sectors in which the Company operates, of corporate dynamics and their evolution, also with a view to the sustainable success of the Company itself, as well as of the principles of correct risk management and of the reference regulatory and self-regulatory framework; and
- (e)** the adequacy and transparency of the Board's self-assessment process.

### PRE-BOARD INFORMATION

Meetings of the Board of Directors are called, in accordance with the Articles of Association, by the Chairman who, if compliance with the provisions of the Regulation of the Board of Directors, makes available to all the Directors the information, also supported by paper documents, concerning the matters on which the Board is called to deliberate. If it is not possible to provide the Board of Directors with adequate prior information in a timely manner, the Chairman shall ensure that timely and adequate information is provided during Board meetings. For more information, see paragraph 4.4 of the Report.

### BOARD COMMITTEES

During the year, the Chairman, with the support of the Company's secretariat, ensured that the latter's activities were coordinated with those of the Board of Directors. The Secretary of the Board of Directors also acts as Secretary to the Board Committees, thereby ensuring constant coordination in planning the activities of the latter with the activities of the Board.

## MANAGERS' ATTENDANCE OF MEETINGS

During the year, selected GVS Group executives regularly attended meetings of the individual Committees, each according to their area of expertise. These meetings made it possible to provide participants with an adequate knowledge of the sector in which GVS operates, of company dynamics, of the principles of correct risk management and of the regulatory and self-regulatory framework of reference. The CEO ensures that the managers are available to intervene so as to enhance the Board's meetings as a typical moment when non-executive Directors can obtain adequate information on the Issuer's management.

## INDUCTION PROGRAMME

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

On 02 March 2022, a Board Induction session was held in which the Directors and Auditors discussed issues related to the 2022 Budget and the new business plan.

## BOARD SELF-ASSESSMENT

Refer to Section 7 of this Report with respect to the Board's self-assessment process.

## DIALOGUE WITH SHAREHOLDERS

The Chairman ensures that the Board is in any case informed - by the first useful meeting - on the development and significant contents of any dialogue with the shareholders.

In this regard, it should be noted that, on 17 December 2021, the Board of Directors, on the proposal of the Chairman formulated in agreement with the Chief Executive Officer, adopted the policy for managing dialogue with the generality of shareholders and other stakeholders of GVS, taking into account, among other things, the engagement policies adopted by the Company's institutional investors. For more information, see Section 12 of this Report.

## Board Secretary

Pursuant to Article 2.4 of the Regulation of the Board of Directors, the Board of Directors elects a Secretary, selected from among the Company's managers with specific expertise in corporate law, with particular reference to practices concerning the corporate governance of listed companies and regulated markets.

On 10 November 2022, the Board of Directors appointed Rozemaria Bala, General Counsel of the Company, as Secretary to the Board of Directors.

Pursuant to the above-mentioned provision and in line with Recommendation 18 of the Corporate Governance Code, the Secretary is entrusted with the task of supporting the activities of the Chairman and provides, with impartial judgement, assistance and advice to the Board of Directors on any aspect relevant to the proper functioning of the corporate governance system. The Secretary also assists the Chairman (i) in ensuring the adequacy and timeliness of pre-meeting information; (ii) in ensuring the coordination of the activities of the Board and its committees; (iii) in verifying the adequacy and transparency of the Board's self-assessment process; (iv) in promoting the participation of Directors and Auditors in induction activities and prepares and keeps the minutes of the Board's meetings.



## 4.6 Executive Directors

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

Pursuant to Article 20 of the Articles of Association, the Board of Directors - within the limits of the law and the Articles of Association - may delegate its powers to an executive committee composed of some of its members and/or to a CEO; it may delegate specific powers to one or more of its members, and appoint, on the proposal of the CEO, one or more general managers, division managers, directors, attorneys and proxies in general for specific acts or categories of acts.

### CHIEF EXECUTIVE OFFICER

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

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

- (h) issue, accept, negotiate, discount, endorse, receipt and in general sign bills of exchange, promissory notes and any other similar security, including in favour of non-banking third parties, and sign counter-guarantees for bank guarantees in favour of the Company;
- (i) open postal current accounts and carry out transactions on them with post offices;
- (j) enter into contracts with insurance companies or institutes, signing the relative policies, with the right to carry out any inherent practice and, in the event of a claim, to settle damages or indemnities;
- (k) enter into contracts of sale and lease, including for more than nine years, of real estate and to grant mortgages; enter into contracts of sale and lease for more than nine years as lessor of the real estate in which the Company's business is carried on and to grant mortgages on the same, such power to be exercised with single signature and subject to approval by the Board of Directors;
- (l) receive and require payment of any sum due to the Company from any person or body and for any reason whatsoever and to issue a receipt therefor;
- (m) request and collect letters, ordinary, registered or insured mail, postal and telegraphic money orders, parcels and packages, documents, goods, money, goods of any kind from persons, entities, public or private postal and telegraphic offices, shipping and transport companies, customs offices, public and private railways, shipping and airline companies, public and private warehouses and other places of storage, public offices of any kind, sign the relative receipts as well as documents of receipt and relief from liability;
- (n) represent the Company in all its dealings with all public offices, public bodies, and in general those acting on behalf of the European Union, the State, the Regions, as well as local authorities and in general any public body;
- (o) represent the Company in all its dealings with the financial offices of the State, local authorities and any other tax authority, with the power to sign tax returns of any kind, including as a substitute for tax, agree to, adhere to, and initiate and continue actions before any administrative authority, tax commissions, appoint and revoke lawyers, attorneys, experts and consultants, sign complaints, appeals, challenges and any other document against any provision of the above-mentioned offices and authorities;
- (p) perform at Ministries, Public Administrations, Bodies and Public Offices all the acts and operations necessary to obtain concessions, licenses and authorisation acts in general, stipulate and sign specifications, conventions, acts of submission and any preparatory act of said measures;
- (q) represent the Company in all its dealings with the Bank of Italy, the Public Debt Office, by requesting and withdrawing money, securities and documents of all kinds, signing the related receipts, as well as deeds of receipt and release from liability, and carry out any other transaction or act with the aforementioned bodies;
- (r) represent the Company, freely question the facts of the case, with the right to be substituted by special attorneys for the exercise of the powers conferred in actions and proceedings of any kind before the judicial authorities of the Italian Republic, the European Union and foreign countries, including Arbitration Boards and Conciliation and Mediation Boards, in all judgements, at every stage and level appoint and revoke attorneys and litigators, including for cassation and revocation judgements;
- (s) represent the Company in bankruptcy and insolvency proceedings, enter into arrangements with creditors and generally do whatever else is necessary in connection with such proceedings;
- (t) settle disputes between the Company and third parties, enter into compromises and arbitration clauses, appoint arbitrators, including amiable compositeurs, and sign documents relating to the above;

- (u) represent the Company and participate in auctions, tenders, contracts, competitions, bids and the like, fulfilling all necessary formalities, including the making of security deposits, their withdrawal and the issuance of receipts, entering into contracts with any Ministry and any other Public Administration, as well as with private individuals, for the supply of products and services of the Company;
- (v) substitute attorneys for itself for certain acts or groups of acts within the scope of the powers as conferred above.

#### POWERS CONFERRED ON THE DIRECTOR MARCO SCAGLIARINI

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

- (a) sign all correspondence from the Company, including invoices, debit or credit notes and related receipts;
- (b) enter into, withdraw from, terminate or rescind, even against collection or payment of indemnities, all of the Company's contracts necessary for the purpose of ordinary company administration under the scope of the delegation and do whatever under the scope of it is necessary to execute them, in particular, and always by way of example, sell, purchase, exchange, lease and rent movable property and services, including motor vehicles and other registered assets, and carry out the relative formalities at public offices (including the public vehicle register);
- (c) enter into, withdraw from, terminate or rescind, even against collection or payment of indemnities, all contracts that are necessary or useful for the efficient management of the Company's operations for an amount not exceeding Euro 5,000,000, including contracts for the purchase and sale and exchange of goods and services, confidentiality and privacy agreements, supply contracts, mandate, agency and brokerage contracts, engineering contracts, supply, transport and shipping contracts and related insurance policies, tendering and subcontracting of works and services;
- (d) request and collect letters, ordinary, registered or insured mail, postal and telegraphic money orders, parcels and packages, documents, goods, money, goods of any kind from persons, entities, public or private postal and telegraphic offices, shipping and transport companies, customs offices, public and private railways, shipping and airline companies, public and private warehouses and other places of storage, public offices of any kind, sign the relative receipts as well as documents of receipt and relief from liability;
- (e) represent the Company in all its dealings with all public offices, public bodies, and in general those acting on behalf of the European Union, the State, the Regions, as well as local authorities and in general any public body;
- (f) perform at Ministries, Public Administrations, Bodies and Public Offices all the acts and operations necessary to obtain concessions, licenses and authorisation acts in general, stipulate and sign specifications, conventions, acts of submission and any preparatory act of said measures;
- (g) represent the Company and participate in auctions, tenders, contracts, competitions, bids and the like, fulfilling all necessary formalities, including the making of security deposits, their withdrawal and the issuance of receipts, entering into contracts with any Ministry and any other Public Administration, as well as with private individuals, for the supply of products and services of the Company;
- (h) substitute attorneys for itself for certain acts or groups of acts within the scope of the powers as conferred above.

#### POWERS CONFERRED ON THE DIRECTOR MARIO SACCONI

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

- (a) sign all correspondence from the Company, including invoices, debit or credit notes and related receipts;
- (b) enter into, withdraw from, terminate or rescind, even against collection or payment of indemnities, all of the Company's contracts necessary for the purpose of ordinary company administration under the scope of the delegation and do whatever under the scope of it is necessary to execute them, in particular, and always by way of example, sell, purchase, exchange, lease and rent movable property and services, including motor vehicles and other registered assets, and carry out the relative formalities at public offices (including the public vehicle register);
- (c) enter into, withdraw from, terminate or rescind, even against collection or payment of indemnities, (i) all contracts that are necessary or useful for the efficient management of the Company's operations for an amount not exceeding Euro 5,000,000, including contracts for the purchase and sale and exchange of goods and services and privacy agreements, supply contracts, mandate, agency and brokerage contracts, engineering contracts, supply, transport and shipping contracts and related insurance policies, tendering and subcontracting of works and services; and (ii) without limitation, confidentiality agreements and letters of intent connected with extraordinary transactions;
- (d) enter into all appropriate clauses, including the arbitration clause, amend and terminate individual employment contracts, including settlement agreements, and adopt the necessary and appropriate measures, also determining their duties, qualifications and remuneration, establish service orders and company regulations and exercise disciplinary power;
- (e) enter into and terminate self-employment contracts, including with coordinated and continuous collaborators or project work contracts, agency, representation, commission or any other form of employment relationship provided for by law;
- (f) enter into and terminate contracts of any kind worth up to Euro 10,000,000 with banks and other financial intermediaries and bodies in general, and in relation thereto, *inter alia*, open and access safety deposit boxes, take out overdraft facilities, sign short, medium and long-term loan agreements, open and close current accounts, and carry out transactions on such accounts;
- (g) issue and sign cheques in the name of the Company for amounts not exceeding Euro 100,000, even from overdrawn accounts (but within the limits of the credit line granted to the Company) cash cheques of any kind, issue the relative receipts, make withdrawals and deposits;
- (h) emettere, accettare, negoziare, scontare, girare, avallare, quietanzare ed in genere firmare in nome della società cambiali, pagherò ed ogni altro titolo di simile natura anche a favore di terzi non banchieri, firmare controgaranzie relative a fidejussioni concesse dalle Banche a favore della società, in ogni caso per importi non eccedenti Euro 10.000.000;
- (i) open postal current accounts and carry out transactions on them with post offices;

- (j) enter into contracts with insurance companies or institutes, signing the relative policies, with the right to carry out any inherent practice and, in the event of a claim, to settle damages or indemnities;
- (k) receive and require payment of any sum due to the Company from any person or body and for any reason whatsoever and to issue a receipt therefor;
- (l) request and collect letters, ordinary, registered or insured mail, postal and telegraphic money orders, parcels and packages, documents, goods, money, goods of any kind from persons, entities, public or private postal and telegraphic offices, shipping and transport companies, customs offices, public and private railways, shipping and airline companies, public and private warehouses and other places of storage, public offices of any kind, sign the relative receipts as well as documents of receipt and relief from liability;
- (m) represent the Company in all its dealings with all public offices, public bodies, and in general those acting on behalf of the European Union, the State, the Regions, as well as local authorities and in general any public body;
- (n) represent the Company in all its dealings with the financial offices of the State, local authorities and any other tax authority, with the power to sign tax returns of any kind, including as a substitute for tax, agree to, adhere to, and initiate and continue actions before any administrative authority, tax commissions, appoint and revoke lawyers, attorneys, experts and consultants, sign complaints, appeals, challenges and any other document against any provision of the above-mentioned offices and authorities;
- (o) perform at Ministries, Public Administrations, Bodies and Public Offices all the acts and operations necessary to obtain concessions, licenses and authorisation acts in general, stipulate and sign specifications, conventions, acts of submission and any preparatory act of said measures;
- (p) represent the Company in all its dealings with the Bank of Italy, the Public Debt Office, by requesting and withdrawing money, securities and documents of all kinds, signing the related receipts, as well as deeds of receipt and release from liability, and carry out any other transaction or act with the aforementioned bodies;
- (q) represent the Company, freely question the facts of the case, with the right to be substituted by special attorneys for the exercise of the powers conferred in actions and proceedings of any kind before the judicial authorities of the Italian Republic, the European Community and foreign countries, including Arbitration Boards and Conciliation and Mediation Boards, in all judgements, at every stage and level; appoint and revoke attorneys and litigators, including for cassation and revocation judgements;
- (r) represent the Company in bankruptcy and insolvency proceedings, enter into arrangements with creditors and generally do whatever else is necessary in connection with such proceedings;
- (s) settle disputes between the Company and third parties, enter into compromises and arbitration clauses, appoint arbitrators, including amiable compositeurs, and sign documents relating to the above for amounts not exceeding Euro 5,000,000;
- (t) represent the Company and participate in auctions, tenders, contracts, competitions, bids and the like, fulfilling all necessary formalities, including the making of security deposits, their withdrawal and the issuance of receipts, entering into contracts with any Ministry and any other Public Administration, as well as with private individuals, for the supply of products and services of the Company;
- (u) substitute attorneys for itself for certain acts or groups of acts within the scope of the powers as conferred above.

## POWERS CONFERRED ON THE DIRECTOR MATTEO VIOLA

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

- (a) sign all correspondence from the Company, including invoices, debit or credit notes and related receipts;
- (b) enter into, withdraw from, terminate or rescind, even against collection or payment of indemnities, all of the Company's contracts necessary for the purpose of ordinary company administration under the scope of the delegation and do whatever under the scope of it is necessary to execute them, in particular, and always by way of example, sell, purchase, exchange, lease and rent movable property and services, including motor vehicles and other registered assets, and carry out the relative formalities at public offices (including the public vehicle register);
- (c) enter into, withdraw from, terminate or rescind, even against collection or payment of indemnities, all contracts that are necessary or useful for the efficient management of the Company's operations for an amount not exceeding Euro 5,000,000, including contracts for the purchase and sale and exchange of goods and services, confidentiality and privacy agreements, supply contracts, mandate, agency and brokerage contracts, engineering contracts, supply, transport and shipping contracts and related insurance policies, tendering and subcontracting of works and services;
- (d) enter into and terminate self-employment contracts, including with coordinated and continuous collaborators or project work contracts, agency, representation, commission or any other form of employment relationship provided for by law;
- (e) receive and require payment of any sum due to the Company from any person or body and for any reason whatsoever and to issue a receipt therefor;
- (f) request and collect letters, ordinary, registered or insured mail, postal and telegraphic money orders, parcels and packages, documents, goods, money, goods of any kind from persons, entities, public or private postal and telegraphic offices, shipping and transport companies, customs offices, public and private railways, shipping and airline companies, public and private warehouses and other places of storage, public offices of any kind, sign the relative receipts as well as documents of receipt and relief from liability;
- (g) represent the Company in all its dealings with all public offices, public bodies, and in general those acting on behalf of the European Union, the State, the Regions, as well as local authorities and in general any public body;
- (h) perform at Ministries, Public Administrations, Bodies and Public Offices all the acts and operations necessary to obtain concessions, licenses and authorisation acts in general, stipulate and sign specifications, conventions, acts of submission and any preparatory act of said measures;
- (i) settle disputes between the Company and third parties, enter into compromises and arbitration clauses and sign documents relating to the above for amounts not exceeding Euro 5,000,000;
- (j) represent the Company and participate in auctions, tenders, contracts, competitions, bids and the like, fulfilling all necessary formalities, including the making of security deposits, their withdrawal and the issuance of receipts, entering into contracts with any Ministry and any other Public Administration, as well as with private individuals, for the supply of products and services of the Company;
- (k) substitute attorneys for itself for certain acts or groups of acts within the scope of the powers as conferred above.

## CHAIRMAN OF THE BOARD OF DIRECTORS

Reference is made in full to paragraph 4.5 of this Report.

## EXECUTIVE COMMITTEE

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

## DISCLOSURE TO THE BOARD

In compliance with the provisions of the procedure for the fulfilment of the obligations pursuant to Article 2381, paragraph 5, of the Civil Code, and Article 6.7 of the Regulation of the Board of Directors, the delegated bodies report promptly to the Board of Directors and the Board of Auditors, in accordance with the procedures deemed most appropriate over time as provided for by internal procedures, at least quarterly, and in any case on the occasion of the meetings of the Board, on the activities carried out, on the general performance of operations and on the outlook, as well as on the most important economic, financial and capital transactions, or in any case those of greater importance due to their size or characteristics, carried out by the Company and its subsidiaries. They shall also report on transactions in which they have an interest, either on their own behalf or on behalf of third parties.

## 4.7 Independent Directors and Lead Independent Director

The Board of Directors - also on the basis of the information provided by the Directors - assessed, on an annual basis and with reference to each single member, the existence of the independence requirements and fully informed the market. The Board of Directors believes that the number of directors who meet the independence requirements is adequate in relation to the size of the Board of Directors and the activities carried out by the Company.

### VERIFICATION THAT DIRECTORS MEET THE INDEPENDENCE REQUIREMENTS UPON APPOINTMENT

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

At the Shareholders' Meeting held on 13 March 2020, the individual candidates for the position of independent Director declared that they met the independence requirements of Article 148, paragraph 3, of the CFA and the Corporate Governance Code. On the same day, the independence of the Directors was verified by the Board of Directors of the Issuer, pursuant to the said provisions.

## DEFINITION OF THE CRITERIA FOR THE SIGNIFICANCE OF COMMERCIAL, FINANCIAL AND PROFESSIONAL RELATIONSHIPS OF ADDITIONAL REMUNERATION PURSUANT TO RECOMMENDATION 7, FIRST PARAGRAPH C) AND D), OF THE CORPORATE GOVERNANCE CODE

On 17 December 2021, the Board of Directors, after consultation with the Appointments and Remuneration Committee, approved the criteria for evaluating the significance of commercial, financial or professional relationships and any additional remuneration of Directors pursuant to Recommendation 7, letters c) and d) of the Corporate Governance Code.

In particular, in relation to the criterion for assessing the significance of commercial, financial or professional relations as per Recommendation 7, first sentence, letter c) of the Corporate Governance Code, any commercial, financial or professional relationship with GVS or its Subsidiaries, or with the relevant executive Directors or top management, as well as with a person who, also together with others through a shareholders' agreement, controls GVS or with the relevant executive Directors or top management, whose total annual remuneration exceeds the total amount of the fixed annual remuneration received by the Director for the office and for any participation in Committees, are qualified as significant.

With reference to the criterion for assessing the significance of additional remuneration set forth in Recommendation 7, first sentence, letter d) of the Corporate Governance Code, additional remuneration received in the current and previous three fiscal years by GVS or its parent company or a GVS Group company that is equal to or greater than the total fixed amount received by the Director for the office of Director and for any participation in Committees is normally considered significant.

### ANNUAL VERIFICATION OF DIRECTORS' INDEPENDENCE REQUIREMENTS

Article 3.2 of the Regulation of the Board of Directors provides, in line with Recommendation 6 of the Corporate Governance Code, that the Board of Directors shall verify whether Directors meet the independence requirements pursuant to the Consolidated Finance Act and the Code whenever events relevant to the assessment of independence occur and, in any event, on an annual basis. In this regard, on 19 March 2021 and 22 March 2022, the Board of Directors assessed and ascertained the existence of the independence requirements for the Directors *pro tempore* in office, noting that the said independence requirements were met by the following Directors: Nadia Buttignol, Arabella Caporello, Alessandro Nasi and Michela Schizzi.

Finally, it should be noted that the Board of Directors (i) assessed the continuing existence of the independence requirements set out in the Corporate Governance Code on the basis of the declarations made by the individual Directors through the compilation of specific declarations and information regarding the professional positions and activities carried out, as well as any additional information in its possession and (ii) examined all the circumstances that affect or appear likely to affect the independence of the Directors pursuant to the Consolidated Finance Act and the Corporate Governance Code.

On 12 March 2021, the Board of Auditors verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to evaluate the independence of its members.



## MEETINGS OF THE INDEPENDENT DIRECTORS

The Independent Directors met in the absence of the other Directors once during the year.

### Lead Independent Director

In view of the clear separation of the roles of Chairman and CEO and taking into account that (i) the office of Chairman of the Board of Directors is not held by the person who controls the Company, (ii) the Chairman of the Board of Directors does not hold management powers and (iii) the majority of independent Directors did not request the appointment of a lead independent director, the Issuer did not appoint a lead independent director, since the conditions set out in Recommendation 13 of the Corporate Governance Code were not met.

## 5. Processing of Corporate Information

### PROCEDURE FOR THE MANAGEMENT OF DISCLOSURE REQUIREMENTS IN THE AREA OF INTERNAL DEALING

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

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

The procedure envisages, *inter alia*, that the Company must ensure that the "significant transactions" - defined on the basis of subjective, objective and quantitative requirements - notified to it are subsequently communicated to the public within 3 (three) working days. The procedure also requires the Company to publish the information thus received within 3 (three) working days from the date the transaction was executed, by sending a press release through media that can reasonably guarantee effective dissemination of the information to the public throughout the European Union.

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

## REGISTER OF PERSONS WITH ACCESS TO INSIDE INFORMATION

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

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

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

## 6. Board Committees

### (pursuant to Article 123-bis, paragraph 2, letter d) of the CFA)

In accordance with the best corporate governance practices adopted by listed companies and set out in the Corporate Governance Code, the Company has set up (i) the Appointments and Remuneration Committee and (ii) the Control, Sustainability and Risk Committee, implementing Recommendation 16 of the Corporate Governance Code.

With regard to Committees (i) and (ii), reference should be made to paragraphs 7.2 and 9.2 below, respectively, of the Report.

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

In compliance with Article 11.2 of the Regulation of the Board of Directors, both Committees approved their own operating regulations, which define, among other things, the procedures for convening meetings, the procedures for managing the information to be provided to their members, the conduct of the meetings and the keeping of minutes, also in summary form.

The Chairman of each Board Committee shall provide information on the Committee's meetings at the first available meeting of the Board of Directors, in line with the provisions of Recommendation 17 of the Corporate Governance Code.

#### CLARIFICATIONS REGARDING THE ALLOCATION OF FUNCTIONS AMONG THE COMMITTEES

Taking into account the size and organisational structure of the Issuer, the Board of Directors deemed it appropriate to merge the functions of the Appointments Committee - outlined by Recommendation 19 of the Corporate Governance Code - with those of the Remuneration Committee, as set out in Recommendation 25 of the Code, into a single committee. For more information, refer to paragraph 7.2 below of the Report.

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

#### COMPOSITION OF COMMITTEES

In line with the provisions of Recommendation 17 of the Corporate Governance Code, the Board determined the composition of the Committees by giving priority to the expertise and experience of their members and avoiding an excessive concentration of offices.

#### ADDITIONAL COMMITTEES

At the date of this Report, there are no Committees other than those envisaged by regulations or recommended by the Corporate Governance Code.

## 7. Self-Assessment and Succession of Directors - Appointments and Remuneration Committee

### 7.1 Director succession and self-assessment

#### BOARD EVALUATION

Article 4.1 of the Regulations of the Board of Directors establishes that the Board must provide, at least every three years, an assessment of the size, composition and actual functioning of the Board itself and of any Committees established and of the activities carried out by the Board and the Directors within it. The Board also analyses the effectiveness of the system of delegated powers and the adequacy of information flows by the bodies with delegated powers, also considering their role in defining strategies and monitoring management performance and the adequacy of the internal audit and risk management system. Upon completing this review, the Board identifies or recommends, where appropriate, any improvement actions in order to optimise the efficiency of administrative action.

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

On 22 March 2022, the Board of Directors, on the proposal of the Appointments and Remuneration Committee, resolved to start the activities for carrying out the Board evaluation, for the third year of the mandate, with the support of a specialised independent advisor.

## SUCCESSION PLANS

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

In addition, as of the date of this Report, GVS does not fall within the definition of a large company provided by the Corporate Governance Code. Therefore, so long as GVS continues to qualify as a company other than a large company, the Board of Directors is not required to establish a succession plan for the Chief Executive Officer and executive officers.

## 7.2 Appointments and Remuneration Committee

Taking into account the size and organisational structure of the Issuer, the Board of Directors deemed it appropriate to merge the functions of the Appointments Committee - outlined by Recommendation 19 of the Corporate Governance Code - with those of the Remuneration Committee, as set out in Recommendation 25 of the Code, into a single committee.

In order to conform its corporate governance model to Recommendation 16 of the Corporate Governance Code, on 14 February 2020 the Issuer's Board of Directors resolved to set up an appointments and remuneration committee (the **"Appointments and Remuneration Committee"**).

### MEMBERS AND FUNCTION OF THE APPOINTMENTS AND REMUNERATION COMMITTEE

On 13 March 2020, the Company's Board of Directors appointed Michela Schizzi (who serves as Chairman), Alessandro Nasi and Grazia Valentini as members of the Appointments and Remuneration Committee with suspensive effect as of the Trading Start Date. In this regard, the Issuer believes that this appointment is in line with the provisions of the Corporate Governance Code due to the possession by the independent director Michela Schizzi of adequate knowledge and experience in financial matters (Recommendation 26 of the Code) and the possession by the persons appointed, Michela Schizzi and Alessandro Nasi, of the independence requirements provided for by the Corporate Governance Code.

In line with Recommendation 26 of the Corporate Governance Code, no Director takes part in the meetings of the Appointments and Remuneration Committee at which proposals are made to the Board of Directors relating to his own remuneration, except in the case of proposals concerning the generality of the members of the committees formed within the Board of Directors.

Pursuant to Article 4.6 of the Internal Regulation of the Appointments and Remuneration Committee, any documentation related to the items on the agenda is made available to the members by the Secretary, as a rule at least 3 working days before the date of the meeting, except in cases of necessity or urgency, by uploading it in the section of the dedicated IT platform to which the members of the Committee have access on

a confidential basis, or in other agreed forms, in any case in such a way as to ensure confidentiality. If it is not possible to provide the information within the above-mentioned deadlines, adequate and punctual clarifications are guaranteed during the meeting. If the documentation is particularly complex and voluminous, the Chairman, with the help of the Secretary, shall ensure that it is accompanied by a document summarising the most significant and relevant points for the examination of the items on the agenda.

Article 4.8 of the Internal Regulation of the Appointments and Remuneration Committee provides that minutes of the Committee's meetings be taken by the Secretary. Draft minutes shall be submitted to the Committee Chair and other members for their comments, if any, and shall normally be approved at the next meeting. For the sole purpose of facilitating the taking of minutes of the meeting, and unless otherwise ordered by the Chair of the meeting, meetings of the Committee may be recorded by audio-video means, provided that the audio media shall be subject to destruction as soon as the minutes are approved. The minutes shall be signed by the Chairman of the meeting and the Secretary and transcribed in the appropriate book.

During the year, the Appointments and Remuneration Committee of GVS met a total of 4 time and the average duration of the meetings of the said Committee is about 60 minutes. The attendance of each member of the Appointments and Remuneration Committee at meetings is shown in **Table 3**.

With regard to FY 2022, the Committee has defined its calendar and scheduled 6 meetings (3 of which have already been held as at the date of approval of this Report).

The Committee Chairman has the faculty to invite to its meetings, the Chairman of the Board of Directors, the other members of the Board of Directors, the CEO, and the members of the management and control bodies of the companies of the group may be invited to the meetings with reference to all or some of the items on the agenda. Representatives of the company departments responsible for the subject matter and any other person whose presence is considered useful for the best performance of the Committee's functions with reference to all or some of the items on the agenda may also be invited to attend the meetings. Members of the Board of Auditors may attend Committee meetings.

During the Year, the meetings of the GVS Appointments and Remuneration Committee were usually attended by the members of the Board of Auditors, the HR Director, the Chief Financial Officer and the General Counsel for the matters within their competence.

## DUTIES OF THE APPOINTMENTS AND REMUNERATION COMMITTEE

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

- (i) to assist the Board of Directors in defining the size and composition of the Board and its internal committees;
- (ii) to make recommendations to the Board of Directors on the maximum number of offices on the administrative and control bodies of listed companies in regulated markets, even abroad, in financial, banking or insurance companies or in companies of significant size, which can be considered compatible with the effective performance of the office of director of the Company, also taking into account the participation of directors in the committees set up within the Board of Directors;
- (iii) to monitor the adequacy and transparency of the Board's self-assessment process;
- (iv) to assist the Board of Directors in verifying compliance with the independence requirements, to propose to the Board quantitative and qualitative criteria for assessing the significance of commercial, professional and economic relations maintained or additional remuneration received by the members of the Board of Directors;
- (v) to propose to the Board of Directors the list of candidates for the office of director in cases of co-opting; and
- (vi) to conduct the investigation of the preparation, updating and implementation of a succession plan for the Company's executive officers, and the chief executive officer, if the Board of Directors determines to adopt such a plan, and to review the adequacy of procedures for the succession of top management, if the Board of Directors determines to adopt such a plan.

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

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

During the year, the Committee performed the following activities:

- it reviewed the proposed changes to the Remuneration Policy to be submitted to the shareholders' meeting and the draft Remuneration Report;
- it reviewed and expressed a favourable opinion on the proposed final corporate objectives for FY 2020 and definition of short-term monetary incentive objectives for FY 2021;
- it reviewed the job description for the HR Director position search and was briefed on the status of the selection process;
- at the request of the Chairman of the Board of Auditors, taking into account the results of the self-assessment questionnaire of the Board of Auditors, it carried out the analysis of the adequacy of the remuneration foreseen for the Board of Auditors and expressed its favourable opinion on the proposal to submit to the Shareholders' Meeting an adjustment to the same;
- it examined and expressed a favourable opinion with regard to the amendments to the Committee Regulations to be submitted to the Board of Directors aimed at incorporating, in particular, the changes to the Corporate Governance Code;
- it examined and expressed a favourable opinion on the proposal to be submitted to the Board of Directors in relation to the quantitative and qualitative criteria for assessing the significance of commercial, financial or professional relationships and any additional remuneration of its directors pursuant to Recommendation 7, letter c) and d), of the Code.

The Appointments and Remuneration Committee is entitled to access the information and company functions that are required for it to discharge its duties and to use external consultants, within the limits set by the Board of Directors, who are not in any situation such as to compromise their independent judgement.

The Appointments and Remuneration Committee uses the Issuer's company means and structures to carry out its tasks.



## 8. Remuneration of Directors - Remuneration Committee

### 8.1 Remuneration of Directors

The Board of Directors, with the support of the Appointments and Remuneration Committee, evaluates the remuneration policies with due attention, within the framework of the directives established by the Shareholders' Meeting and consistently with the principles and criteria defined in the remuneration policy, paying specific attention to the pursuit of the Company's sustainable success and the need to have, retain and motivate people with the skills and professionalism required by the role held in the Company.<sup>6</sup>

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

### 8.2 Remuneration Committee

Taking into account the size and organisational structure of the Issuer, the Board of Directors deemed it appropriate to merge the functions of the Appointments Committee - outlined by Recommendation 19 of the Corporate Governance Code - with those of the Remuneration Committee, as set out in Recommendation 25 of the Code, into a single committee. In this regard, reference is made in full to paragraph 7.2 above.

6. Article 12 of the Regulation of the Board of Directors.

## 9. Internal Control and Risk Management System - Control and Risk Committee

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

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

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

- (a) the Board of Directors, which plays a role in providing guidance and assessing the adequacy of the system and identifies from among its members:
  - (1) one or more directors, responsible for establishing and maintaining an effective internal control and risk management system; and
  - (2) a control and risk committee, having the functions outlined in Recommendation 35 of the Corporate Governance Code, with the task of supporting, by means of an adequate preliminary activity, the evaluations and decisions of the Board of Directors relating to the internal control and risk management system, as well as those relating to the approval of the periodic financial reports;
- (b) the head of the internal audit department, responsible for verifying that the internal control and risk management system is functioning and adequate;
- (c) other corporate roles and functions with specific tasks in terms of internal control and risk management, broken down in relation to the size, complexity and risk profile of the company;
- (d) the Board of Auditors, also in its capacity as the Internal Control and Audit Committee, which oversees the effectiveness of the internal control and risk management system.

On 22 March 2022, the Board of Directors, having obtained the opinion of the Control, Risk and Sustainability Committee, assessed the adequacy of the internal control and risk management system with respect to the characteristics of the business and the risk profile assumed, as well as its effectiveness.

## 9.1 Appointed Director

On 14 February 2020, the Issuer's Board of Directors identified the CEO Massimo Scagliarini as the director in charge of the internal control and risk management system (the "**Director in Charge**"), in accordance with Recommendation 32, letter b) of the Corporate Governance Code.

The Appointed Director has the following responsibilities:

- (i) to identify the main corporate risks, taking into account the characteristics of the activities carried out by the issuer and its subsidiaries, and to periodically submit them to the Board of Directors for examination;
- (ii) to implement the guidelines laid down by the Board of Directors, overseeing the design, implementation and management of the internal control and risk management system and constantly checking its adequacy and effectiveness;
- (iii) to adapt the internal control and risk management system to the dynamics of the operating conditions and the legislative and regulatory framework;
- (iv) to promptly report to the Control, Risk and Sustainability Committee (or to the Board of Directors) on problems and critical issues that have emerged in the performance of its activities or of which it has become aware, so that the committee (or the Board) can take the appropriate initiatives; and
- (v) to propose to the Board of Directors the appointment, revocation and remuneration of the head of the internal audit function, as well as the allocation of adequate resources to carry out his/her responsibilities.

## 9.2 Control, Risk and Sustainability Committee

In order to bring its corporate governance model in line with the recommendations contained in Article 6 of the Corporate Governance Code, the Issuer's Board of Directors, at its meeting of 14 February 2020 resolved, *inter alia* - with effect subject to the Trading Start Date - to set up a control, risk and sustainability committee (the "**Control, Risk and Sustainability Committee**").

On 13 March 2020, the Company's Board of Directors appointed Arabella Caporello (who also serves as Chairman), Nadia Buttignol and Michela Schizzi as members of the Control, Risk and Sustainability Committee, effective as of the Trading Start Date, subject to the condition precedent. In this regard, the Issuer believes that this appointment is in line with the provisions of the Corporate Governance Code due to the existence of the possession by the independent director Arabella Caporello of adequate experience in accounting and financial matters and risk management (Recommendation 35 of the Code) and the possession by the persons appointed of the independence requirements provided for by the Code.

### MEMBERS AND OPERATION OF THE CONTROL, RISK AND SUSTAINABILITY COMMITTEE

Pursuant to Article 4.6 of the Internal Regulation of the Control, Risk and Sustainability Committee, any documentation related to the items on the agenda is made available to the members by the Secretary, as a rule at least 3 working days before the date

of the meeting, except in cases of necessity or urgency, by uploading it in the section of the dedicated IT platform to which the members of the Committee have access on a confidential basis, or in other agreed forms, in any case in such a way as to ensure confidentiality. If it is not possible to provide the information within the above-mentioned deadlines, adequate and punctual clarifications are guaranteed during the meeting. If the documentation is particularly complex and voluminous, the Chairman, with the help of the Secretary, shall ensure that it is accompanied by a document summarising the most significant and relevant points for the examination of the items on the agenda.

Article 4.8 of the Internal Regulation of the Control, Risk and Sustainability Committee provides that minutes of the Committee's meetings be taken by the Secretary. Draft minutes shall be submitted to the Committee Chair and other members for their comments, if any, and shall normally be approved at the next meeting. For the sole purpose of facilitating the taking of minutes of the meeting, and unless otherwise ordered by the chair of the meeting, meetings of the Committee may be recorded by audio-video tools, provided that the audio media shall be subject to destruction as soon as the minutes are approved. The minutes shall be signed by the Chairman of the meeting and the Secretary and transcribed in the appropriate book.

During the year, the Control, Risk and Sustainability Committee of GVS met a total of 14 times and the average duration of the meetings of the said Committee is approximately 154 minutes. The attendance of each member of the Control, Risk and Sustainability Committee at meetings is shown in **Table 3**.

With regard to FY 2022, the Committee has defined its calendar and scheduled 10 meetings of the Control, Risk and Sustainability Committee (3 of which have already been held as at the date of approval of this Report).

The Committee Chairman has the faculty to invite to its meetings, the Chairman of the Board of Directors, the other members of the Board of Directors, the CEO (also acting as Appointed Director), the Independent Auditors or the representatives of the Independent Auditors, and the members of the management and control bodies of the companies of the group may be invited to the meetings with reference to all or some of the items on the agenda. The head of the internal audit department, the Head of Corporate Financial Reporting, the managers in charge of the various functions and the representatives of the corporate functions responsible for the subject matter, and any other person whose presence is considered useful for the best performance of the Committee's functions with reference to all or some of the items on the agenda, may also be invited to attend the Committee's meetings.

During the year, the meetings of the Control, Risk and Sustainability Committee were attended by the Head of Internal Audit, the CFO, the Head of Corporate Financial Reporting and the representatives of the Independent Auditors, as well as the other managers of the Company's structures, with regard to the issues under their responsibility.

During the year, in accordance with Article 4.4 of the Committee's internal regulations, the Chairman of the Board of Auditors, as well as the Regular Auditors, attended all the meetings of the Control, Risk and Sustainability Committee.

## DUTIES ATTRIBUTED TO THE CONTROL, RISK AND SUSTAINABILITY COMMITTEE

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

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

The Control, Risk and Sustainability Committee assists the Board of Directors on the following matters:

- (i) (i) guidelines for the internal control and risk management system, in line with the strategic objectives identified;
- (ii) the adequacy and efficacy of the internal control and risk management system with regard to the characteristics of the Issuer and the risk profile assumed;
- (iii) description, in the corporate governance report, of the main features of the internal audit and risk management system and the methods of coordination between the subjects involved in it, indicating the reference models and national and international best practices , as well as expressing its overall assessment of the adequacy of the system and giving an account of the choices made with regard to the composition of the supervisory body;

- (iv) periodic verification of the adequacy of the provisions of the policy for managing dialogue with shareholders and other stakeholders, in the light of the applicable provisions and the best practices on the subject, submitting, in agreement with the Chairman and the CEO, any proposals for amendments or additions to the Board of Directors;
- (v) the adoption of measures to guarantee the effectiveness and impartiality of judgement of the other corporate functions, entrusting the supervisory functions to the Board of Auditors or to the supervisory body provided for by Legislative Decree no. 231 of 8 June 2001;
- (vi) approval, at least once a year, of the work plan drawn up by the head of the internal audit department, having consulted the Board of Auditors and the chief executive officer;
- (vii) the description contained within the Corporate Governance Report of the main characteristics of the internal control and risk management system and the procedures for coordination between the individuals involved therein, including the valuation of the adequacy of the system itself;
- (viii) the results provided by the audit firm in any letter of suggestions and in its report on fundamental issues that emerged during their statutory audit; and
- (ix) the proposal relative to the appointment, revocation and remuneration of the internal audit manager, as well as regarding the adequacy of the resources assigned to the latter for the discharge of their functions.

Below is a summary description of the main matters discussed and the main activities carried out during the year.

Area	Business
<b>Non-recurring activities</b>	
<b>Internal control and risk management system and financial information</b>	<ul style="list-style-type: none"> <li>• organisation of GVS S.p.A.'s corporate functions and by individual legal entity;</li> <li>• statistics on personnel employed: gender and age range - segmented by classification;</li> <li>• update on HR manager selection process;</li> <li>• detailed analysis of margins by product families and divisions: 2019, 2020 and 2021 budget;</li> <li>• detailed analysis of GVS operating costs included in the value added margin and EBITDA;</li> <li>• review of M&amp;A transactions (acquisition of RPB Safety and acquisition of Shanghai Transfusion Technology Ltd);</li> <li>• update on current trading for the three business divisions and the year-end revenue outlook.</li> </ul>
<b>Recurring activities</b>	
<b>Supervision of the Internal Audit Department</b>	<ul style="list-style-type: none"> <li>• analysis of the proposed plan of audit for 2021;</li> <li>• analysis of the regulations of the Internal Audit Department;</li> <li>• update on Risk Assessment activities;</li> <li>• Audit Plan 21: Assessment on the number of FTEs needed to ensure full execution of the plan;</li> <li>• analysis of the 2022 Audit Plan with definition of external support.</li> </ul>
<b>Financial information, internal control and risk management system and Italian Law no. 262/05</b>	<ul style="list-style-type: none"> <li>• Italian Law no. 262/05 activities relating to FY 2020 and updating of the scoping;</li> <li>• review of the CICS adequacy report and the Head of Corporate Financial Reporting's report;</li> <li>• 2020 consolidated financial statements, together with the certification pursuant to Article 154-<i>bis</i>, paragraph 5 of the Consolidated Finance Act;</li> <li>• impairment testing as at 31 December 2020;</li> <li>• 2021-2024 Business Plan;</li> <li>• review of 2021 reporting package budget;</li> <li>• economic and financial results Q1 2021;</li> <li>• economic and financial results H1 2021;</li> <li>• economic and financial results Q3 2021.</li> </ul>

Area	Business
Recurring activities	
Statutory audit of the accounts	<ul style="list-style-type: none"><li>• analysis of issues relating to the half-yearly and annual financial reports, with reference to auditing activities;</li><li>• examination of the additional report of the Auditors pursuant to Article 11 Reg. EU 537/14;</li><li>• meeting with the Independent Auditing Firm for the 2021 Audit Plan.</li></ul>
Legislative Decree no. 231 of 2001 and compliance matters	<ul style="list-style-type: none"><li>• appointment of a new Supervisory Body and analysis of the proposed candidates;</li><li>• updating of the Company's Model 231 and analysis of the updating of the Special Part of the Model 231 in the light of regulatory and case law updates;</li><li>• meetings with the Supervisory Body regarding the report on activities carried out during 2021.</li></ul>
Corporate governance and sustainability matters	<ul style="list-style-type: none"><li>• review of the Report on Corporate Governance and Ownership Structure for 2020;</li><li>• approval of the order of material topics evaluated and representation of the order of importance of the individual ones for the GVS Group;</li><li>• analysis of the non-financial statement pursuant to Italian Legislative Decree no. 254 of 2016;</li><li>• adoption of ESG policies;</li><li>• assessment of the implementation of the Corporate Governance Code 2020 in GVS;</li><li>• update on ESG initiatives;</li><li>• an update on the introduction of compliance policies for foreign subsidiaries;</li><li>• examination of the policy for managing dialogue with shareholders and other stakeholders;</li><li>• examination of the amendments to the Committee Regulation;</li><li>• review of the GVS Global Compliance Program and implementation policies (anti-corruption policy, IP policy and IT policy).</li></ul>
Transactions with interests of directors and auditors and related party transactions	<ul style="list-style-type: none"><li>• examination of the amendments to the Related Party Transaction Procedure;</li><li>• analysis of rental or lease contracts in existence with related parties;</li><li>• market benchmark compared to the rents in place with the related party GVS Real Estate;</li><li>• review of pre-IPO related party leases;</li><li>• related party transactions aimed at focusing exclusively on commercial/industrial activities through (i) transfer of ownership of the properties where the industrial activity is carried out to the related party GVS Real Estate and (ii) stipulation of the lease contract (Romania, Mexico, Brazil, UK);</li><li>• examination of the tax consolidation contracts between GVS S.p.A. and GVS Group Srl;</li><li>• examination of the contract governing the management of group VAT in the UK between GVS Filter Technology UK and GVS UK Real Estate (related party).</li></ul>

The Control, Risk and Sustainability Committee is entitled to access the information and company functions that are required for it to discharge its duties and to use external consultants, within the terms set by the Board of Directors, who are not in any situation such as to compromise their independent judgement.

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

### 9.3 Head of the Internal Audit Department

In accordance with Recommendation 33, letter b), of the Corporate Governance Code, the Board of Directors is also required, with the support of the Control, Risk and Sustainability Committee, to appoint a head of the internal audit department. The Issuer's Board of Directors, in its meeting of 14 February 2020, resolved to establish the internal audit manager function, and appointed Matteo Menegatti on 17 April 2020 as head of this function.

On 05 November 2020, the Board of Directors appointed Francesco Autiero, who meets the appropriate professional, independence and organisational requirements, as the new head of the department effective 30 November 2020.

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

The head of the internal audit department is not responsible for any operational area, reports hierarchically to the Board of Directors and has direct access to all information useful for the performance of the task.

On 19 March 2021, the Board of Directors approved the 2021 Audit Plan prepared by the head of the internal audit department, having consulted with the Board of Auditors and the Control, Risk and Sustainability Committee.

In accordance with the provisions of Recommendation 36 of the Corporate Governance Code, the head of the internal audit department:

- (a) verifies, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the functioning and suitability of the Internal Control and Risk Management System, through an audit plan, approved by the Board of Directors, based on a structured process of analysis and prioritizing the key risks;
- (b) prepares periodic reports containing adequate information regarding its activities, ways in which risk management is conducted, as well as compliance with the plans defined for their reduction. The periodic reports contain an assessment of the suitability of the Internal Control and Risk Management System;
- (c) prepares timely reports on events of major importance;
- (d) sends the reports pursuant to points b) and c) to the Chairmen of the Board of Auditors, the Control, Risk and Sustainability Committee, the Board of Directors and to the Appointed Director, except where such relations specifically regard the work of these figures;
- (e) verifies, as part of the audit plan, the reliability of information systems including the accounting systems.

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



The audit areas covered by the 2021 Audit Plan were as follows:

- Internal Audit checks on the effectiveness and efficiency of the processes used to cover the risks identified during the Risk Assessment phase;
- checks relating to 262/05 compliance in support of the Head of Corporate Financial Reporting, with tests applied to the Risk Control Matrix seen on the basis of what was implemented in the previous period or newly introduced;
- 231/01 compliance audits in support of the Supervisory Body.

During the year, the Internal Audit department was also involved in the following activities:

- updating of the Group Risk Assessment, a preparatory document also for the definition of the 2022 Internal Audit Plan;
- support in defining/updating Group procedures, ensuring compliance with the control requirements underlying the internal control system.

The activities conducted were based on an approach that included:

- interviews to understand the process, or update it if it is a process analysed in the previous period, and the collection of documentation necessary for its analysis;
- performing document testing or automated controls when deemed necessary to review and validate existing controls;
- identification of improvement points by sub-process under analysis.

The interventions carried out were aimed at understanding the processes in scope and their assessment, also in terms of effectiveness and efficiency, in covering the risks identified in the Risk Assessment phase.

The points of improvement identified were the subject of a resolution action plan, agreed upon and shared with the management of the audited companies.

These points are followed up by the Internal Audit department and are periodically shared with management, through a management report on Internal Audit matters, as well as with the Risk and Sustainability Control Committee and the Board of Auditors.

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

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

- (a) to ensure conditions of correctness and transparency in the conduct of the company's business and activities, to protect its position and image as well as the expectations of its employees; and

- (b) to raise the awareness of all those who work in the name and on behalf of the Issuer so that, in the performance of their activities, they follow correct and straightforward conduct, such as to prevent the risk of commission of the offences referred to in Legislative Decree no. 231/2001.

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

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

The organisation, management and control model is constantly monitored and periodically updated, most recently on 23 June 2021.

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

On 29 January 2021, the Board of Directors appointed Gerardo Diamanti, as Chairman, and Andrea Pascerini, a lawyer external to the Company, and Piervittorio Pigato, an internal component, as members of the Supervisory Body, in line with recommendation 33 of the Corporate Governance Code.

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

## 9.5 Independent Auditors

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

On 25 March 2021, the Independent Auditors sent the additional report to the Board of Auditors pursuant to Article 11 of Reg. EU 537/14 to the 2020 financial statements. The information contained in the document has also been discussed with the Control, Risk and Sustainability Committee

The audit activities were carried out in agreement and sharing with the Board of Auditors, in its capacity as the Internal Control and Audit Committee.

The report did not reveal any points of attention or critical issues and the Board of Auditors did not raise any aspects to highlight in this regard.

## 9.6 Head of Corporate Financial Reporting

Pursuant to Article 154-*bis* of the CFA, listed issuers having Italy as their home member state must appoint a Manager appointed to prepare the company's accounting documents (the "**Head of Corporate Financial Reporting**"), providing in their Articles of Association the requirements of professionalism and the methods of appointment of the same.

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

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

- (a) the adequacy and effective application of the procedures referred to in paragraph 3 of Article 154-*bis* of the CFA during the period to which the documents refer;
- (b) also in application of Recommendation 35 of the Corporate Governance Code, that the documents are drawn up in compliance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- (c) that the figures in the documents tally with those in the books of account and the entries therein;
- (d) that the documents are suitable for giving a truthful and accurate picture of the issuer's assets, liabilities, revenues, expenditures and finances and those of the entire set of undertakings included in the scope of consolidation;
- (e) in the case of annual Financial Statements and Consolidated Financial Statements, that the Directors' Report includes a reliable analysis of the running of the enterprise and its results, of the issuer's circumstances and those of the entire set of undertakings included in the scope of consolidation, together with an account of the main risks and uncertainties to which they are exposed;
- (f) for the condensed half-yearly financial statements, that the interim management report contains a reliable analysis of the information referred to in Article 154-*ter*, paragraph 4, of the CFA.

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

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

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

In order to carry out the tasks assigned to him, the Head of Corporate Financial Reporting in charge has at his disposal the financial and human resources as provided for in an annual budget, approved by the Board of Directors on the proposal of the same Head of Corporate Financial Reporting.

The other corporate functions of GVS involved in controls are: the internal audit function and the Supervisory Body. With reference to the effectiveness and impartiality of judgement of these supervisors, it should be noted that the various departments have been selected following careful checks on their professionalism and that they are equipped with long-standing skills in relation to their respective areas of work, as well as adequate resources to carry out their activities.

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

The system of internal control and risk management of GVS (the **"Internal Control and Risk Management System"** or the **"ICRMS"**) involves, each according to their respective responsibilities, the Board of Directors, the CEO, identified by the Board as the "Director in charge of the System of Internal Control and Risk Management", the Control, Risk and Sustainability Committee, the Board of Auditors, the Head of Internal Audit, the Supervisory Body, the Manager appointed to prepare the company's accounting documents ("Head of Corporate Financial Reporting") set up pursuant to Article 154-*bis* of the CFA, the General Counsel and provides - also in line with the recommendations of the new Corporate Governance Code - ways of coordination between these subjects, in relation to roles and competences in the field of the internal control and risk management system, in order to maximize the overall efficiency of the Internal Control and Risk Management System, in compliance with their respective roles and responsibilities, and to reduce duplication of activities.

In order to ensure proper coordination between the parties involved in the ICRMS, GVS implements:

- appropriate and continuous information flows between the parties involved in the ICRMS;
- specifications meetings for the management of specific events or situations, necessary to ensure promptness in the control of risk exposures and the detection of operational anomalies;
- periodic meetings with the various parties involved in the ICRMS.

## 10. Interests of the Directors and Related Party Transactions

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

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

### ESSENTIAL ELEMENTS OF THE RELATED PARTIES PROCEDURE

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

On 14 February 2020, the Board of Directors approved the draft "Procedure for Related Party Transactions" pursuant to Article 2391-*bis* of the Civil Code and the Related Parties Regulation. The draft of the procedure was submitted for final approval by the Issuer's Board of Directors on 16 July 2020, subject to the opinion of the Control, Risk and Sustainability Committee, which proposed some amendments, incorporated into the current text. Lastly, on 23 June 2021, the Board of Directors approved, pursuant to the Related Parties Regulation, a new version of the procedure, in order to adapt the provisions contained therein to the amendments approved by Consob with resolution no. 21624 of 10 December 2020 to the Related Parties Regulation. The procedure furthermore determines the procedures for the inquiries regarding guidelines for and approval of transactions with related parties defined to be of major significance based on the criteria indicated in the Related Party Regulation and the transactions with related parties defined as being of lesser importance, such being those other than those of major significance and the transactions involving negligible amounts (the latter being transactions which, when considered individually, have a value of no more than Euro 75,000 when the related party is a natural person, or a value no more than Euro 300,000 when the related party is an individual other than a natural person; if the same related party should accumulate transactions for a value equivalent to double the materiality threshold envisaged for Transactions of negligible value, the related party transaction in question will no longer be exempt from the procedure) (the **"Related Parties Procedure"**).

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

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

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

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

The Issuer has identified the Control, Risk and Sustainability Committee as the competent body in relation to related party transactions. It should be noted that, as of the date of this Report, the Control, Risk and Sustainability Committee is made up of three independent Directors (Arabella Caporello, Nadia Buttignol and Michela Schizzi) - appointed by the Company's Ordinary Shareholders' Meeting on 13 March 2020. For more information, please refer to paragraph 9.2 of this Report.

## 11. Board of Statutory Auditors

### 11.1 Appointment and replacement

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

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

Lists may be presented by shareholders who, alone or together with others, at the time the list is presented, own voting stock representing at least the percentage of share capital required for the presentation of lists of candidates for the office of director. The notice of call of the Shareholders' Meeting called to deliberate on the appointment of the Board of Auditors indicates the percentage shareholding required to present the lists of candidates. Each shareholder as well as (i) shareholders belonging to the same group, meaning the controlling party, including non-corporate, pursuant to Article 2359 of the Civil Code

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

When the Shareholders' Meeting must appoint the regular and/or alternate auditors needed to complete the Board of Auditors, if it is necessary to replace auditors taken from the Majority List of Auditors, the appointment is made by relative majority without list constraints in compliance with the applicable *pro tempore* legal and regulatory provisions on gender balance. If, on the other hand, it is necessary to replace auditors taken from the Minority List of Auditors, the appointment is made by relative majority vote, choosing from among the candidates indicated on the Minority List of Auditors or, subordinately, on the list that

received the third highest number of votes, in both cases without taking into account the original candidature for the office of regular or alternate auditor, always in compliance with the applicable legal and regulatory provisions in force at the time concerning the balance between genders.

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

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

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

## 11.2 Composition and function

(pursuant to Article 123-bis, paragraph 2, letter d) and d-bis) of the CFA)

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

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

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

Please refer to **Table 4** in the Annex for all details on the composition of the Board of Auditors.

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

**Patrizia Lucia Maria Riva** - Born in Milan on 10 July 1970, she graduated in Business Administration from the "Luigi Bocconi" University in 1993. She also obtained a PhD in "Business, Economics and Management" from the same university in 2000. She is registered with the Order of Chartered Accountants and the Roll of Auditors and works in the "Studio Patrizia Riva, Dottori Commercialisti di Milano e Avvocati Associati" of which she is founder and senior partner. She has held and continues to hold various administrative and control positions in Italian companies, including listed companies, and institutions. In addition to her professional activity, from 1993 to 2010 she lectured on "Business Methodologies and Determinations" at Bocconi University. She is Associate Professor of Corporate Governance, Internal Audit, NFD and Auditing at the University of Eastern Piedmont and Professor of the Master in Crisis and Reorganisation at the University of Bergamo. Conferee Ceril and Vice Chairman Apri. She is the author of several national and international publications.

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

**Francesca Sandrolini** - Born in Bologna, 13 March 1967, she graduated in Economics and Business at the *Alma Mater Studiorum* - University of Bologna in 1991. She is enrolled in the Register of Chartered Accountants and Accounting Experts of Bologna and in the Register of Auditors. Since 1993, he has been working as a chartered accountant as a partner in Studio De Leo - Associazione Professionale. As part of this activity, she deals, in particular, with matters relating to corporate governance, internal control systems and risk management, banks and financial intermediaries, as well as business valuations and assistance in the processes of impairment testing and purchase price allocation. She is a member of Ned-Community (Non Executive Directors Community) and actively participates in AIFIRM committees (Italian Association of Financial Industry Risk Managers). She holds positions on the supervisory bodies of several Italian companies and has also held positions as Auditor in major Italian banks, both listed and unlisted.

**Daniela Baesi** - Born in Bologna on 30 January 1971, she graduated in Economics and Business at the *Alma Mater Studiorum* - University of Bologna in 1996. Since 1996, she has worked as a statutory auditor in the Bologna office of PricewaterhouseCoopers S.p.A. Subsequently, since 2007 she has held the role of head of administration and finance at a leading Italian company in the global contracting and design sector both nationally and internationally. In 2012, she began working with GdC & Associati of Bologna and became a partner in 2017. She provides consulting services in corporate, administrative and accounting matters. She is enrolled in the Register of Chartered Accountants and Accounting Experts of Bologna and in the Register of Auditors.

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

It should be noted that during FY 2021, the Board of Auditors met 20 times and the average duration of the meetings of the Board of Auditors was approximately 130 minutes.

With regard to FY 2022, 17 meetings are scheduled of the Board of Auditors (of which 7 already held, at the date of preparation of this Report, on 22 March 2022).

In FY 2021, the Board of Auditors also attended 13 meetings of the Control, Risk and Sustainability Committee, 8 meetings of the Board of Directors and 4 meetings of the Appointments and Remuneration Committee.

## DIVERSITY CRITERIA AND POLICIES

At present, GVS has not adopted a specific diversity policy pursuant to Article 123-*bis*, paragraph 2, letter d-*bis* of the CFA, given that the Articles of Association already provide for rules for the members of the lists and supplementary voting mechanisms aimed at ensuring the presence on the Board of Auditors of the minimum number of members belonging to the least represented gender, in accordance with the provisions of the applicable legislation.

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

## INDIPENDENCE

At the Shareholders' Meeting held on 13 March 2020, the individual candidates for the position of Auditor declared that they met the independence requirements of Article 148, paragraph 3, of the CFA and the Corporate Governance Code. On this same date, the independence of the Auditors, pursuant to Article 148, paragraph 3, of the CFA and Article 8 of the Corporate Governance Code, was verified by the Board of Directors of the Issuer.

## ANNUAL VERIFICATION OF WHETHER THE AUDITORS MEET THE INDEPENDENCE REQUIREMENTS

Come previsto dal Codice di *Corporate Governance* - che raccomanda di verificare l'As provided for by the Corporate Governance Code - which recommends to verify the independence of the auditors on an annual basis and to transmit the outcome of such verifications to the Board of Directors, which sets them out, after their appointment, by means of a press release distributed to the market, and, subsequently, in the Corporate Governance Report - the current Board of Auditors verified the compliance of its members with the independence requirements set out by law and by the Corporate Governance Code on 12 March 2021 and 17

March 2022, and reported to the Board of Directors on the outcome of such verification. It should be underlined that the Board of Auditors, when carrying out the above-mentioned assessments, considered all the information made available by each member of the Board of Auditors, by examining all the circumstances that appear to compromise the independence identified by the Consolidated Finance Act and by the Code and applied, among others, all the criteria set out by the Code with regard to the independence of the Directors.

Lastly, it should be noted that the criteria for assessing the significance of commercial, financial or professional relationships and any additional remuneration of Directors pursuant to Recommendation 7, letters c) and d) of the Corporate Governance Code - defined by the Board of Directors on 17 December 2021 - are also applicable to Auditors by virtue of the reference made by Recommendation 9 of the Corporate Governance Code. For more information, see paragraph 4.7 of this Report.

### REMUNERATION

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

### INTEREST MANAGEMENT

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

### INDUCTION PROGRAMME

As regards the initiatives promoted by the Chairman of the Board of Directors aimed at providing the Auditors with an adequate knowledge of the business sector in which the Company operates, reference should be made to what has already been illustrated in paragraph 4.5 above, "Induction Programme".

### REPORT ON THE SELF-ASSESSMENT BY THE BOARD OF AUDITORS

The Board of Auditors carried out its self-assessment for FY 2021 on the basis of a questionnaire, consisting of a format shared by all the members of the Board of Auditors, functional to the collection of information necessary for the self-assessment, which concerned the composition, independence and overall functioning of the control body.

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

- the Board of Auditors ascertained that all members of the Board of Auditors complied with the requirements of integrity and professionalism pursuant to Article 148, paragraph 4 of the Consolidated Finance Act and that they did not exceed the limit of offices held pursuant to Article 148-bis of the Consolidated Finance Act and Article 144-*duodecies et seq.* of the Issuers' Regulations. The Board of Auditors has also verified that all its members meet the independence requirements set out in Article 148, paragraph 3 of the Consolidated Finance Act and in the Corporate Governance Code;
- the Board of Auditors has ascertained the adequacy, as a whole, to cover the task entrusted to it with reference to both the requirements mentioned above and the experience and age of its members;
- the individual members of the Board of Auditors, taking into account the positions held in other companies, have assessed that they have adequate time and resources to devote to carrying out their duties in GVS;
- with reference to the all-female composition of the Board of Auditors, the Board of Auditors acknowledged that, upon the first renewal of the Board of Auditors following the listing, the less represented gender shall make up at least 1/3 of its members;
- the Board of Auditors has noted that, during the financial year, priority was given to collegial organisation of work on the basis of an annual programme of activities;
- the Board of Auditors unanimously believes that the compensation resolved during the Shareholders' Meeting held on 27 April 2021 is adequate in light of the commitment required and the time devoted to the Board's activities, the Company's organisation, the size and structure of the Group and the attendance of members of the Board of Auditors at meetings of the Board of Directors and various committees.

## 12. Relations with Shareholders and Investor Access to information

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

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

On 14 February 2020, the Board of Directors established the investor relator position. Subsequently, on 13 March 2020, Mario Saccone was appointed as head of the relator function, granting him all the powers necessary to carry out this task.

During 2021, the Company used the support of a specialized external consulting firm for investor relator activities.

Moreover, in order to make available not only the most relevant documents on corporate governance, but also all press releases relating to major corporate events, as well as

financial and accounting data, a special section called "Investor Relations" has been set up on the Issuer's website.

## DIALOGUE WITH SHAREHOLDERS

During the Year, the Board of Directors undertook activities aimed at developing and adopting a policy for managing dialogue with the general public, in accordance with Recommendation 3 of the Corporate Governance Code.

On 17 December 2021, the Board of Directors, on the proposal of the Chairman formulated in agreement with the Chief Executive Officer, adopted the policy for managing dialogue with the generality of shareholders and other stakeholders of GVS (the "**Shareholder Dialogue Policy**"), taking into account, among other things, the engagement policies adopted by the Company's institutional investors.

The Shareholder Dialogue Policy provides that, in managing the dialogue, the Company shall operate in compliance with the principle of transparency of the information provided, the principle of equal treatment of Shareholders, as well as the provisions of the law and regulations in force at the time. The policy also applies to relations between the Company, on the one hand, and current and potential Shareholders, holders of other financial instruments issued by the Company, proxy advisors, financial analysts and rating agencies, on the other hand (the "**Interested Parties**"), in relation to the following matters:

- (i) operating performance, periodic financial results, non-financial reporting;
- (ii) corporate strategy (business plan, announced investments, targets);
- (iii) dividend policies;
- (iv) extraordinary transactions announced or carried out by GVS and Subsidiaries;
- (v) the corporate governance system;
- (vi) the GVS Remuneration Policy;
- (vii) the internal control and risk management system; and
- (viii) social and environmental sustainability topics.

Dialogue can take place in "One Way" mode, with Interested Parties expressing their views on specific issues, or in "Two Way" mode, where an effective exchange of information takes place between Interested Parties and the Company.

### IN DIALOGUE MANAGEMENT:

- the Board of Directors plays a role in guiding, supervising and monitoring the application of the Shareholder Dialogue Policy and, in general, the progress of the dialogue;
- the Board of Directors delegates the management of the dialogue to the CEO (as "Appointed Director");
- the CEO may involve one or more Directors (including non-executive Directors), as well as company representatives over time concerned;
- the Control, Risk and Sustainability Committee periodically checks the correct application of the Policy for Dialogue with the Shareholders and the adequacy of its provisions over time, submitting, in agreement with the Chairman and the CEO, proposals for amendments and additions;
- the investor relator and the Secretary of the Board of Directors are the primary and ongoing points of contact with Interested Parties.

Dialogue between Stakeholders and the Board of Directors can be initiated: (i) at the request of an Interested Subject, if the latter - despite the dialogue carried out with the investor relations function - deems it necessary to start a dialogue with the Board of Directors or (ii) at the initiative of the Company.

Finally, the Shareholder Dialogue Policy lists the criteria for evaluating whether to accept or reject a dialogue request received.

The updated text of the policy is available on the Company's website [www.gvs.com](http://www.gvs.com) - Governance - Documents and Procedures Section.

## 13. Shareholders' Meetings

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

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

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

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



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

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

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

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

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

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

It should be noted that in order to meet the organisational needs arising from the Covid-19 pandemic, Decree Law no. 18/2020 (converted, with amendments, by Law no. 27 of 24 April 2020, as most recently amended by Decree Law no. 228 of 30 December 2021; the **"Cura Italia Decree"**) introduced temporary measures for the conduct of Shareholders' Meetings, applicable also in the absence of or in derogation of the relevant provisions of the Articles of Association. Specifically, these measures allowed for: (i) the carrying out, even exclusively, of the meeting by means of telecommunication means able to guarantee the identification of the participants, their participation in the meeting as well as the exercise of voting rights; (ii) the expression of the vote by electronic means, by correspondence or through a specifically appointed representative (iii) the possibility for listed issuers to provide, in the notice of call of the meeting, for the participation of shareholders exclusively through an appointed representative; and (iv) the holding of meetings without the need for the Chairman, the Secretary and the notary to be in the same place. In compliance with the aforementioned provisions, the Company has provided for participation in the Shareholders' Meeting of 27 April 2021 exclusively through a designated representative pursuant to Article 135-*undecies* of the Consolidated Finance Act.

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

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

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

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

During the financial year, a Shareholders' Meeting was held on 27 April 2021 in ordinary session for (i) the approval of the financial statements as at 31 December 2020 and resolutions on the allocation of the profit for the year; (ii) the approval of the report on the remuneration policy and the remuneration paid pursuant to Article 123-*ter* of the Consolidated Finance Act; (iii) the authorisation to purchase and disposal of treasury shares pursuant to and by effect of Articles 2357, 2357-*ter* of the Italian Civil Code, 132 of the Consolidated Finance Act and 144-*bis* of the Issuers' Regulation; (iv) the adjustment of the remuneration of the Board of Auditors.

## CORPORATE GOVERNANCE SYSTEM

During the financial year, the Board considered the corporate governance system of GVS functional to the needs of the company and, for this reason, it did not deem it appropriate to draw up justified proposals to submit to the Shareholders' Meeting in this regard.

# 14. Additional Corporate Governance Practices

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

# 15. Changes to the Closure of the Financial Year of Reference

There have been no further changes in the corporate governance structure of the Company since the end of the Financial Year and until the Board of Directors approval of this Report on 22 March 2022.

# 16. Considerations on the Letter of 03 December 2021 From the Chairman of the Corporate Governance Committee

The recommendations made in the 03 December 2021 letter from the Chairman of the Corporate Governance Committee were brought to the attention of the Board of Directors on 22 March 2022.

The following are the recommendations of the Corporate Governance Committee made in its letter dated 03 December 2021, and the corresponding sections and/or paragraphs of the Report in which such matters were addressed.

Recommendation	Section/paragraph of the Report
1. provide adequate and concise information in the corporate governance report on the methods adopted to pursue sustainable success and the approach adopted in promoting dialogue with the relevant stakeholders;	Sections 1, 4, 8, 9, and 12 of the Report
2. evaluate the classification of the company with respect to the categories of the Corporate Governance Code and the simplification options available to "non-large" and/or "concentrated" companies, and to adequately indicate the choices made;	Section 1 and paragraph 7.1 of the Report
3. provide in the Corporate Governance Report the criteria used to assess the significance of professional, commercial or financial relationships and additional remuneration, including with reference to the Chairman of the Board of Directors, if the latter has been assessed as independent pursuant to the Code;	Paragraph 4.7 of the Report
4.(i) ensure the preparation of the regulations for boards of directors and committees, paying particular attention to the explicit establishment of the deadlines deemed appropriate for the submission of documents and to the exclusion of generic confidentiality requirements as possible exemptions from compliance with these deadlines; and (ii) provide, in the Corporate Governance Report, an adequate illustration of the actual compliance with the notice period previously defined and, where in exceptional cases it has not been possible to comply with the said period, explain the reasons and illustrate how adequate information has been provided to the Board;	Paragraphs 4.4, 7.2, and 8.2 of the Report
5.require those who submit a list containing more than half the number of candidates to be elected to provide adequate information (in the documentation submitted for the filing of the list) on the compliance of the list with the orientation expressed by the outgoing Board and to indicate its own candidate for the office of Chairman (recommendation expressed only for companies "with non-concentrated ownership");	The recommendation does not apply to GVS, which qualifies as a "concentrated ownership" company under the Corporate Governance Code
6.provide adequate information in the corporate governance report on the concrete identification and application of measures aimed at promoting equal treatment and opportunities between genders within the entire company organisation, monitoring their concrete implementation;	Paragraphs 4.3 and 11.2 of the Report
7.adequately consider the consistency of the parameters identified for variable remuneration with the strategic objectives of the business and the pursuit of sustainable success, assessing, where appropriate, the provision of non-financial parameters. With particular reference to the remuneration parameters linked to the achievement of environmental and social objectives, it is recommended that companies ensure that these parameters are predetermined and measurable.	Remuneration Report

# Appendix

Table 1: Information on the Ownership Structure as at 22 March 2022

STRUTTURA DEL CAPITALE SOCIALE				
	No. of shares	No. of voting rights	Listed (indicate markets)/unlisted	Rights and obligations
Ordinary shares (pursuant to Article 6 of the Articles of Association, the possibility of increasing the voting rights is envisaged)	175.000.000	280.000.000	EXM Milan	N/A
Preference shares	-	-	N/A	N/A
Multiple voting shares	-	-	N/A	N/A
Other categories of shares with voting rights	-	-	N/A	N/A
Savings shares	-	-	N/A	N/A
Convertible savings shares	-	-	N/A	N/A
Other categories of non-voting shares	-	-	N/A	N/A
Other			N/A	N/A

OTHER FINANCIAL INSTRUMENTS (attributing the right to subscribe newly issued shares)				
	Listed (indicate markets)/unlisted	No. of instruments in issue	Category of shares servicing conversion/exercise	No. of shares servicing conversion/ exercise
Convertible bonds	N/A	N/A	N/A	N/A
Warrants	N/A	N/A	N/A	N/A

SIGNIFICANT SHAREHOLDINGS			
Declarant	Direct shareholder	% share of ordinary share capital	% share of voting share capital
Massimo Scagliarini	GVS Group S.r.l.	75.0%	75.0%

Table 2: Structure of the Board of Directors at the end of the Financial Year

Board of Directors													
Position	Members	Year of birth	Date of first appointment (*)	In office since	In office until	List (presenters) (**)	List (M/m) (***)	Exec.	Non-Exec.	Indep. Code	Indep. CFA	No. other appointments (****)	Attendance (*****)
Chairman	Grazia Valentini	1942	18/03/1987	13/03/2020	31/12/2022	N/A	N/A		x			-	7/9
Chief Executive Officer •	Massimo Scagliarini	1965	24/07/1990	13/03/2020	31/12/2022	N/A	N/A	x				-	9/9
Director	Marco Scagliarini	1964	24/07/1990	13/03/2020	31/12/2022	N/A	N/A	x				-	9/9
Director	Mario Saccone	1967	23/07/2010	13/03/2020	31/12/2022	N/A	N/A	x				-	9/9
Director	Matteo Viola	1974	23/05/2018	13/03/2020	31/12/2022	N/A	N/A	x				-	9/9
Director	Nadia Buttignol	1977	13/03/2020	19/06/2020	31/12/2022	N/A	N/A		x	x	x	-	9/9
Director	Arabella Caporello	1972	13/03/2020	19/06/2020	31/12/2022	N/A	N/A		x	x	x	1	9/9
Director	Alessandro Nasi	1974	13/03/2020	19/06/2020	31/12/2022	N/A	N/A		x	x	x	6	7/9
Director	Michela Schizzi	1982	13/03/2020	19/06/2020	31/12/2022	N/A	N/A		x	x	x	-	9/9

No. of meetings held during the reference financial year: 9

Indicate the quorum required for submission of lists by minority shareholders for the election of one or more members (per Article 147-ter of the CFA): 1%

#### NOTES

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

(\*) Date of first appointment of each Director means the date on which the Director was appointed for the first time (ever) in the Issuer's BoD.

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

(\*\*\*) This column indicates whether the list from which each Director has been drawn is "majority" (indicating "M"), or "minority" (indicating "m").

(\*\*\*\*) This column shows the number of offices as Director or Auditor held by the person concerned in other listed companies or companies of significant size. In the Corporate Governance Report, the positions are listed in full.

(\*\*\*\*\*) This column shows the attendance of Directors at Board meetings (indicate the number of meetings attended compared with the total number of meetings which could have been attended; e.g. 6/8; 8/8 etc.).



Table 3: Structure of the Board Committees at the End of the Financial Year

Board of Directors		Control, Risk and Sustainability Committee		Appointments and Remuneration Committee	
Position	Members	(*)	(**)	(*)	(**)
<b>Chairman</b> (non-executive - non-independent)	Grazia Valentini			2/4	M
<b>Chief Executive Officer</b>	Massimo Scagliarini				
<b>Director</b> (executive - non-independent)	Marco Scagliarini				
<b>Director</b> (executive - non-independent)	Mario Saccone				
<b>Director</b> (executive - non-independent)	Matteo Viola				
<b>Director</b> (non-executive - independent in accordance with the CFA and Code)	Nadia Buttignol	14/14	M		
<b>Director</b> (non-executive - independent in accordance with the CFA and Code)	Arabella Caporello	14/14	P		
<b>Director</b> (non-executive - independent in accordance with the CFA and Code)	Alessandro Nasi			3/4	M
<b>Director</b> (non-executive - independent in accordance with the CFA and Code)	Michela Schizzi	14/14	M	4/4	P
No. of meetings held during the reference financial year:	18	14		4	

**NOTES**

(\*) This column shows the attendance of Directors at Board meetings (indicate the number of committee meetings attended compared with the total number of meetings which could have been attended; e.g. 6/8; 8/8 etc.).

(\*\*) This column indicates the title of the Director within the committee: (\*) "P": chairman; "M": member.

Table 4: Structure of the Board of Auditors at the end of the Financial Year

Board of Auditors									
Position	Members	Year of birth	Date of first appointment (*)	In office since	In office until (date of approval of the financial statements)	List (M/m) (**)	Indep. Code	Attendance of the meetings of the Board of Auditors (***)	No. other appointments (****)
Chairman	Patrizia Lucia Maria Riva	1970	13/03/2020	19/06/2020	31/12/2022	N/A	x	20/20	10
Regular Auditor	Stefania Grazia	1966	13/03/2020	19/06/2020	31/12/2022	N/A	x	19/20	9
Regular Auditor	Francesca Sandrolini	1967	13/03/2020	19/06/2020	31/12/2022	N/A	x	20/20	8
Alternate Auditor	Daniela Baesi	1971	13/03/2020	19/06/2020	31/12/2022	N/A	x	0/0	3
Alternate Auditor	Mario Difino	1956	13/03/2020	19/06/2020	31/12/2022	N/A	x	0/0	21

Number of meetings held during relevant financial year: 20

Indicate the quorum required for the submission of lists by minority shareholders for the election of one or more members (pursuant to Article 148 of the CFA): 1%

#### NOTES

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

(\*\*) This column indicates whether the list from which each Auditor has been drawn is "majority" (indicating "M"), or "minority" (indicating "m").

(\*\*\*) This column indicates the attendance of the Auditors at the meetings of the Board of Auditors (indicate the number of meetings attended with respect to the total number of meetings which could have been attended; e.g. 6/8; 8/8 etc.).

(\*\*\*\*) This column indicates the number of assignments as Director or Auditor covered by the interested party in accordance with Article 148-bis of the CFA and the respective implementing provisions contained in the CONSOB Issuers' Regulation. The complete list of positions is published by Consob on its website under the terms of Article 144-quinquiesdecies of the Consob Issuers' Regulation.

Table 5: Appointments of the Board of Directors

Name and surname	Company	Position in the company or equity investment held	Status
<b>Grazia Valentini</b>	B. & T.A. Bonifica Trattamenti Ambientali S.r.l.	Director	In office
<b>Massimo Scagliarini</b>	GVS Group S.r.l.	Sole Director/Partner	In office/Equity investment of 50.52%
	Lighthouse 11 S.p.A.	Sole Director/Partner	In office
	Investimenti Tolara	Sole Director	In office
<b>Marco Scagliarini</b>	GVS Group S.r.l.	Partner	Equity investment of 49.48%
	GVS Real Estate S.r.l.	Sole Director	In office
	Hiroki S.p.A.	Sole Director	In office
<b>Nadia Buttignol</b>	Atena S.r.l.	Director	In office
	Bios Line S.p.A.	Director	In office
	Boost Holding S.p.A.	Director	In office
	Diego Buttignol S.r.l.	Executive Director	In office
	Evergreen Life Products S.r.l.	Director	In office
	Naus S.p.A.	Director	In office
	Sonica S.r.l.	Director	In office
	RCF Group S.p.A.	Director	In office
	Rebula S.r.l.	Director	In office
<b>Arabella Caporello</b>	Palladio Holding S.p.A.	Manager	In office
	Gardant S.p.A.	Director	In office
<b>Alessandro Nasi</b>	Astra Veicoli Industriali S.p.A.	Chairman of the Board of Directors	In office
	CNH Industrial NV	Director	In office
	Giovanni Agnelli BV	Director	In office
	Exor NV	Deputy Chairman of the Board of Directors	In office
	Comau S.p.A.	Chairman of the Board of Directors	In office
	Iveco Group NV	Director	In office
	Iveco Defence S.p.A.	Chairman of the Board of Directors	In office
	Lego Brand Group	Chairman of the Advisory Board	In office
<b>Michela Schizzi</b>	Allianz	Manager	In office

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