



Report on corporate governance and ownership structure for financial year 2020

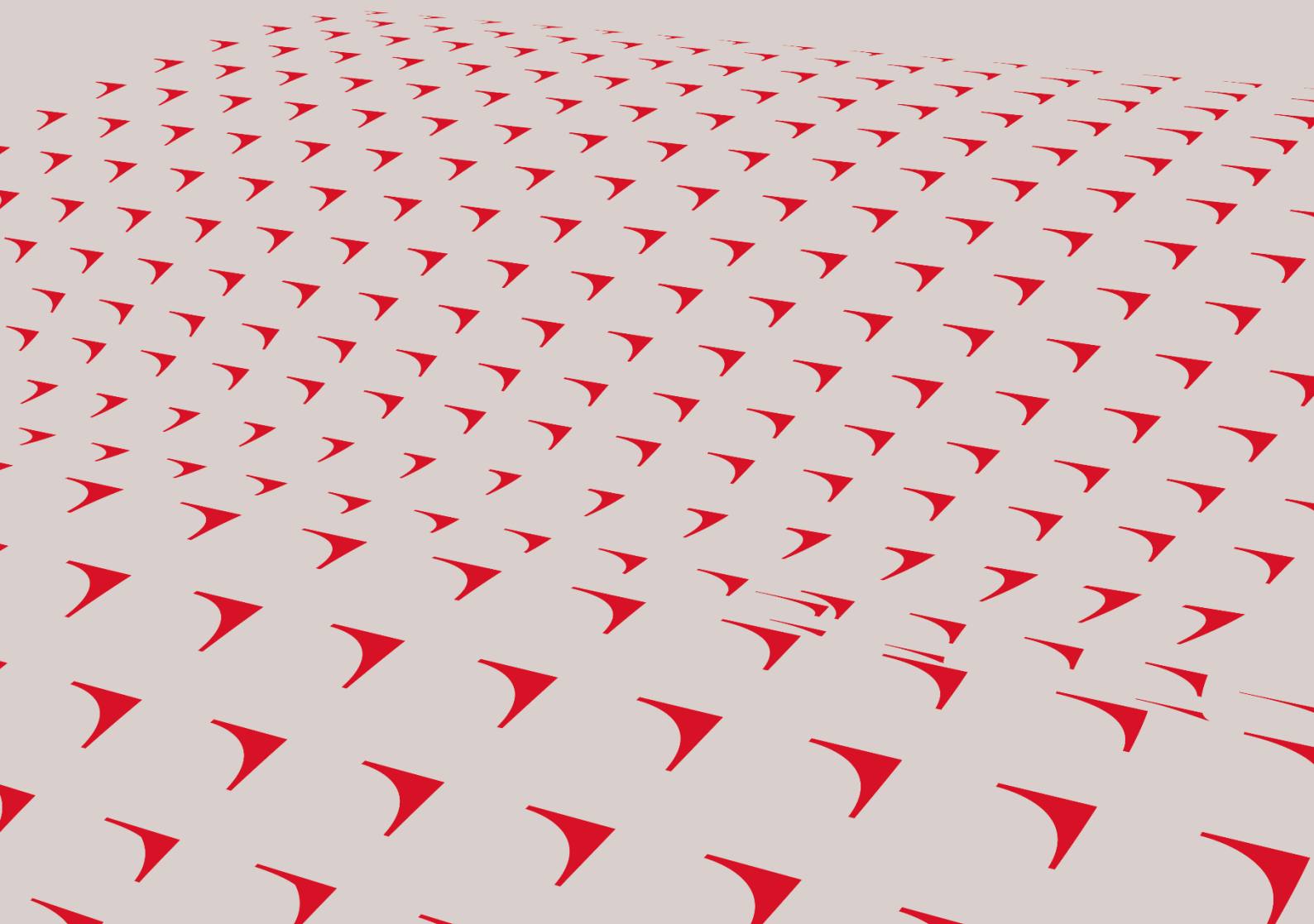
As per the terms of Art. 123-bis of the Consolidation Law for Finance (TUF)

(traditional administration and control model)

Issuer: CIR S.p.A.

Website: www.cirgroup.it

Date of approval of report: March 29 2021





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FOREWORD

This Report on corporate governance and ownership structure (hereinafter “the Report”) aims to illustrate the corporate governance model of CIR S.p.A. (hereinafter the “Company” or the “Issuer”) in the year 2020, providing the information required by Article 123-bis of Legislative Decree no. 58 of February 24 1998 (the “TUF”) and by current rules of law and regulations on the subject of compliance with codes of conduct. The Report was prepared with reference to the “Format for the report on corporate governance and ownership structure” published by Borsa Italiana (VIII edition - January 2019).

The Report, approved by the Board of Directors on March 29 2021, is being made available to the Shareholders in the ways envisaged by law together with the rest of the documentation relating to the Financial Statements for the year ended December 31 2020 that have been prepared for the Annual General Meeting of the Shareholders and can also be consulted on the website of the authorized storage mechanism www.emarketstorage.com and – together with other documents of interest to the market - on the website of the Company www.cirgroup.it in the section “Governance”.

It should be noted that during the year 2020, and more precisely on February 19 2020, the Company, until then called COFIDE S.p.A., incorporated its subsidiary CIR S.p.A. and changed its name to CIR S.p.A.

1. PROFILE OF THE ISSUER

1.1 Description of the business of the Issuer

CIR S.p.A. is a holding company of equity investments active, through its subsidiaries, in the Healthcare and Automotive Components sectors. Its strategy involves investment in majority shareholdings with the aim of creating value over a long-term time horizon.

The subsidiary KOS is active in the Long Term Care sector, with a position of leadership in Italy and a second important market in Germany.

The subsidiary Sogefi operates globally in the Automotive sector supplying components for motor vehicles in the sectors of suspension, filtration and air and cooling systems.

The Company also has a portfolio of financial investments and financial equity holdings.

1.2 Governance model adopted by the Issuer

The Company is organized according to a traditional administration and control model, with the General Meeting of the Shareholders, an administrative body, the Board of Directors, and a control body, the Board of Statutory Auditors. The legal audit of the accounts is carried out by the firm of auditors (an external body).

The powers and the rules for the functioning of the corporate bodies are regulated, in addition to the rules of law and regulations in force at any one time, by the Company Bylaws and by a series of regulations, principles and procedures that are updated periodically.

More specifically, as a reference model for its corporate governance, the Issuer had adopted the rules contained in Borsa Italiana’s Code of Conduct for Listed Companies (“Borsa Italiana’s Code”) as updated and amended over the years by the Corporate Governance Committee set up by the Business Associations, Borsa Italiana S.p.A. and the professional investors association



(Assogestioni), and had drawn up its own code (the “Code of Conduct of CIR”) which describes the main duties and functions of the company bodies and the internal control and risk management systems of the Company.

Following the introduction in January 2020 of the new Corporate Governance Code by the Corporate Governance Committee, on January 29 2021 the Board of Directors of the Company approved the new Corporate Governance Code of CIR S.p.A., (“CIR’s Corporate Governance Code”), which replaces the Code of Conduct of CIR, which was valid for the whole of financial year 2020. It was published on March 30 2021 and is in force as from 2021. This will be explained appropriately in the Report for 2021. The Corporate Governance Code of CIR S.p.A. has been published on the Company’s website www.cirgroup.it in the section “Governance”.

The Board of Directors is the central body of the Company’s system of corporate governance; on the strength of what is set forth in Art. 11 of the Company Bylaws it consists of a minimum of 5 to a maximum of 21 members, appointed by the Annual General Meeting, which also decides on the number of members. The Board of Directors has the broadest powers to manage and administer the Company, with the objective of achieving the Company’s object of creating value over a medium-long-term time horizon. The Board of Directors establishes the strategic guidelines, oversees the general performance of management, defines the system of corporate governance and evaluates the internal control system, partly in order to identify and manage the Company’s main risks.

The Board of Statutory Auditors, on the strength of what is set out in Art. 22 of the Company Bylaws, is made up of three Statutory Auditors in office and three Alternate Auditors and has responsibility for ensuring compliance with all regulations applicable and in particular has the task of checking compliance with the terms of the law and of the Company Bylaws, observance of the principles of correct administration, the adequacy of the organizational structure, the internal control system and the administration and accounting system and the way in which the rules of corporate governance set out in the Corporate Governance Code are being implemented in practice.

The General Meeting of the Shareholders is the body with the right to adopt resolutions as follows: i) in ordinary sessions on the approval of the annual financial statements, the appointment and dismissal of the members of the Board of Directors and the members of the Board of Statutory Auditors, decisions as to their fees, awarding the audit mandate for the accounts, and matters regarding the liability of Directors and Statutory Auditors; ii) in extraordinary sessions on making amendments to the Company Bylaws.

The Company and the group that it heads have adopted a Code of Ethics, in order to explain to all those who operate in the group the principles of correctness, loyalty, honesty, impartiality, equal opportunities and confidentiality, and completeness and transparency in the management of Company information.

1.3 Declaration of the Issuer’s status as a PMI (SME)

CIR S.p.A. comes under the definition of a PMI as per the terms of Art. 1, paragraph 1, letter w-quater.1) of the TUF and of Art. 2-ter of Consob’s Rules for Issuers, in view of its average capitalization in the last three years. The average capitalization recorded in the year 2020 was over euro five hundred million (euro 512.1 million), but as it was lower than the figure for the two previous years, when the Company, then COFIDE S.p.A., had not yet incorporated CIR S.p.A., the Company is still qualified as a PMI.

Given the above, it should be noted that the significant threshold for the disclosure obligations as per Art. 120 of the TUF should be 5%. However, after Consob’s Managerial Decision no. 46 of March 3 2021, as CIR is a company with a broad shareholder base qualified as a PMI, for the disclosure of



significant equity investments the further initial threshold of 3% is being applied until April 13 2021 unless it is revoked or extended before that date.

2. INFORMATION ON THE OWNERSHIP STRUCTURE (AS PER ART. 123-BIS, PARAGRAPH 1, TUF) AT DECEMBER 31 2020

a) Structure of the share capital (as per Art. 123-bis, paragraph 1, letter a), TUF)

The Issuer's share capital, subscribed and fully paid up stands at € 638,603,657.00, consisting of 1,277,207,314 ordinary shares, listed on Borsa Italiana's *Mercato Telematico Azionario* –FTSE Italia Mid Cap index.

STRUCTURE OF THE SHARE CAPITAL				
	No. of shares	% of share capital	Listed (indicate markets) / not listed	Rights and obligations
Ordinary shares	1,277,207,314	100%	Mercato Telematico Azionario – FTSE Italia Mid Cap	All the ordinary shares have equal rights and obligations. 407,361,602 shares have matured the right to an increased vote (2 votes per share) as per the terms of Art. 8 of the Company Bylaws and point 2.d) below. Of the total 1,684,568,916 voting rights that can be exercised, these shares account for 48.36% of the voting rights.

There are no shares with multiple votes, limited voting rights or without voting rights. Moreover, the Company has not issued any convertible shares or warrants.

It should be noted that in previous years the General Meeting of the Shareholders approved share-based incentive plans based and that these plans do not involve share capital increases.

For further information on the said plans, see (i) what is stated in section 24 of the explanatory notes to the Consolidated Financial Statements regarding the year ended December 31 2020, (ii) the information documents prepared by the Issuer in accordance with Art. 84-bis of Consob's Rules for Issuers and (iii) the Compensation Report as of December 31 2020. These documents can be consulted on the website of the authorized storage mechanism www.emarketstorage.com and on the Company's website www.cirgroup.it in the section "Governance".

b) Restrictions on the transfer of shares (as per Art. 123-bis, paragraph 1, letter b), TUF)

The Company's shares are freely transferable except for the restrictions:

- linked to the internal dealing rules illustrated in the Code of Conduct on the subject of Internal Dealing published by the Company in the section "Governance";
- applicable to the beneficiaries of stock grant plans the regulations of which state that beneficiaries commit irrevocably to keep at least 10% of the shares exercised continuously until the fifth anniversary of the grant date and thus the shares will be subject to this inalienability constraint, unless the Board of Directors should authorize a waiver.

c) Significant shareholding in the capital (as per Art. 123-bis, paragraph 1, letter c), TUF)

The chart below shows the significant shareholdings in the capital, as resulting from notifications effected in accordance with the terms of Art. 120 of the TUF and Art. 117 and following articles of



Consob's Rules for Issuers, at December 31 2020.

SIGNIFICANT SHAREHOLDINGS			
Declarant	Direct Shareholder	% of holding vis-à-vis ordinary capital	% of holding vis-à-vis voting capital
F.LLI DE BENEDETTI S.p.A	F.LLI DE BENEDETTI S.p.A.	30.759	45.489
COBAS ASSET MANAGEMENT SGIIC SA	COBAS ASSET MANAGEMENT SGIIC SA	13.203	10.010
BESTINVER GESTION SGIIC SA	BESTINVER GESTION SGIIC SA	13.193	10.003

d) Shares that give special rights (ex Art. 123-bis, paragraph 1, letter d), TUF)

All the ordinary shares have the same rights and obligations and there are no shares that give their owners special powers.

The Company Bylaws do allow multiple votes, pursuant to Art. 127-*quinquies* of the TUF. More specifically, Art.8 states that each share gives the right to two votes if the following conditions are both complied with: a) that the same person has had voting entitlement on the strength of a real right giving entitlement (full ownership with voting rights, bare ownership with voting rights or usufruct with voting rights) for a continuous period of no less than 48 months; b) the condition in a) above is attested by the continuous presence for a period of no less than 48 months in the list in the Stable Shareholders Book, which was set up for this purpose and is kept and updated by the Company.

e) Employee shareholdings: mechanism for exercising voting rights (as per Art. 123-bis, paragraph 1, letter e), TUF)

In the event of employees holding shares, there are no particular mechanisms for exercising voting rights.

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

There are no restrictions on voting rights.

g) Shareholder agreements (As per Art. 123-bis, paragraph 1, letter g), TUF)

On March 16 2021 a Shareholder agreement regarding Fratelli De Benedetti S.p.A. (FDB) and CIR took effect. This agreement, which contains significant clauses as per the terms of Art. 122, paragraphs 1 and 5, letters a), b) and c), TUF (the "Agreement") signed by Rodolfo Lorenzo Franco De Benedetti, Marco De Benedetti, Edoardo Enzo Tito De Benedetti (the "Partners"), FDB and Margherita Crosetti.

The Companies whose financial instruments are the subject of the Shareholder Agreement are the following: (i) Fratelli De Benedetti S.p.A., registered office in Turin, Via Valeggio 41, share capital Euro 170,820,000 fully paid up, Tax Code and registration no. on the Turin Register of Companies 05936550010; (ii) CIR S.p.A. - Compagnie Industriali Riunite, registered office in Milan, Via Ciovassino 1, share capital Euro 638,603,657.00 fully paid up, consisting of 1,277,207,314 ordinary shares, with a total of 1,712,652,763 voting rights, Tax Code and registration no. on the Milan, Monza Brianza and Lodi Register of Companies of Milan 01792930016, a company with its shares listed on the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A.



The Agreement is binding on the Partners, who together own 100% of the share capital of FDB, as well as Margherita Crosetti, as holder of usufruct, with voting rights, of part of the shares of FDB, and FDB itself, as owner, as of the date on which the Agreement was signed, of 392,851,536 ordinary shares in CIR, equal to 30.759% of the total ordinary shares, with 766,293,380 voting rights, equal to 44.743% of the total voting rights.

The essential information about the Agreement is published on the CIR website www.cirgroup.it as per the terms of Art. 130 of the Rules for Issuers.

The Company is not aware of the existence of any other agreements between the Shareholders pursuant to Art. 122 of the TUF.

h) Change of control clauses (as per Art. 123-bis, paragraph 1, letter h), TUF) and rules in the Bylaws on the subject of OPA (public offers to acquire shares) (as per Art. 104, paragraph 1-ter and 104-bis, paragraph 1)

CIR S.p.A. has not entered into any agreements involving change of control clauses, except for what is set out in the contract with the Chief Executive Officer, which is described in the Compensation Report.

Regarding the subsidiary SOGEFI S.p.A., and the companies that it controls, its loan agreements and bonds do include change of control clauses, involving the option for the creditors to request prepayment in the event of an entity other than CIR obtaining control of Sogefi.

Regarding the subsidiary KOS S.p.A., and the companies that it controls, its loan agreements and bonds do include change of control clauses, involving the option for the creditors to request prepayment in the event of CIR S.p.A. ceasing to exercise control as per the terms of Art. 2359 of the Civil Code.

The Company Bylaws do not contain any waivers of the passivity rules set out in Art. 104 and 104-bis of the TUF.

i) Powers delegated to increase the share capital and authorizations to buy back own shares (as per Art. 123-bis, paragraph 1, letter m), TUF)

For a maximum of five years from the date on which the resolution of the Extraordinary General Meeting of the Shareholders held on June 8 2020 was registered in the Register of Companies, the Board of Directors has the right to:

- a) Increase the share capital either once or more than once by a maximum of Euro 500,000,000 (five hundred million) nominal value free of charge and/or against payment, with or without a share premium, even with the exclusion or limitation of the option right as per Art. 2441 paragraphs IV and V of the Civil Code, the Directors having the right each time to establish the category of shares, the issuance price of the same shares (including any share premium), the start of dividend entitlement, the possible allocation of the share capital increase to servicing the conversion of bonds issued even by third parties both in Italy and abroad, or servicing warrants. They will also have the right to determine the reserves and provisions available for allocation to share capital and the amount of the same. More in general to define the procedures, terms and conditions of the share capital increase.
- b) Issue once or more than once convertible bonds, even in foreign currencies, where permitted by law, with the relative share capital increase up to a maximum amount of Euro 500,000,000 (five hundred million). More in general it has the right to define the procedures, terms and conditions of the bond issue and the rules governing such issuance.



The Ordinary General Meeting of the Shareholders held on June 8 2020 adopted a resolution to cancel, for the part not utilized and for the period between June 9 2020 and the natural maturity, the resolution authorizing the buyback of own shares adopted by the Ordinary Meeting of the Shareholders held on April 29 2019 and thus the relative authorization to use them as appropriate.

It should be noted that from April 29 2019 to the date of this Report there has been no buyback of own shares and that as of December 31 2020 there were 26,957,393 in the portfolio.

l) Management and coordination activities (Art. 2497 and following articles of the Civil Code)

The Company is subject to management and coordination as per the terms of Article 2497 and following articles of the Civil Code by the company F.lli De Benedetti S.p.A.

m) Other information – references

It should be noted that as regards the further information as per Art. 123-*bis*, paragraph 1, of the TUF:

- The information required by letter i), regarding possible agreements between the Company and directors involving leaving indemnity, compensation for termination without a just cause or termination following a successful takeover bid (OPA), are contained in the Compensation Report published pursuant to Art. 123-*ter* of the TUF;
- The information required by letter l), regarding the appointment and replacement of directors as well as the amendment of the Company Bylaws, if they differ from the legislative and regulatory rules additionally applicable, are described in point 4.1 of this Report concerning the Board of Directors.

3. COMPLIANCE (AS PER ART. 123-BIS, PARAGRAPH 2, LETTER A), TUF)

The Company complies with the Corporate Governance Code for listed companies prepared by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., which is available on the website of the Corporate Governance Committee at the address <https://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

CIR S.p.A. and its subsidiaries of strategic importance are not subject to any non-Italian rules of law that affect the corporate governance structure of the Issuer.

4. BOARD OF DIRECTORS

4.1 Appointment and replacement (as per Art. 123-bis, paragraph 1 letter l) TUF)

As established by Article 11 of the Company Bylaws, the Company is administered by a Board of Directors consisting of between five and twenty-one members, whose term of office is determined by the Shareholders' Meeting, in any case no more than three financial years, and they can be re-elected.

The Shareholders' Meeting, on appointing them, decides on the number of members within the above limits, and this number shall remain valid until a resolution changing the number is adopted.

The Shareholders appoint the Board of Directors on the basis of lists presented by the Shareholders and filed within the time-frames and following the procedures set out in the rules applicable. Only



Shareholders who alone or together with other shareholders represent at least a fortieth part of the share capital or any different percentage that may be decided upon in accordance with the law or with regulations, can present lists of candidates. They must be able to prove that they own the number of shares required within the terms and following the procedures laid down in legislation applicable.

On this subject it should be noted, moreover, that on January 29 2021, with managerial decision no. 44 Consob, in accordance with Article 144-septies, paragraph 1, of Consob Rules for Issuers, fixed 2.5% as the percentage of ownership for presenting lists of candidates for the election of the Board of Directors and the Board of Statutory Auditors, without prejudice to any lower percentage stipulated in the Company Bylaws. Therefore, according to the current clause of the Bylaws, the threshold for the presentation of lists for the appointment of the board of Directors is the same as that identified by Consob for 2021.

Lists which include a number of candidates equal to or higher than three must include candidates belonging to both genders, in at least the proportion specified in current legislation on the subject of gender balancing. Any lists presented that do not comply with the instructions above will be considered as not having been presented.

The following procedure will be followed for the election of the members of the Board of Directors:

- a) From the list which obtains most votes at the Shareholders' Meeting all of the board members shall be drawn except for one and this shall be on the basis of the order in which the names appear on the list (if only one list has been presented or admitted to the voting, all the directors will be drawn from that list);
- b) The remaining director will be the first name on the list that obtains the second most votes and must not be connected in any way, not even indirectly, to the Shareholders who presented and voted for the first list that received the most votes.

To obtain the appointment of the candidates indicated, the lists presented and put to the vote must obtain a percentage of the votes that is at least half of the percentage required for the presentation of the same lists, as stated in this article. If this is not the case, the lists will not be taken into account.

In the event that no list has been presented or that a lower number of directors is elected than the number decided on by the Shareholders' Meeting, then Shareholders will have to be convened again to appoint the full Board of Directors.

When application of the procedure described in a) and b) above does not give the gender balance required by current legislation, the last director elected from the list that obtained the most votes belonging to the most represented gender shall lapse and shall be replaced by the first candidate not elected from the same list belonging to the least represented gender, in compliance with the requirements of the law. Otherwise, the Shareholders' Meeting shall make up the number of the administrative body with the majorities required by law, ensuring compliance with the terms of the law.

The proposals for appointment as Director must be accompanied by a *curriculum vitae* containing exhaustive information regarding the personal and professional characteristics of the candidates with details of any other positions of director or auditor held in other companies and whether he or she has the necessary requisites to be qualified as an independent Director in accordance with the terms of the law and with regulations. A declaration must also be presented in which the candidates attest under their own responsibility that there are no reasons why they should not be elected nor is there any incompatibility prescribed by law and by current regulations for Members of Boards of Directors. Any incompleteness or irregularity relating to individual candidates will mean the



elimination of the candidate from the list to be put to the vote.

According to CIR's Code of Conduct, the Board of Directors should include a number of independent directors sufficient to guarantee, by their number and prestige, that their opinions have a significant weighting in the Board's decision-making process.

Currently, the majority of the Directors are independent, thus a higher proportion than the one contained in Art. 147-ter, paragraph 4, of the TUF. Furthermore, the Committees set up by the Board of Directors from within its number are formed exclusively of independent directors. Therefore, the presence of independent directors on the Board of Directors and on the Committees set up within the same Board is a suitable element for ensuring that the interests of the Shareholders are safeguarded.

When one or more Directors needs to be replaced due to a resignation or some other reason, the procedure as per Art. 2386 of the Civil Code will be followed, ensuring that all the requisites applicable are complied with.

The Company has adopted plans for the succession of its Executive Directors (Chairman and Chief Executive Officer), which were approved recently by the Board of Directors on March 29 2021, after examination by the Appointments and Compensation Committee. These plans ensure an ordered succession of executive directors in the event of the early termination of the position in compliance with the procedure regulated by the same.

The persons directly involved in the early replacement of the Chief Executive Officer are: the Chairman, charged with ascertaining that the conditions exist for the termination that has taken place and with calling a Board of Directors Meeting, as well as dealing temporarily with any urgent business, and the Appointments and Compensation Committee called upon to assist the administrative body in the process of assessing candidates. In the event of early termination of the Chairman, the same procedure is applied but the person involved, in addition to the Appointments and Compensation Committee, is the Director Responsible for the succession, identified recently by the Board of Directors, again on March 29 2021.

The succession plans for Executive Directors are subject to examination and, if deemed opportune, to an update at least once every three years.

4.2 Composition (as per Art. 123-bis, paragraph 2 letter d) and d-bis) TUF)

At the close of the year (and as of the date of approval of this Report), the Company has a Board of Directors consisting of 12 members.

On this subject, it should be remembered that the Shareholders' Meeting held on June 8 2020 approved, with a vote in favour by 99.97% of the voting capital with voting rights, to appoint the following Directors for the three years 2020-2022: Rodolfo De Benedetti, Monica Mondardini, Philippe Bertherat, Maristella Botticini, Edoardo De Benedetti, Marco De Benedetti, Franco Debenedetti, Paola Dubini, Silvia Giannini, Pia Luisa Marocco, Francesca Pasinelli and Maria Serena Porcari.

The directors were drawn from the only list presented by the shareholder F.lli De Benedetti S.p.A., owner as of the date of the AGM of a percentage of the share capital of 30.179% and of a percentage of the voting rights of 45.049%.

The Board of Directors Meeting held on that same day, confirmed Rodolfo De Benedetti as Chairman of the Board of Directors and Monica Mondardini as Chief Executive Officer of the



Company. The Board of Directors is made up of 2 executive Directors and 10 non-executive Directors.

The non-executive Directors in their number and their prestige provide a guarantee that their judgment shall have significant weight in the resolutions adopted by the Board; they each bring their own individual expertise to Board debates and contribute to the adoption of decisions in the interest of the Company.

For the profiles of the Directors, see the *curricula vitae* (Annex A) attached to this Report and available on the website of the authorized storage mechanism www.emarketstorage.com and on the Company's website www.cirgroup.it, in the section "Governance".

The Board, after carrying out the appropriate checks, decided to qualify as independent the following directors: Philippe Bertherat, Maristella Botticini, Paola Dubini, Silvia Giannini, Pia Luisa Marocco, Francesca Pasinelli and Maria Serena Porcari.

A large majority of the members of the Board of Directors are therefore independent. The composition of the Board of Directors of the Issuer is definitely suitable to guarantee adequate conditions of operational autonomy.

Mr Carlo De Benedetti is the Honorary Chairman of the Company.

It should be noted that, as from the close of the year and until the date of this Report, none of the above-mentioned Directors has resigned nor have there been any changes in the composition of the Board of Directors.

On the subject of diversity criteria and policies, following the entry into force of D Lgs no. 254/16, letter d-bis has been added to paragraph 2 of Art. 123 bis of the TUF, which stipulates that the Report on Corporate Governance must *"contain a description of the policies on the subject of diversity as applied to the composition of the administrative, operational and control bodies with regard to age, gender and training and professional background, together with a description of the objectives, method of application and results of such policies. If no such policy is being applied, the company must give the reasons for their decision in a clear and structured way"*.

With reference to the composition by gender of the administration, management and control bodies, the Company Bylaws, as already illustrated in point 4.1, expressly require observance of gender balance in the process for appointing the Board of Directors and the Board of Statutory Auditors.

The current composition of the Issuer's corporate bodies ensures an adequate diversity in terms of gender. Indeed:

- The Board of Directors consists of 7 female Directors out of 12 (i.e. more than fifty per cent of the members);
- The three Committees set up by the Board of Directors are chaired by female Directors;
- The Board of Statutory Auditors is made up of three Statutory Auditors in office, one of whom is of the less represented gender, and three Alternate Auditors, one of whom is of the less represented gender.

As for the adoption of further diversity policies, the Board of Directors of the Company, at the meeting held on March 12 2018, expressed its intention of not adopting any further policies in the composition of the administration and control bodies, as cited in Art. 123-bis, paragraph 2, letter d-bis of the TUF, without prejudice to the requisites of integrity, professionalism and independence as well as the situations of incompatibility and/or non-validity envisaged by law and by the Company Bylaws, taking into account:



- the fact that the Board of Directors regularly carries out an annual assessment of the size, composition and functioning of the Board itself and of its committees, even taking into account elements such as the professional characteristics, experience including managerial experience, and gender of its members, as well as their seniority in their position;
- the fact that the Board of Directors can, before electing a new Board, express their opinions on the managerial and professional profiles whose presence on the Board is deemed useful, thus directing, without prejudice to their reciprocal duties and prerogatives, the decisions of the Shareholders in freely designating the members of the administrative body.

While recognizing that it could reconsider its position in the future, the Board decided that its status as above was sufficient to guarantee and adequate organization on the subject of diversity in the composition of the same Board according to the various aspects considered, i.e. age, gender, experience / seniority, professional competences, training, culture and international dimension.

The outcome of the Board Review process for the year 2020, confirmed the adequacy of its composition in terms of the diversity (in the broader sense) of the current Board and the fact that it contains a balanced mix of experience and competence that are adequate for and in line with the needs of the Company.

In order to guarantee the necessary availability of the Directors, the Board of Directors with the assistance of the Appointments and Compensation Committee adopted the following guidelines regarding the maximum number of positions that a Director of the Issuer can hold in other companies listed on regulated markets, even foreign markets, in financial companies, banks, insurance companies or companies of a significant size ("Significant Companies"), as defined by the same Board:

- Executive Directors may not accept other positions as executive director in Significant Companies other than CIR S.p.A. and the companies of the group that it heads and can take on a maximum of three positions as non-executive director in Significant Companies other than CIR S.p.A. and the companies of the group that it heads;
- Non-executive Directors can take on a maximum of five further positions as director or statutory auditor in Significant Companies other than CIR S.p.A. and the companies of the group that it heads, of which no more than two can be as executive director.

It should be noted that: (i) "companies of a significant size" means companies with revenues of more than Euro 500 million and/or assets in excess of Euro 1,000 million and/or a number of employees that exceeds 2,000; (ii) "financial companies" means only those providing financial services to the public, subject to supervision; (iii) positions held in Significant Companies belonging to the same group will count as a single position (and this single position will be considered as that of executive director for the calculation of the limits, if at least one of the positions held in the same group is that of executive director).

The above general criteria can always be waived for one or more directors with a reasoned resolution adopted by the Board of Directors. In deciding on a waiver, the Board of Directors can consider the figures relating to the attendance of the Director in question at Board and Committee meetings of CIR.

Currently, all the Directors have a number of positions lower than that of the criteria defined by the Board of Directors, as can be seen in the information given in Annex B.

The Board of Directors ensures that the Directors and Statutory Auditors can, after their appointment and during their mandate, take part in an induction programme, involving initiatives aimed at giving them sufficient knowledge of the business sector in which the Issuer operates, the Company dynamics and their evolution, the principles of correct risk management and the



regulatory and self-regulatory environment.

In previous years induction sessions were organized regularly but in 2020 the public health emergency caused by Covid-19 led the Board of Directors and management to focus on monitoring the impact of the spread of the pandemic on the activities of the Group and on the measures and interventions to adopt in order to limit the health, economic and financial impact on the Company, and to the extent of its competence, on the Group.

4.3 Role of the Board of Directors (as per Art. 123-bis, paragraph 2 letter d) TUF)

In 2020, the Board of Directors met 8 times.

The Board of Directors in office until June 8 2020 met 5 times, two of which before the merger by incorporation of CIR into COFIDE; the Board of Directors in office as of the date of this Report, between June 8 and the end of the year 2020, met on 3 occasions, with the participation of all the Directors.

The average length of the meetings was approximately three hours.

It should be noted that as of the date of this Report, the Board as from January 1 2021 has met on 3 occasions and that for 2021 4 more meetings are scheduled.

The Board of Directors has identified three days as the appropriate notice with which the pre-meeting information should be received. This notice period is an objective of management, which is in general respected particularly for the documentation that requires more time for analysis. Regarding the quality of the information, at the last self-assessment of its functioning the Board of Directors was fully satisfied on this matter.

Because of the Covid-19 pandemic emergency, attendance of Board meetings has been mainly by remote communication, as permitted by the Bylaws.

The Executive responsible for the preparation of the Company's Financial Statements is present at all meetings of the Board of Directors and, generally once a year, the chief executives of the main subsidiaries also attend, one of them per meeting. On October 30 2020 the Chief Executive Officer of Sogefi S.p.A. presented the multiyear plan revised in the light of the changes caused by the pandemic crisis and the Chief Executive Officer of KOS attended on January 29 2021.

The Board of Directors: (i) examines and approves each year the strategic and financial plans of the Company and then examines the consolidated business plans of its subsidiaries, evaluating their consistency with the Company's objectives and identifying topics relevant for the creation of value in the medium and long term; (ii) periodically monitors the performance of operations of the Company and its subsidiaries, comparing the results achieved with those planned and verifying that the business plans have been implemented; (iii) defines the nature and the level of risk compatible with the strategic objectives of the Company, taking into account, in terms of their possible impact, the main risks relating to the businesses of the subsidiaries, which in their turn must also define the nature and level of risk compatible with the specific nature of their own businesses, with a view to achieving sustainable success in the medium-long term; (iv) adopts resolutions regarding the Company's transactions of significant strategic importance and examines those of the subsidiaries, having previously defined the criteria that determine whether a corporate transaction is of significant strategic importance.

In particular, in addition to matters, transactions or resolutions reserved by law or by the Company Bylaws for the exclusive competence of the Board of Directors as a body, the Board also has exclusive competence for the following categories of transaction: 1) financial trading investments and



disinvestments for investing short-term liquidity, the unit value of which shall not exceed Euro 150 million; 2) the purchase, sale or subscription of shareholdings, the purchase or sale of companies or business units when the price or the exchange value assigned to them is above Euro 75 million or when the transaction would involve the loss of control, as per the terms of Art. 2359 of the Civil Code, in companies or entities of another type or nature belonging to the strategic sectors of the Group (i.e. Automotive components and Healthcare) or any other transaction other than the investment of short-term liquidity the value of which is in excess of Euro 75 million; 3) decisions to be made by the Company relating to transactions or resolutions of the subsidiaries which could lead in any way or on any account to a reduction of the interest held by the Company to below the threshold of control; 4) transactions with related parties of greater importance such as those identified on the basis of the criteria identified in Annex 3 of the “Regulation giving instructions on the subject of transactions with related parties” approved by Consob with Resolution no. 17221 of 12.3.2010 and subsequent amendments and additions as well as any further transactions with related parties of greater importance identified by the internal procedures adopted by the Board of Directors as per the terms of Articles 4 and 8 of the above-mentioned “Regulation giving instructions on the subject of transactions with related parties”, for which competence is reserved for the Board of Directors.

On March 12 2021 the Board of Directors assessed the adequacy of the internal control and risk management system with the aid of the preliminary analysis carried out by the Control, Risk and Sustainability Committee. The Committee’s analysis was based on the report prepared by the Internal Audit and Risk Management departments of the Company. As far as the subsidiaries are concerned, the Company obtains from the two main subsidiaries the assessments made by the competent departments of each of them and from their respective Boards of Directors.

Every three months the Board also examined the performance of the Company and the Group, on the basis of the reports and presentations made by the Chief Executive Officer and the Executive responsible for the preparation of the financial statements, systematically comparing the results obtained with those of the previous year and with those set out in the budget. Given the particular circumstances caused by the healthcare emergency and their significant impact on the main activities of the Group, it also analysed on a quarterly basis the short-term forecasts for the evolution of the business and its impact on financial requirements, on cash availability and on compliance with covenants.

It should be remembered that on October 30 2020 the Board of Directors decided to stop publishing interim financial reports as of March 31 and September 30 starting from financial year 2021, on the strength of the right granted in this regard by D.Lgs 25/2016 and by the second paragraph of Art. 82-ter of the Rules for Issuers, for the same reasons that led to the issue of the said decree.

As is the case each year, the Board of Directors carried out an assessment of its size, composition and functioning and those of its committees. The process was organized and managed by the Company, which sent out a questionnaire to all Directors. The results were analysed by the Appointments and Compensation Committee and were illustrated at the Board Meeting held on March 12 2021.

The questionnaire dealt with the following areas: number, frequency and planning of meetings, composition of the Board of Directors, information flow, decision-making process, information given by the Chief Executive Officer, information on relations with the Shareholders and with the market, composition and functioning of the Committees.

The results of the self-assessment were illustrated at the Board Meeting by the Chairman of the Appointments and Compensation Committee and were overall very positive on size, composition and functioning of the same Board and its committees (for example, 94% of the responses showed



full satisfaction while the remaining 6% expressed satisfaction but with some areas that could be improved).

It should be pointed out that, for the purposes of the self-assessment, the Board did not use any external consultants. On this matter, the Board of Directors decided to alternate processes managed by the Company with processes managed by external consultants, as was the case in previous years.

The General Meeting of the Shareholders held on June 8 2020, when the Board of Directors currently in office was appointed, in general and pre-emptively authorized the Directors to take on other positions in accordance with the terms of Art. 2390 of the Civil Code.

4.4 Holders of delegated powers

Chief Executive Officer

On June 8 2020 the Board of Directors appointed as Chief Executive Officer of the Company Monica Mondardini, who also holds the position of General Manager.

The Chief Executive Officer is responsible for executing the resolutions of the Board of Directors and/or the Chairman for the areas where he has competence, and is the principal person responsible for the management of the business.

In addition to the duties set out in the Company Bylaws and the Company's Code of Conduct, the Board of Directors invested the Chief Executive Officer with the following powers: **a)** the power to trade in financial investments and/or disinvestments for the investment of short-term liquidity for unit amounts equal to or lower than Euro 75 million; **b)** the power to buy/sell or subscribe shareholdings, buy/sell companies or business units or any other investment or disinvestment transaction, take out or grant loans, enter into guarantees for amounts equal to or lower than Euro 25 million, provided that the transaction does not involve the loss of control, as per the terms of Art. 2359 of the Civil Code, in companies belonging to the strategic sectors of the Group (Automotive components and Healthcare); **c)** without prejudice to the limits in points a) and b) above, all powers for governing the Company, to be exercised with her single signature; **d)** the power to represent the Company exclusively as shareholder at ordinary and extraordinary general meetings of other companies, the power to present lists of directors and statutory auditors, and to effect or present any other deed or document necessary for the above-mentioned general meetings; **e)** the power to represent others to take her place with more limited powers, appointing holders of powers of attorney for certain deeds or categories of deed.

The Company has adopted the so-called interlocking ban, i.e. the principle that the chief executive officer of an issuer cannot take on the position of director in another issuer not belonging to the same group, in which the chief executive officer is a director of the issuer.

Chairman of the Board of Directors

On June 8 2020 the Annual General Meeting of the Shareholders appointed Rodolfo De Benedetti as Chairman of the Board of Directors.

As of the date of this Report CIR S.p.A., as per the terms of Art. 93 of the TUF, is controlled *de facto* by Fratelli De Benedetti S.p.A.; as stated in paragraph 2, letter g) above, on March 16 2021 a significant shareholder agreement took effect pursuant to Art. 122, paragraphs 1 and 5, letters a), b) and c), TUF regarding the shares of Fratelli De Benedetti S.p.A. and CIR. This agreement was signed by all the shareholders of Fratelli De Benedetti S.p.A. thus including Chairman Rodolfo De Benedetti, but none of the shareholders as of the date of this Report controls Fratelli De Benedetti S.p.A. as per the terms of Art. 93 of the TUF.



The Chairman, as well as being the external representative of the Company towards third parties, both public and private, with the right to sign any document, deed, transaction, or correspondence in the name of and on behalf of the Company and to appoint others to take his place with more limited powers and as well as the duties assigned to such position by the Company Bylaws and by the rules of the Company's Corporate Governance Code without prejudice to the powers reserved exclusively for the Board of Directors and the Chief Executive Officer, with a Board resolution on June 8 2020, was invested with the following powers: **a)** the legal representation of the Company; **b)** the power to trade financial investments and/or disinvestments to invest short-term liquidity provided the unit value is equal to or less than Euro 150 million; **c)** buy/sell or subscribe shareholdings, buy/sell companies or business arms or any other investment or disinvestment deal, the power to take on or grant loans and guarantees for an amount equal to or lower than Euro 75 million on condition that the deal does not involve the loss of control as per the terms of Art. 2359 of the Civil Code in companies belonging to the strategic sectors of the Group (Automotive components and Healthcare).

Reporting back to the Board

In compliance with the terms of current regulations and laws and with Art. 15 of the Company Bylaws, the Chief Executive Officer reports back at least once every three months to the Board of Directors and the Board of Statutory Auditors at Board Meetings on the exercise of the powers delegated to her/him and on the transactions of greater financial and patrimonial impact effected by the Company and its subsidiaries, as well as on any related-party transactions.

4.5 Other executive directors

There are no other executive directors apart from those mentioned above.

4.6 Independent Directors

The Board of Directors assesses the independence of the Directors on the basis of what is set out in Art. 148, paragraph 3, of the TUF, and of the criteria defined in the Corporate Governance Code.

On June 8 2020, the Board of Directors, on the basis of the information provided by the persons concerned or in any case available to the Issuer, gave a positive assessment of the requisites for independence of Directors Philippe Bertherat, Maristella Botticini, Paola Dubini, Silvia Giannini, Pia Marocco, Francesca Pasinelli and Maria Serena Porcari, who attested, under their own responsibility, that they could be qualified as "independent" (i) pursuant to Art. 147-ter of the TUF, with reference to the requisites set out in Art. 148, paragraph 3, of the same decree, and (ii) in relation to what is stipulated on the subject in the Corporate Governance Code adopted by CIR S.p.A.

The outcome of this assessment was disclosed to the market.

The said Directors also undertook to notify the Company promptly if any circumstances were to arise that could be considered relevant for the purpose of ascertaining the presence of the requisites for independence. As from financial year 2021, with the adoption by the Company of its new Corporate Governance Code, if there are any new factors that could, in the opinion of the Board of Directors, compromise independence, the Director will have to resign.

It should be pointed out that three Directors have exceeded the limit of nine years in office out of the last twelve years, which, as stated in the Corporate Governance Code, could be considered as a circumstance that could compromise the independence of the Directors. In fact, Director Paola Dubini has been a director of the Company since May 16 2011 and Directors Maristella Botticini and



Silvia Giannini were appointed as directors of the Company on June 8 2020 but had previously been directors of the incorporated company since April 29 2011, and thus they can substantially be considered as of the date of this Report to have exceeded the limit of nine years. However, the Board of Directors decided to qualify these three Directors as independent, in view of their integrity and the independence of judgment that they have always demonstrated, and given that the Board of Directors has the right to waive this particular clause of the Corporate Governance Code.

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

The Board of Directors assesses that the requisites for independence of its Directors are still valid once a year and another assessment is scheduled to take place at the Board of Directors Meeting called for the end of April 2021.

4.7 Lead Independent Director

The Board of Directors designates a lead independent director, to be a point of reference and coordinate the non-executive Directors, and more specifically the independent directors. The lead independent director collaborates with the Chairman to guarantee that the Directors receive complete and timely information flows.

The lead independent director has the right, among other things, to call meetings of independent directors only, either of his own accord or at the request of other Directors to discuss topics considered of interest with regard to the Board of Directors or the management of the Company.

On June 8 2020 the Board of Directors appointed as Lead Independent Director Independent Director Maria Serena Porcari, until the end of the Board of Directors' mandate, i.e. until the Annual General Meeting called to approve the Financial Statements for the year ended December 31 2022.

5. TREATMENT OF COMPANY INFORMATION

In order to ensure the correct treatment of company information, the Board of Directors adopted the Code of Conduct on the subject of Internal Dealing and a Procedure for managing internally and communicating externally documents and information regarding the Company with particular reference to privileged information.

The Code of Conduct on the subject of Internal Dealing was approved by the Board of Directors of the Company on July 29 2016 and was subsequently amended on July 27 2018, in compliance with EU Regulation no. 596/2014 ("MAR"), Commission Implementing Regulation (EU) 2016/523 and Commission Delegated Regulation (EU) 2016/522 as well as with Art. 114, paragraph 7, of the TUF and the related rules for implementation contained in the Rules for Issuers.

The Corporate Affairs department as the Person Responsible ensures receipt, management and release to the market of significant transactions in shares of the Issuer and in financial instruments linked to the shares, by "relevant persons" and by "persons closely associated" with them, as identified in accordance with rules of law in force. To guarantee prompt fulfilment of the disclosure obligations, the above-mentioned relevant persons are given specific information through receipt of the Code of Conduct on the subject of Internal Dealing which (i) contains the rules of law and regulations that make up the regulatory environment to be referred to, (ii) gives the terms and conditions for notifying Consob, the Issuer and the market, (iii) requests that a declaration be made to the Issuer with a list of closely associated persons and (iv) gives an indication of the rules for the so-called "black-out period", i.e. the ban for significant persons on entering into deals in specific periods of the year (coinciding with the thirty calendar days preceding the announcement of the



accounting and financial data relating to the financial statements for the year, the consolidated accounts and the Semi-Annual Financial Report).

The Procedure for management, use and disclosure of relevant and privileged information contains instructions for managing internally and disclosing externally Company documents and information regarding CIR S.p.A. and its subsidiaries, with particular reference to Relevant and Privileged Information, as well as rules relating to the keeping and updating of the lists of persons who have access to Relevant and Privileged Information. The Procedure was adopted in compliance with the rules of law on the subject of market abuse and the guidelines formulated on the subject by the Supervisory Authority and more specifically in compliance with Guidelines for the Management of Privileged Information issued by Consob in October 2017. The Procedure aims to guarantee (i) the maximum reserve and confidentiality in the handling of Relevant and Privileged Information and compliance with the principles of transparency and truthfulness in the disclosure of such information outside the Company and (ii) the correct keeping and constant updating of the lists of persons who have access to Relevant and Privileged Information.

The procedures can be consulted on the CIR website in the section “Governance”.

6. BOARD INTERNAL COMMITTEES (AS PER ART. 123-BIS, PARAGRAPH 2, LETTER D), TUF)

The Board of Directors, most recently on June 8 2020, set up three Board Committees: the Appointments and Compensation Committee, the Control, Risk and Sustainability Committee and the Committee for Related-Party Transactions.

The Committees are all made up of non-executive and independent directors.

As set out in its Corporate Governance Code, given the organizational structure of the Group and taking into account the competences of the members designated, the Group decided to unite the functions of the Appointments Committee and the Compensation Committee in a single committee, in which there are adequate competences in the field of finance or compensation policy, named the Appointments and Compensation Committee, approving on March 29 2021 its most recent set of regulations.

For a full description of the composition, functioning and duties of the individual Committees, reference should be made to CIR’s Corporate Governance Code.

7./8. APPOINTMENTS AND COMPENSATION COMMITTEE

The Appointments and Compensation Committee is made up of 4 directors, all of whom are non-executive and independent, and namely: Philippe Bertherat, Silvia Giannini, Francesca Pasinelli and Maria Serena Porcari. The Board is of the opinion that this composition guarantees the Committee adequate experience on the subject of accounting finance and compensation policy.

Its proceedings are coordinated by the Chairman of the Committee, Director Francesca Pasinelli, the meetings are regularly minuted, the Board of Statutory Auditors is present and the Chairman reports back on the Committee’s work to the Board of Directors at the first convenient Board Meeting. Persons who are not members of the Committee or members of the Board of Statutory Auditors cannot take part with the exception of employees of the Company called upon by the same Committee or the Statutory Auditors to provide a support function or to provide information. The Committee has occasionally invited the Chairman or the Chief Executive Officer to be present to give information or opinions that the Committee had decided to request.



In 2020 the Appointments and Compensation Committee met five times. Between June 8, the date of the appointment of the Board currently in office, and December 31 2020 the Committee met twice and all of its members were present. Since the beginning of this current year and as of the date of this Report the Committee has met five times.

The Appointments and Compensation Committee carries out a consulting and monitoring role and makes proposals in two areas: (i) the composition of the Board of Directors, the potential appointment of directors and the self-assessment activity and (ii) setting compensation policy and making decisions on compensation for executive directors, non-executive directors for sitting on committees, the general manager and the executives with strategic responsibilities.

For a more detailed description of the duties of the Appointments and Compensation Committee, reference should be made to the Company's Corporate Governance Code.

9. COMPENSATION OF THE DIRECTORS

The Board of Directors defined a compensation policy, adopting the principles and recommendations of the Corporate Governance Code on the subject of Compensation.

For further details reference should be made to the Report on Compensation Policy and Remuneration Paid, published on the Company's website in the Section "Governance".

10. CONTROL, RISK AND SUSTAINABILITY COMMITTEE

The Control, Risk and Sustainability Committee is made up of 6 directors, all of whom are non-executive and independent, and namely: Silvia Giannini, Maristella Botticini, Paola Dubini, Pia Marocco, Francesca Pasinelli and Maria Serena Porcari. The Board is of the opinion that such a composition guarantees the Committee adequate experience on the subject of accounting, finance and risk management.

Its proceedings are coordinated by the Chairman of the Committee, Director Silvia Giannini, the meetings are regularly minuted, the Board of Statutory Auditors is present and the Chairman reports back on the Committee's work to the Board of Directors at the first convenient Board Meeting and in any case at least once every six months when the Annual report and the Semi-Annual Financial Reports are examined.

In 2020 the Committee met seven times. Between June 8, the date of its appointment, and December 31 2020, the Committee met five times and all the members were present at the meetings (except for one meeting when one member had sent apologies). This current year and as of the date of this Report the Committee has met twice.

The Executive responsible for the Company's financial statements and the Head of the Internal Audit function attended the Committee meetings as they were invited by the Committee to give assistance and provide information.

The Committee has the right to access the information and the Company departments necessary for it to carry out its duties and to use external resources. To this end, the Board of Directors gave the Committee a specific budget to cover expenses but this was not used by the Committee because, for all important issues, the Company had recourse to external consultants of prime standing when it considered it necessary.

The Control, Risk and Sustainability Committee carries out a consulting, propositive and monitoring role of the Company's system of internal control and risk management and on its strategies regarding sustainability, assists the Board of Directors in the definition of guidelines for the internal control and risk management system of the Company and assesses its adequacy every



year. Its duties are those contained in the Corporate Governance Code for listed companies, which were transposed into CIR's Corporate Governance Code.

In 2020 and the early months of 2021 the Committee carried out the following activities:

- It verified the correct use of accounting principles and their consistency for the purposes of preparing the financial statements for the year and the consolidated accounts for 2020, having consulted with the Executive responsible for the preparation of the Company's financial statements, the legal auditor and the Board of Statutory auditors;
- It analysed the Company's main risks on the strength of a report prepared by the risk management function;
- It assessed the adequacy of the system of internal control and risk management on the strength of the reports prepared by the Internal Audit function;
- It monitored the autonomy, adequacy, effectiveness and efficiency of the Internal Audit function;
- It examined and gave its opinion on the annual Internal Audit plan of the Company;
- It examined the significant outcomes of the audit activities carried out, as resulting from the periodic reports prepared by the function;
- It referred back to the Board of Directors systematically on the results of its assessments, preparing semi-annual and annual reports on its activities.

It also verified that the standards used in the preparation of the non-financial statements were correct, after consulting with the competent department, the legal auditor and the Board of Statutory Auditors.

11. SYSTEM OF INTERNAL CONTROL AND RISK MANAGEMENT

The system of internal control and risk management is the set of rules, procedures and organizational structures that aims to ensure, through an adequate process of identification, measurement, management and monitoring of the main risks, that the business is administered in a conscious and healthy manner consistent with the objectives of sustainable success for the Company and the group that it heads.

The aims of the Control and Risk System and of the bodies and the functions responsible for it are illustrated in Art. 6 of CIR's Corporate Governance Code.

During 2020 the Board of Directors with the support of the Control and Risk Committee:

- Identified the nature and level of risk compatible with the strategic objectives;
- Assessed the adequacy, effectiveness and efficiency of the System of Internal Control and Risk Management in relation to the business and the risk profile taken on, taking into account the evaluations made by the Control, Risk and Sustainability Committee;
- Approved, at the proposal of the Control, Risk and Sustainability Committee, the Audit Plan, having consulted with the Board of Statutory Auditors.

11.1 Director in charge of the internal control and risk management system

On the strength of Art. 6 of the Corporate Governance Code, the Chief Executive Officer is the Executive Director in charge of ensuring the functioning and adequacy of the internal control system.

In carrying out this function, the Chief Executive Officer dealt with the identification of the Company's main risks, the planning, setting up and management of the internal control and risk management system, continually checking the adequacy and effectiveness of the same. In cases of



necessity, he or she also has the power to ask the Internal Audit function to check certain specific operating areas.

11.2 Head of the internal audit function

On March 12 2018 the Board of Directors entrusted the Internal Audit and Risk Management function to the company Operari S.r.l.; in 2021, at the proposal of the Control and Risk Committee, the service contract was renewed for a further three years, with final maturity on the approval of the Financial Statements for the year 2023. The Internal Audit function is current held by Vittorio Gennaro, who reports to the Board of Directors, while the position of Risk Manager is held by Stefania Balliana, (respectively Chief Executive Officer and Partner of the Company Operari).

All the terms of the contract between the Company and Operari S.r.l., including the economic conditions, were analysed by the Control and Risk Committee and, with the favourable opinion of the latter, were approved by the Board of Directors.

The head of the Internal Audit function, within the scope of the mandate given to him, proceeded to verify the operation and the suitability of the internal control system, designed and put in place an audit plan, approved by the Board of Directors, structured in four specific areas of intervention, identified after an analysis of the main risks. He verified the reliability of the accounting and information systems, with access to all the information needed to carry out his mandate, and lastly he prepared semi-annual reports on his activity, as well as on compliance with the plans defined to limit risks, passing them to the Chairman of the Board of Statutory Auditors, the Chairman of the Control and Risk Committee, the Chairman of the Board of Directors and the Chief Executive Officer.

11.3 Organization Model as per D. Lgs. 231/2001

D.Lgs. no. 231/2001 giving the *“Discipline regulating the administrative liability of legal entities, companies and associations even without legal status, pursuant to Article 11 of Law no. 300 of September 29 2000”* and subsequent amendments and additions, introduced the criminal liability of entities for any fraudulent acts committed by people with a special functional relationship with the Company, where the alleged misdeed was carried out in the interest or to the advantage of the same Company; this liability was subsequently, among other things, extended by D.Lgs no. 61/2002 to cover corporate offences.

The decree provides that exemption for the company from such liability is possible provided that it can be demonstrated that the company had adopted and effectively put in place organizational models for the prevention of criminal offences and that it had given the task of monitoring the correct functioning of such models and making sure that they are fully updated to a controlling body equipped with independent powers to take the initiative and to carry out a control function.

On April 30 2003, with the aim of preventing the corporate offences envisaged by Legislative Decrees nos. 231/2001 and 61/2002 from being committed, the Board of Directors of the Company among other things set up a Supervisory Body with the competence and function established by the Code of Ethics. On October 29 2004 the Board of Directors also approved the *“Organization Model”*, which was later supplemented after the broadening of the scope of the regulations included in D.Lgs. 231/2001 and can be found on the Company’s website in the section *“Governance”*.

The Board of Directors Meeting held on March 9 2020 appointed as members of the Supervisory Body, as per D.Lgs. 231/01, Andrea Gottardo, Giuseppe Bianchi and Vittorio Gennaro who carry out their duties in coordination with the Internal Audit function.

The Supervisory Body of the Company monitored the functioning and observance of the



Organization, Management and Control Model adopted by the Company, checking that it was effective and assessing any possible updates needed because of changes in the regulatory environment.

11.4 Firm of auditors

The Annual General Meeting held on April 29 2016 resolved to give the legal audit mandate for the years 2017-2025 to the firm of auditors KPMG S.p.A.

11.5 Executive responsible for the preparation of the Company's financial statements

During the year 2020 the role of Executive responsible for the preparation of the Company's financial statements was held by Giuseppe Gianoglio, the Company's Director of Administration and Corporate Governance, who resigned to enter retirement.

At the proposal of the Chief Executive Officer, the Board of Directors in agreement with the Chairman after hearing the opinion of the Board of Statutory Auditors, appointed as Executive responsible for the preparation of the Company's financial statements, Mr Michele Cavigioli, who holds the position of Chief Financial Officer and Director of Investor Relations, and who has adequate experience in accounting and finance, as required by the Company Bylaws.

The said executive has the powers and sufficient means to carry out his mandate, assigned to him with a special power of attorney.

11.6 Coordination of the persons involved with the internal control and risk management system

The Board of Directors of the Company defines the way in which the persons involved with the internal control and risk management are coordinated, ensuring that the activities carried out by the said persons are documented appropriately, and that the results are shared in special sessions of the Board of Directors and the Control, Risk and Sustainability Committee which are held regularly at least once every six months, or more often in the case of necessity.

12. INTERESTS OF THE DIRECTORS AND RELATED-PARTY TRANSACTIONS

The procedure for transactions with related parties was approved by the Board of Directors of the Company on October 28 2010 and was subsequently updated.

The Procedure (i) sets the criteria and procedures for identifying the related parties of the Company and defines the criteria for updating the list of related parties; (ii) dictates the principles for identifying related-party transactions; (iii) regulates the procedures whereby the Company effects transactions with related parties, identifying internal rules of conduct that ensure the transparency and substantial and procedural correctness of such transactions; and (iv) establishes the procedures for fulfilling the relative disclosure obligations. The procedure is available on the Company's website in the section "Governance".

13. APPOINTMENT OF THE STATUTORY AUDITORS

The appointment and the functioning of the Statutory Auditors are regulated by Art. 22 of the Company Bylaws and are recalled in Art. 2 of the Corporate Governance Code of CIR.



The Board of Statutory Auditors is made up of three Auditors in office and three alternate auditors, whose mandate lasts for three years and who can be re-elected. The candidates must be selected from among people who can be qualified as independent according to the same criteria as those valid for the Directors and the lists put forward must include members of both genders.

Minority Shareholders who, alone or together with others, account for at least 2.5% of the share capital, can elect one auditor in office and one alternate auditor. The candidate of the minority list who obtains the greatest number of votes is entitled to the position of Chairman.

14. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS (AS PER ART. 123-BIS, PARAGRAPH 2, LETTERS D) AND D-BIS), TUF)

The Board of Statutory Auditors currently in office was appointed by the Shareholders' Meeting held on June 8 2020, with a three-year mandate, which will therefore expire with the approval of the Financial Statements for the year ended December 31 2022. The members of the Board of Statutory Auditors were drawn from the sole list presented to the AGM by F.lli DE BENEDETTI S.p.A.

The members of the Board of Statutory Auditors are: Francesco Mantegazza (Chairman and auditor in office), Maria Maddalena Gnudi and Gaetano Rebecchini.

Francesco Mantegazza is a graduate in Business Economics and is on the Register of "Dottori Commercialisti" (Accountants) and the Register of Legal Auditors.

Maria-Maddalena Gnudi (Auditor in office) is a graduate in Economics and Commerce, is on the Register of "Dottori Commercialisti" (Accountants) and the Register of Legal Auditors.

Gaetano Rebecchini (Auditor in office) is a graduate in Business Economics, has a Master's degree in Finance and is on the Register of "Dottori Commercialisti" (Accountants) and the Register of Legal Auditors.

For further information, see Table 3 of the Annex.

In accordance with what is set out in the Corporate Governance Code, the Control Body too contains sufficient diversity in terms of gender, age, experience/seniority, professional competence, training and international dimension.

On their appointment all the Statutory Auditors filed declarations in which they attested that there were no reasons why they could not be elected, that there was no incompatibility as per the terms of the law and that they possessed the requisites of independence, integrity and professionalism required by current legislation and stipulated in the Company Bylaws.

During the year 2020 the Board of Statutory Auditors in office until June 8 2020 met 6 times and the meetings lasted an average of one hour and thirty minutes; the Board of Statutory Auditors appointed on June 8 2020 and currently in office, met 6 times in 2020, with the meetings lasting an average of one hour thirty minutes, and a further 4 times in the year 2021.

The Statutory Auditors were involved in training sessions aimed at giving them adequate knowledge of the business sector in which the Company and its main subsidiaries operate, of the Company dynamics and risk management. More specifically, they took part in meetings of the Board of Directors devoted to updating members on the market and the strategic plans of the main subsidiaries, and attended meetings of the Committees, particularly the Control, Risk and Sustainability Committee; the Auditors also liaise with the Internal Audit function and with the Supervisory Body.



The Auditors' fees are established considering the commitment required of them and the significance of their position in relation to the characteristics of the Company in terms of size and business sector.

15. RELATIONS WITH THE SHAREHOLDERS

The Company created the "Investors" section of its website, which gives the information that is most important for its Shareholders, such as the Company's strategy and that of its subsidiaries, highlights from the main financial data, the financial statements, presentations for the Shareholders, press releases and the performance of the CIR share on the Stock Exchange.

The person responsible for managing Shareholder relations (Investor Relations Director) is Michele Cavigioli, who also holds the position of Chief Financial Officer and Executive responsible for the preparation of the Company's financial statements. A department has also been set up to manage relations with the Shareholders.

On the occasion of the release of the annual and semi-annual results, the Company organizes a conference call for the Shareholders, during which the Chairman of the Board of Directors and the Manager responsible for Shareholder relations illustrate and comment on the results for the period.

16. SHAREHOLDERS' MEETINGS (AS PER ART. 123-BIS, PARAGRAPH 2, LETTER C), TUF)

The functioning of the general meetings of the Shareholders is regulated by Chapter III, Art. 8-9-10 of the Company Bylaws.

For Ordinary General Meetings no quorum is envisaged for the meetings or for the resolutions to be valid. Each share gives the right to one vote, except for what is stated in Art. 8 of the Company Bylaws, which states that each share gives the right to two votes, when the following conditions are all met with: a) the same person/entity has had voting entitlement for a continuous period of no less than twenty-four months; b) the condition of clause a) is attested by continuous registration for a period of no less than twenty-four months in the list contained in the Stable Shareholders Book that was set up, and is kept and updated by the Company, in which all Shareholders can request registration of all or just a part of their shares.

The Company Bylaws state a minimum percentage of votes, equal to one fortieth of the voting capital, for the presentation of lists for the appointment of the Board of Directors and the Board of Statutory Auditors. One Director and the Chairman of the Board of Statutory Auditors will be drawn from the second list.

The Annual General Meeting of the Shareholders held on April 27 2001, in accordance with what is envisaged in the Code of Conduct of Borsa Italiana S.p.A., approved and subsequently updated the Rules for Shareholders' Meetings, which can be found on the Company's website in the section "Governance". These rules regulate the procedures for taking part, attending and voting at the AGM. Shareholders entitled to exercise a voting right can ask for the floor on the subjects under discussion, making observations and requesting information and will receive answers from the Chairman of the Board of Directors.

The Board of Directors makes available to the Shareholders, within the time-frame stated in current legislation, a booklet containing the proposals on the Agenda of the AGM, materials relating to the subjects to be discussed and the answers to any questions submitted by the Shareholders.

All the Directors and Statutory Auditors endeavour to be present at Shareholders' Meetings as far as possible but particularly those Directors who can make a positive contribution to the debate in the



light of the positions that they hold; on the occasion of the approval of the Financial Statements for the year a presentation is shown with the aim of giving Shareholders adequate information on the performance of the Company and on the activities carried out. The Chairman and the Chief Executive Officer both address the Meeting.

The Appointments and Compensation Committee refers back to the Shareholders on how it carries out its duties in this Report and through the Report on Compensation Policy and remuneration paid.

In 2020 the number of the Company's shares in circulation, their market capitalization and the composition of the shareholding structure underwent substantial changes following the merger by incorporation of the subsidiary CIR S.p.A. into this Company (previously named COFIDE S.p.A.). Given the new corporate structure, the Board did not deem it necessary to propose amendments to the Bylaws regarding the percentages established for the exercise of shares or the prerogatives for safeguarding minorities, as it was considered that they were adequately safeguarded in the terms of the existing Bylaws.

17. FURTHER CORPORATE GOVERNANCE PRACTICES (AS PER ART. 123-BIS, PARAGRAPH 2, LETTER A), TUF)

17.1 Code of Ethics

On March 7 2003 the Board of Directors approved, and subsequently updated, the Code of Ethics of the CIR Group with the aim of defining in a clear and transparent way the code of values underpinning the action of the Group in the pursuit of its objectives and establishing principles of conduct which are binding for Directors, employees and other individuals who maintain relations with the Group. The text of the Code of Ethics can be consulted on the Company's website in the section "Governance".

17.2 Non-Financial Statement and "ESG" responsibilities

As its vocation is that of holding majority interests over a long-term time horizon, the Company has always believed that management must make "sustainable success" its objective and has included in its Corporate Governance Code the same emphasis on this as that placed by the Corporate Governance Code for listed companies published in January 2020.

The Board set as one of its priorities for the year 2021 the definition and inclusion in its multiyear plans of environmental, social and governance (ESG) objectives. It has also included the achievement of ESG objectives as one of the parameters for evaluating top management performance both in the parent company, and in its subsidiaries, in line with Italian and international best practice.

The Sustainability Report of the CIR group for the year 2020 was prepared in accordance with the standards issued by the "Global Reporting Initiative", commonly known as "GRI Standards". The Sustainability Report is the main instrument for communicating the pursuit of sustainable success and the performance of the group in the economic, social and environmental sphere and to sum up its commitment to running the business with the aim of creating value not only for its shareholders, but also for its other stakeholders. Moreover, this document gives a view of the reciprocal impacts of the business of the Companies of the group and climate change.

CIR's subsidiaries take part in the process of gathering data and non-financial information and preparing the document with the aim of ensuring a clear and precise indication of the information considered to be significant for the stakeholders according to the principles of balance, comparability, accuracy, timeliness, clarity and reliability expressed in the GRI guidelines, as well



as the recommendations issued over time by the ESMA and the TFCD.

18. CHANGES SINCE THE CLOSE OF THE YEAR UNDER EXAMINATION

It should be noted that, following its approval by the Board of Directors on January 29 2021, the Company adopted the new Corporate Governance Code that can be found on the website in the section “Governance”.

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

On March 29 2021, the Board of Directors examined the content of the letter sent to Italian listed companies by the Chairman of the Corporate Governance Committee, which had previously been made available to all members of the Board and the Statutory Auditors.

The Board of Directors agrees with the recommendations made therein and acknowledges that all the topics to which the Committee has drawn the attention of issuers have been identified and are the subject of constant analysis by the Board and its Committees with a view to pursuing, where not yet completely reached, alignment with best practice.

Regarding the inclusion of Sustainability in the key parameters for company management, the Company and the group that it heads publish each year a Non-Financial Statement, providing qualitative and quantitative elements that represent the policies adopted. From this year 2021 onwards, the Compensation Policy for top management will include the formulation of strategic guidelines on the subject of sustainability, as applied to the various businesses of the group, in the parameters affecting the variable part of their compensation.

With reference to the management of information flows towards the Board of Directors, the best practices identified by the Committee are being applied; the Company has identified the time limits, management is committed to respecting them and the Board’s evaluation of the pertinence of the pre-Board documentation and the explanation of the various topics at Board meetings is completely satisfactory based on the ratings expressed by the members in the self-assessment process.

With reference to the correct application of the criteria for independence, it should be noted that the number of independent directors present on the Board of Directors, 7 out of 12, is amply above the parameters required by law and the recommendations of the Corporate Governance Code. As regards the requisites for independence as envisaged by the TUF and by the Corporate Governance Code, all the directors comply with the criteria, with the sole exception of three of them who are over the maximum limit of nine years. Two of these directors reached the limit in this current mandate. For the three directors concerned, the Board of Directors decided to opt for a waiver of this requisite, in the light of their personal characteristics and their independent contribution to the debate at Board of Directors and Committee meetings. None of the directors receives compensation or has professional or business relations other than their directorship.

Regarding the Compensation Policy, the principles and the recommendations identified by the Corporate Governance Code are substantially being applied.



Annexes



TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AND THE COMMITTEES (in office as of the date of this Report)

Board of Directors ⁽¹⁾													Control, Risk and Sustainability Committee ⁽²⁾		Appointments and Compensation Committee ⁽²⁾	
Position	Members	Year of Birth	Date of first appointment	In office since	In office until	List	Exec.	Non exec.	Indep. Code	Indep. TUF	No. of other posts	(**)	(**)	(***)	(**)	(***)
Chairman	DE BENEDETTI Rodolfo	1961	09.06.1986	08.06.2020	31.12.2022	M	X				2	3/3				
Chief Executive Officer (•) (◊) ⁽²⁾	MONDARDINI Monica	1960	03.02.2020	08.06.2020	31.12.2022	M	X				2	3/3				
Director	BERTHERAT Philippe	1960	08.06.2020 28.04.2017 (*)	08.06.2020	31.12.2022	M		X	X	X	-	3/3			2/2	M
Director	BOTTICINI Maristella	1966	08.06.2020 29.04.2011 (*)	08.06.2020	31.12.2022	M		X	X	X	-	3/3	5/5	M		
Director	DE BENEDETTI Edoardo	1964	29.04.2013	08.06.2020	31.12.2022	M		X			-	3/3				
Director	DE BENEDETTI Marco	1962	15.03.1994	08.06.2020	31.12.2022	M		X			1	3/3				
Director	DEBENEDETTI Franco	1933	08.06.2020	08.06.2020	31.12.2022	M		X			-	3/3				
Director	DUBINI Paola	1963	16.05.2011	08.06.2020	31.12.2022	M		X	X	X	1	3/3	5/5	M		
Director	GIANNINI Silvia	1952	08.06.2020 29.04.2011 (*)	08.06.2020	31.12.2022	M		X	X	X	1	3/3	5/5	C	2/2	M
Director	MAROCCO Pia	1962	21.09.2018	08.06.2020	31.12.2022	M		X	X	X	-	3/3	4/5	M		
Director	PASINELLI Francesca	1960	08.06.2020 04.06.2018 (*)	08.06.2020	31.12.2022	M		X	X	X	4	3/3	5/5	M	2/2	C
Director (◊) ⁽²⁾	PORCARI Maria Serena	1971	29.04.2016	08.06.2020	31.12.2022	M		X	X	X	-	3/3	5/5	M	2/2	M

No. of meetings held from 08.06.2020 to 31.12.2020	3	5	2
No. of meetings held during 2020	8	7	5



NOTES

It should be remembered that on February 19 2020 the merger by incorporation took effect of CIR S.p.A. – Compagnie Industriali Riunite (the “Incorporated company”) into COFIDE – Gruppo De Benedetti S.p.A. (the “Incorporating company”), with the consequent extinction of the Incorporated company (“Merger”). As an effect of the merger, the Incorporating company changed its name to “CIR S.p.A. – Compagnie Industriali Riunite”.

During 2020 there were no changes to the composition of the Board of Directors appointed by the General Meeting of the Shareholders of the Company on June 8 2020.

It should be noted that when the current Board of Directors was elected, only one list was presented. The quorum required for the presentation of lists: 2.5%.

The symbol (•) indicates that the director is responsible for the internal control and risk management system.

The symbol (○) indicates the Lead Independent Director.

The symbol (◇) indicates the main person responsible for managing the Issuer (Chief Executive Officer).

The date of first appointment of each director means the date on which the director was appointed for the first time (ever) to the Board of Directors of the Issuer.

For the independent directors, the second date of first appointment (*) refers to the date of first appointment in the Incorporated company CIR S.p.A. – Compagnie Industriali Riunite.

The column “List” indicates the list from which each director was drawn (“M”: majority list).

The column “No. of other posts” indicates the number of positions of director or statutory auditor held by the person in other companies listed on regulated markets, including foreign ones, in financial companies, banks, insurance companies or companies of a significant size.

The column “(**)” shows the attendance of the directors at the meetings of the Board of Directors and the Committees (specifically, it shows the total number of meetings attended out of the total number of meeting that he or she could have attended).

The column “(**)” shows the position of the director in the Committee: “C”: chairman”; “M”: member.

(1) Appointed by the General Meeting of the Shareholders of the Company on June 8 2020.

(2) Appointed by the Board of Directors of the Company on June 8 2020.

**TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS (in office as of the date of this Report)**

Board of Statutory Auditors ⁽¹⁾									
Position	Members	Year of birth	Date of first appointment	In office since	In office until	List	Indep. Code	Attendance of Meetings	No. of positions in other listed Companies
Chairman	MANTEGAZZA Francesco	1973	08.06.2020	08.06.2020	31.12.2022	M	X	6/6	--
Statutory Auditor	GNUDI MARIA-MADDALENA	1979	08.06.2020	08.06.2020	31.12.2022	M	X	6/6	--
Statutory Auditor	REBECCHINI Gaetano	1987	08.06.2020	08.06.2020	31.12.2022	M	X	6/6	1
Alternate Auditor	DELLATORRE Antonella	1971	30.06.2014	08.06.2020	31.12.2022	M	X	--	--
Alternate Auditor	MACCHIORLATTI VIGNAT Luigi	1963	24.04.2002	08.06.2020	31.12.2022	M	X	--	--
Alternate Auditor	MARINI Gianluca	1965	08.06.2020	08.06.2020	31.12.2022	M	X	--	--
Number of meetings held from 08.06.2020:		6							
Number of meetings held during 2020:		12							

NOTES

It should be remembered that on February 19 2020 the merger by incorporation took effect of CIR S.p.A. – Compagnie Industriali Riunite (the “Incorporated company”) into COFIDE – Gruppo De Benedetti S.p.A. (the “Incorporating company”), with the consequent extinction of the Incorporated company (“Merger”). As an effect of the merger, the incorporating company changed its name to “CIR S.p.A. – Compagnie Industriali Riunite”.

During the year 2020 there were no changes to the composition of the Board of Statutory Auditors appointed by the General Meeting of the Shareholders of the Company on June 8 2020.

It should be noted that when the current Board of Statutory Auditors was appointed, only one list was presented. The quorum required for the presentation of lists: 2.5%.

The date of first appointment of each statutory auditor means the date on which the auditor was appointed for the first time (ever) to the Board of Statutory Auditors of the Issuer.

The column “List” indicates the list from which each director was drawn (“M”: majority list).

The column “Attendance of meetings” shows the statutory auditors’ attendance of the meetings of the Board of Statutory Auditors (more specifically, it shows the number of meetings attended out of the total number of meetings that he or she could have attended).

The column “No. of positions in other listed Companies” indicates the number of positions of director or statutory auditor held by the person concerned in other companies listed on regulated markets, including foreign ones, in financial companies, banks, insurance companies or companies of a significant size. The number of positions of director or statutory auditor held by the person concerned as per the terms of Art. 148-bis TUF and the rules for implementation of the same contained in the Consob Rules for Issuers is published by Consob on its website in accordance with the terms of Art. 144-quinquiesdecies of the Consob Rules for Issuers

(1) Appointed by the General Meeting of the Shareholders of the Company on June 8 2020.



ANNEX A

CVs of the Directors

Rodolfo De Benedetti

Rodolfo De Benedetti (Turin, 1961) has been Chairman of CIR since his appointment in April 2013. The CIR group, of which he is a controlling shareholder together with his brothers Marco and Edoardo, operates particularly in healthcare (KOS) and auto components (Sogefi). Within the group he is also a member of the Board of Directors of Sogefi.

Previously he was Chief Executive Officer of CIR from 1993 and of COFIDE from 1995. He joined COFIDE in 1988 as Director of International Affairs and was subsequently appointed General Manager. In 1990 he also became General Manager of CIR.

Before his appointments in CIR and COFIDE, he worked from September 1985 to December 1986 for Lombard Odier, one of the main private banking groups in Switzerland based in Geneva, as Assistant to the Chief Executive Officer. From January 1987 to January 1988 he was with Shearson Lehman Brothers (New York) as an Associate in its Merchant Banking Group.

He is a shareholder and director of Decalia S.A., an international asset management company established in 2014.

He is a board member of Aon Italia, a risk management, insurance and re-insurance brokerage, and of October, a non-banking financing platform for small and medium-sized businesses.

He is also a member of the European Round Table for Industry (ERT), a forum made up of more than 50 of the most important European companies from various sectors, and is Chairman of the European Advisory Board of Harvard Business School.

Rodolfo De Benedetti graduated from Geneva in 1982 in Political Economics and in 1985 in Law.

He is married to Emmanuelle de Villepin and is father to Neige, Alix and Mita.

Monica Mondardini

Monica Mondardini (Cesena, 1960) has been Chief Executive Officer of CIR since May 2013.

Within the group she is also Chairman of Sogefi and a member of the Board of Directors of KOS.

She graduated in Statistical and Economic Science from the University of Bologna.

Her professional activity has been in the publishing and finance sectors and she has had important experience abroad, in particular having spent nine years in France and eleven in Spain.

She began her career in 1985 at Gruppo Editoriale Fabbri, taking part in an international development programme, which in 1989 took her to Spain.

In 1990 she joined Hachette, the leading French publishing group which belongs to the Lagardère group; she first managed the Spanish branch of Hachette Livre and then, in 1993, was appointed Director of the international branch, headquartered in Paris, and member of the Executive Committee of Hachette Livre. In this position she managed the group's foreign businesses, present mainly in Spain and Latin America.

In 1998 she joined the Generali Group as Managing Director of Europ Assistance, with headquarters in Paris. Europ Assistance is a services company, including insurance, with a worldwide presence, and is a pioneer in its sector and a brand of great prestige.

In 2001 she was appointed Chief Executive Officer of Generali Spain, with offices in Madrid, where she remained until the end of 2008. Generali Spain is one of the principal insurance companies of the country; it was the result of a structured process of acquisitions of local companies by Generali and under her management the acquired companies were turned around, reorganized and integrated, making Generali one of the most important players in the market.

In 2009 she returned to Italy to become Chief Executive Officer of Gruppo Editoriale L'Espresso, now named GEDI Gruppo Editoriale (following the merger with Itedi, publisher of 'La Stampa' and 'Il Secolo XIX'), the principal Italian daily-newspaper publisher, a pioneer and leader in online news, as well as being one of the largest multimedia groups in Europe. She was Chief Executive of the company until April 2018.

In May 2013 she became Chief Executive Officer of CIR S.p.A..

She is also an independent Director of Crédit Agricole S.A. and Hera S.p.A..



In 2006 she received the “Targa all’Italianità” from the Comites in Madrid, reserved for Italians resident in Spain who have brought prestige to their country. In 2014 she was recognized by the French Embassy in Rome and the French Chamber of Commerce in Italy as the economic personality of the year in the relationship between the two countries. In 2016 she received the title of “Chevalier dans l’ordre de la Légion d’Honneur” from the French state.

Philippe Bertherat

Philippe Bertherat (Geneva, 1960) has been an independent Director of CIR since June 2020.

He was an independent board member of CIR (before the merger with COFIDE) from 2017 to 2019.

He graduated in Law from the University of Geneva.

He began his professional career at Kleinwort Benson in London before joining the Pictet financial group in 1984, where he was a Managing Partner from 1995 to 2015.

He is Chairman of the Board of Directors of Mamco (Museum of Modern and Contemporary Art) in Geneva.

Maristella Botticini

Maristella Botticini (Travagliato - Brescia, 1966) has been an independent Director of CIR since June 2020.

She was an independent board member of CIR (before the merger with COFIDE) from 2011 to 2019.

She graduated in Political Economics from the Bocconi University, Milan, in 1990 and obtained a PhD in Economics from the Northwestern University (USA) in 1997.

She is Professor of Economics (since 2009) at the Bocconi University in Milan.

She is a fellow of the Innocenzo Gasparini Institute of Economic Research (since 2011) at the Bocconi University, Vice President and fellow at the Centre for Economic Policy Research (CEPR) in London. In 2023 she will be Chairman of the European Economic Association.

She is active in research in the areas of economic history, microeconomics and institutional economics. She is the author of books and articles published in international journals.

Previously, she was Professor of Economics at Turin University and Associate Professor in the Economics Department of Boston University. During her academic career in the United States, she received a number of awards including the Alfred P. Sloan Research Fellowship award and the CAREER grant from the National Science Foundation. She was recently awarded an Advanced Research Grant by the European Research Council (ERC).

Paola Dubini

Paola Dubini (Cortina d’Ampezzo - Belluno, 1963) has been an independent Director of CIR (formerly COFIDE) since May 2011.

She is an Associate Professor at the Bocconi University in Milan.

She has had experience in research positions and lectureships in the United States and in France. She has carried out research on various strategic topics, especially in the management and enhancement of artistic patrimony and cultural heritage. She was previously a Director of the ASK (Art, Science and Knowledge) research centre of the Bocconi University and of the degree course in Economics for the Arts, Culture and Communication (CLEACC).

She is the author of numerous articles in national and international publications.

She is currently a Director of Egea S.p.A., of SIAE, of the Fondazione Arnoldo e Alberto Mondadori, of Palazzo Ducale in Mantua, of the Lombardia Film Commission and of Ciesseci S.p.A..

Edoardo De Benedetti

Edoardo De Benedetti (Turin, 1964) has been a Director of CIR (formerly COFIDE) since April 2013.

He is a doctor specializing in internal medicine and cardiology who works in the department of cardiac catheterization at the l’Hôpital de La Tour di Meyrin (Switzerland). Since 2003, as well as being joint head of interventional cardiology, he has also exercised the profession of cardiologist in private practice.

After his University studies in medicine at the Faculty of Medicine of the University of Geneva, where he graduated in 1991, he obtained a Swiss specialization in internal medicine in 1995 followed by a specialization in cardiology in 1998 from the University Hospital of Geneva. From 1999 to 2003 he was consultant for the CHUV in Lausanne where he continued to specialize in interventional cardiology.



In the year 2000, thanks to a research grant, he devoted himself to research for the National Institute of Health and Medical Research (INSERM) in Paris, whilst also practising interventional cardiology at the Bichat-Claude Bernard Hospital.

He has been involved in various humanitarian missions at the hospitals of Sarajevo (Bosnia), Tbilisi (Georgia) and Djakove (Kosovo) and is the author of numerous articles published in various specialist journals in the field of cardiovascular medicine.

He is also on the scientific committee of the Foundation Together to Go – TOG for the rehabilitation of children suffering from neurological problems.

He is married and has two daughters.

Marco De Benedetti

Marco De Benedetti (Turin, 1962) has been a Director of CIR (formerly COFIDE) since March 1994. He has been the Managing Director of the Carlyle Group and Co-Head, Europe of Carlyle since 2015. He is also Deputy Chairman of Moncler S.p.A. and is a Board member of GEDI Gruppo Editoriale S.p.A.

Previously, he held the position of Chief Executive Officer of TIM (July 1999 - July 2005) and was Chief Executive Officer of Telecom Italia (July 2005 - October 2005).

Marco De Benedetti graduated in History and Economics from the Wesleyan University (Middletown, CT-US) in 1984. In 1987 he was awarded a Master in Business Administration by the Wharton Business School (Philadelphia, PA-US).

Franco Debenedetti

Franco Debenedetti (Turin, 1933) has been a Director of CIR since June 2020.

He was a board member of CIR (before the merger with COFIDE) from 1976 to 2019.

He completed his studies at the Turin Politecnico, where he obtained a degree in Electro-technical Engineering in 1956 and specialized in Nuclear Engineering in 1957.

He is Chairman of the Bruno Leoni Institute, board member of ISPI and of the Fondazione Rodolfo Debenedetti.

He is also a regular contributor to leading Italian daily newspapers.

He was in charge of production and development at Compagnia Italiana Tubi Metallici Flessibili (1959), Vice Chairman of Gilardini (1972), Director of the Components Sector of FIAT (1976-1978), CEO of Olivetti (1978-1992) and Chairman and CEO of Sasib (1986-1994).

From 1994 to 2006, he was a Senator of the Italian Republic. In 1996, the Club dell'Economia awarded him the Ezio Tarantelli prize for the best idea of 1995 in Economics and Finance.

He is the author, among others, of: "La Guerra dei Trent'anni" (Einaudi, 2009); "Scegliere i vincitori, salvare i perdenti" (Marsilio, 2016); "Fare profitti. Etica dell'impresa" (Marsilio, 2021).

Silvia Giannini

Silvia Giannini (Ferrara, 1952) has been an independent Director of CIR since June 2020.

She was an independent board member of CIR (before the merger with COFIDE) from 2011 to 2019.

She is an economist, trained at the University of Bologna (degree in Political Science in 1976) and the University of Cambridge.

She was Full Professor of the Science of Finance at Bologna University from 1993 and is the author of numerous Italian and international publications on fiscal matters.

She is a member of the Treasury Ministry Committee on "fiscal expenditures".

She is on the Board of Aeroporto di Bologna S.p.A. and a member of the Board of Governors of the Monte di Bologna e Ravenna Foundation. She is also on the Board of Governors of the Il Mulino association and on the Scientific Committee of the Bruno Visentini Foundation.

Previously, she was a visiting professor at the University of Cagliari, a permanent lecturer in the Science of Finance at the Superior School of Public Administration and contract lecturer in the Science of Finance for the Law faculty of the Luiss Guido Carli University of Rome.

Pia Hahn Marocco

Pia Hahn Marocco (New York, 1962) has been an independent Director of CIR (formerly COFIDE) since March 2018.



She is Partner and Managing Director of Osborne & Partners, positions that she has held since 2009. Previously she was Partner and CEO of Allegra Hicks from 2003 to 2008; Founder and Chairman of International Presentations from 1995 to 2002; Account Director for Harrington Oakes from 1993 to 1995.

She is Chairman of the Board of Directors of Aon Germany, Chairman of the Carl and Marisa Hahn Foundation and member of the Collectors Council Advisory Board of Masterpiece Art Fair.

She graduated from University College London (UCL), with a B.A. awarded by the Institute of Archaeology. She also has a Certificat des Etudes Politiques from Science Po in Paris.

Francesca Pasinelli

Francesca Pasinelli (Gardone Val Trompia – Brescia, 1960) has been an independent Director of CIR from June 2020.

She was an independent board member of CIR (before the merger with COFIDE) from 2018 to 2019.

She has been the General Manager and a board member of Fondazione Telethon since 2009.

She was the General Manager of Dompé Q-rare, a division of Dompé S.p.A., from 2007 to 2009. Previously, she was the scientific director of Fondazione Telethon, Division head at Schering Plough S.p.A. and held various managerial roles at Smith Kline Beecham S.p.A. and Glaxo S.p.A..

She is on the board of directors of the following listed companies: Anima Holding S.p.A., Diasorin S.p.A.. She is also on the Board of Anima SGR, Anima Alternative SGR and Dompé Farmaceutici S.p.A., and is a member of the Executive Committee of the Istituto Italiano di Tecnologia (IIT) in Genoa.

She is a Commander of the Order of Merit of the Italian Republic and a Grand Officer of Merit of the Italian Republic.

She holds a degree in Pharmacology from the University of Parma and specialized in Pharmacology at the University of Milan.

Maria Serena Porcari

Maria Serena Porcari (Premosello-Chiovenda - Verbano-Cusio-Ossola, 1971) has been an independent Director of CIR (formerly COFIDE) since April 2016.

She is Executive Chairman of Fondazione Dynamo Camp Onlus and Chairman and Chief Executive of Dynamo Academy Srl Impresa Sociale.

She is on the Board of Directors of Associazione Serious Fun Children's Network and of the Fondazione Hospice Maria Teresa Chiantore Seràgnoli, she is a Member of the Scientific Committee for Sustainability advising the Board of Directors of ICCREA Gruppo Bancario and the General Board of the Fondazione Cassa di Risparmio di Pistoia e Pescia.

She began her professional career in 1994 in venture capital. She worked for IBM Italia (from 1995 to 2004).

She graduated cum laude in Business Economics from the Bocconi University in Milan and is a Certified Public Accountant. She obtained an MBA from the Henley Management School, UK, and a CEMS Master in International Management.



ANNEX B

List of positions held by Directors of CIR S.p.A. in other companies listed on a regulated market, in financial companies, insurance companies, banks or in other companies that are not listed but are of significant importance (at December 31 2020).

De Benedetti Rodolfo	Director of Sogefi S.p.A.* Director of Decalia S.A. Deputy Chairman of Decalia Asset Management SIM S.A. Director of AON Italia
Mondardini Monica	Chairman of Sogefi S.p.A. * Director of KOS S.p.A. * Director of Crédit Agricole S.A. Director of Hera S.p.A.
Bertherat Philippe	- no positions -
Botticini Maristella	- no positions -
De Benedetti Edoardo	- no positions -
Debenedetti Franco	- no positions -
De Benedetti Marco	Deputy Chairman of Moncler S.p.A.
Dubini Paola	Director of SIAE
Giannini Silvia	Director of Aeroporto di Bologna S.p.A.
Marocco Pia	- no positions -
Pasinelli Francesca	Director of Anima Holding S.p.A. Director of Anima Sgr S.p.A. Director of Anima Alternative Sgr S.p.A. Director of Dompé Farmaceutici S.p.A. Amministratore di Diasorin S.p.A. Amministratore di EryDel S.p.A.
Porcari Maria Serena	- no positions -

** companies of the Group*

List of positions held by the Statutory Auditors and Alternate Auditors of CIR S.p.A. in other companies listed on Italian regulated markets (at December 31 2020).

Mantegazza Francesco	- no position -
Gnudi Maria-Maddalena	- no position -
Rebecchini Gaetano	- Statutory Auditor of Eurotech S.p.A. -
Dellatorre Antonella	- no position -
Macchiorlatti Vignat Luigi	- no position -
Marini Gianluca	- no position