



FIERA MILANO

**Guidelines on the quantitative and qualitative composition of the new Board
of Directors of Fiera Milano S.p.A.
for the three-year period 2023-2025**

in compliance with the provisions of Art. 4, Recommendation 23,
of the Corporate Governance Code of Borsa Italiana S.p.A.

Rho (MI), 20 February 2023

This document contains a true translation in English of the document "*Orientamenti sulla composizione quantitativa e qualitativa del nuovo Consiglio di Amministrazione di Fiera Milano S.p.A. per il triennio 2023-2025*". However, for information about Fiera Milano, reference should be made exclusively to the original document in Italian. The Italian version of the document shall prevail upon the English version.

Summary

1. Background. Purpose of the document	2
2. Quantitative composition of the Board of Directors of Fiera Milano.....	3
3. Qualitative composition of the Board of Directors of Fiera Milano	4
i. Limits on the accumulation of offices and adequate availability of time.....	5
ii. Independence	7
iii. Additional requirements	9
iv. Soft skills	10
v. Profiles of particular importance.....	10
4. Recommendations	11

1. Background. Purpose of the document

Firstly, it should be noted that with the Shareholders' Meeting that will approve the financial statements as at 31 December 2022, the mandate of the Board of Directors currently in office will expire.

Pursuant to Art. 4, Recommendation 23, of the Corporate Governance Code of Borsa Italiana S.p.A. (hereinafter, the "**Corporate Governance Code**") to which Fiera Milano S.p.A. (hereinafter, "**Fiera Milano**" or the "**Company**") adheres, "*In companies other than those with concentrated ownership, the board of directors sets forth guidelines on board composition deemed optimal before its renewal, considering the outcome of the board evaluation*".

In other words, the self-assessment that is carried out by the Board of Directors at the end of its term of office is aimed, inter alia, at identifying the characteristics of the best quantitative and qualitative composition of the administrative body, so as to provide Shareholders with useful suggestions to identify director candidates.

In this regard, it should be noted that - in compliance with the aforementioned provisions of the Corporate Governance Code - with reference to the 2022 financial year, the outgoing Board of Directors of Fiera Milano, with the support of the Appointments and Remuneration Committee, conducted the self-assessment process concerning its size, composition and operation, as well as its internal committees.

On the basis of the results of the self-assessment process and taking into account the applicable statutory and regulatory provisions, the Company's Articles of Association and the Rules of Procedure of the Board of Directors (hereinafter, the "**Rules**"), the outgoing Board of Directors, again with the support of the Appointments and Remuneration Committee, then prepared its guidance opinion on the future size and composition of the Company's administrative body, to be submitted to the Shareholders in view of the Shareholders' Meeting to be called to approve the Financial Statements for the year ending 31 December 2022.

This document was approved by the Board of Directors today, 20 February 2023, and made available on the same date on the Company's website at www.fieramilano.it, in the "Investors/Governance/Shareholders Meeting" section, and on the authorised storage mechanism www.emarketstorage.com

The purpose of this document is to indicate to the Shareholders the guidance that emerged during the self-assessment of the Board of Directors currently in office concerning the size and the skills and experience that are deemed most relevant to ensure the effective functioning of the Company, also in light of the size, the nature of the business and the context - Italian and international - in which the latter carries out its activities.

2. Quantitative composition of the Board of Directors of Fiera Milano

Art. 14 of the Articles of Association of the Company stipulates that the Board of Directors shall consist of no less than 3 (three) and no more than 9 (nine) directors, including the Chairperson. The term of office cannot exceed 3 (three) financial years.

The Shareholders' Meeting is therefore preliminarily called upon to determine the number of members of the administrative body, in compliance with the current regulations on gender balance¹.

The members of the Board of Directors are appointed on the basis of lists presented by the Shareholders. Where such lists contain a number of candidates equal to or greater than three, candidates of both genders must be present, with a number of candidates belonging to the lesser represented gender at least equal to that established by the applicable laws and regulations in force at the time.

With reference to corporate governance best practices, it is noted that the number of members of the administrative body must be appropriate to both the size and complexity of the company. The size of the administrative body must also be such as to allow for the establishment of advisory committees and the presence in the latter of an adequate component of independent directors. In this regard, it should be noted that the Company has set up two advisory committees (Committee for Appointments and Remuneration and Control, Risk and Sustainability Committee).

That said, the current quantitative composition of the Board of Directors – that is, nine directors – is deemed adequate in relation to the structure and size of the company. In addition, it was noted that the current number of directors, together with the presence of diversified skills and professionalism, ensures adequate debate and streamlined decision-making processes.

3. Qualitative composition of the Board of Directors of Fiera Milano

Firstly, it should be noted that pursuant to Art. 14.1 of the Articles of Association, directors must meet the requirements of professionalism and integrity required by the relevant legislation in force, failing which they will be ineligible. The loss of these requirements will result in them having to step down from office.

Furthermore, in line with the provisions of Art. 2, Principle VII of the Corporate Governance Code, the Articles of Association stipulate that the administrative body

¹ Art. 147-ter, paragraph 1-ter, of Legislative Decree No. 58/1998, as amended, provides that at least two-fifths of the elected directors must belong to the less represented gender. Should the number of 9 directors be confirmed, 4 directors must therefore belong to the less represented gender.

must ensure an adequate degree of diversification in terms of skills, experience, age, gender and international outlook.

On this point, it should be noted that the outgoing Board of Directors is made up of 4 (four) directors belonging to the less represented gender and that the average age of the directors is, to date, approximately 58. Two-fifths (four out of a total of nine) of the directors currently in office belong to the least represented gender, i.e. female.

As can be seen from the CV of each director, which can be consulted on the Company's website www.fieramilano.it, the current composition of the administrative body also has an adequate component with international experience, as well as an adequate diversification of professional skills and experience.

Finally, it should be noted that as a result of the self-assessment activity, the current ratio between the number of executive and non-executive directors was assessed as adequate.

i. LIMITS ON THE ACCUMULATION OF OFFICES AND ADEQUATE AVAILABILITY OF TIME

With regard to the number of offices, the Articles of Association refers to the provisions of the Rules, without prejudice, where more stringent, to those set out in the applicable laws and regulations. In particular, the Board of Directors has defined the limit to the accumulation of offices held by its members, differentiated by the role held, as detailed below:

1. Chief Executive Officer

- No executive positions and no more than 2 non-executive or control positions in listed companies and in banking, insurance and financial companies or companies of significant size;
- No more than 5 total positions.

2. Chairperson

- No executive positions and no more than 3 non-executive or control positions in listed companies and in banking, insurance and financial companies or companies of significant size not owned by Fiera Milano;
- No more than 5 non-executive or control positions in the same companies if there are positions in investee companies of Fiera Milano;

- No more than 8 total positions.

3. Non-executive director

- No more than 3 executive positions;
- In the presence of executive positions, no more than 5 positions in listed companies and in banking, insurance and financial companies or companies of significant size;
- In the absence of executive positions, no more than 7 positions in listed companies and in banking, insurance and financial companies or companies of significant size;
- No more than 10 total positions².

Compliance with the requirements set in relation to the number of offices must be verified at the time of appointment and, subsequently, on an annual basis (Art. 14.1 of the Articles of Association).

That being said, considering that the limits on the number of offices are aimed at ensuring that candidates are able to dedicate the time necessary to adequately perform the tasks that would derive from their appointment as a member of the Board of Directors, the Board deems the limitations already set out in the Rules to be

² It is specified that:

- Executive positions mean the following positions:
 - Chief Executive Officer,
 - Member of the Management Board,
 - Chairperson of the Board of Directors or of the Supervisory Committee,
 - General manager.
- Non-executive or control positions mean the following positions:
 - member of the Board of Directors with no executive responsibilities,
 - member of the Supervisory Committee,
 - member of the Board of Statutory Auditors.
- Multiple administration, management and control positions within the same Group (outside the Fiera Milano Group), up to a maximum of 4, are in any event considered equivalent to 1 executive position in listed companies and in banking, insurance and financial companies or companies of significant size; where there are more than 4, they are considered equivalent to 2 executive positions in listed companies and in banking, insurance and financial companies or companies of significant size.
- Large companies means companies with:
 - consolidated revenues exceeding 500 million Euros,
 or
 - more than 500 employees.
- In addition to any other incompatibilities according to law, any political or trade union positions are also considered incompatible.

adequate, leaving it up to the individual member to make their own personal assessments to ensure the quality of their contribution to the Board of Directors.

In order to allow for an assessment of the time required of candidate directors, with reference to the last three years, it should be noted that:

- during the year ended 31 December 2022, the Board of Directors held 10 meetings and their average duration was around 2 and a half hours;
- during the year ended 31 December 2021, the Board of Directors held 11 meetings and their average duration was around 2 and a half hours;
- during the year ended 31 December 2020, the Board of Directors held 18 meetings (due to measures to deal with the Covid-19 pandemic and as a result of the resignation of the then Chief Executive Officer) and the average duration of the board meetings was approximately 2 and a half hours.

All meetings were regularly and diligently attended by the Directors.

ii. INDEPENDENCE

Pursuant to Art. 14.2 of the Articles of Association, the administrative body must be composed of a majority (i.e. five directors, in the case of the current case of a nine-member administrative body) of directors who meet the independence requirements for statutory auditors set out in the current legal provisions³, as well as those set out in the Corporate Governance Code⁴. The Articles of Association thus set a stricter limit

³ Pursuant to Art. 148, paragraph 3 of Legislative Decree 58/1998 - The following persons may not be elected as auditors and, where elected, they shall be disqualified from office: **a)** persons who are in the conditions referred to in Art. 2382 of the Italian Civil Code; **b)** spouses, relatives and the like up to the fourth degree of kinship of the directors of the company, spouses, relatives and the like up to the fourth degree of kinship of the directors of the companies it controls, the companies it is controlled by and those subject to common control; **c)** persons who are linked to the company, the companies it controls, the companies it is controlled by and those subject to common control or to directors of the company or persons referred to in paragraph b) by self-employment or employee relationships or by other relationships of an economic or professional nature that might compromise their independence.

⁴ Pursuant to Art. 2, Recommendation 7 of the Corporate Governance Code – The circumstances that compromise, or appear to compromise, the independence of a director are at least the following: **a)** are a significant shareholder of the company; **b)** if they are, or have been in the preceding three financial years, an executive director or an employee: - of the company, a strategically important subsidiary of the company or a company under common control; - of a significant shareholder of the company; **c)** if, directly or indirectly (e.g. through subsidiaries or companies of which they are an executive director, or as a partner in a professional firm or consulting company), they have, or have had in the preceding three financial years, a significant commercial, financial or professional relationship: - with the

than the Corporate Governance Code, according to which, in companies that are not large, the board of directors shall be composed of at least two independent directors, other than the chairperson.

With reference to the board committees, it should also be noted that, pursuant to Art. 17.7 of the Articles of Association, the Appointments and Remuneration Committee must be composed of a majority of independent directors, while the Control, Risk and Sustainability Committee must be composed of only independent directors (a more stringent requirement is therefore established with respect to the provisions of the Corporate Governance Code, pursuant to which the Control and Risk Committee must be composed of a majority of independent directors).

The independent directors must also possess such professionalism as to guarantee a high level of dialogue within the Board of Directors and ensure an effective contribution in decision-making. The existence of independence requirements for directors must be verified at the time of appointment and annually thereafter, with the substantive criterion taking precedence over the merely formal one. Together with the submission of the lists, the candidates' declarations on their possession of the aforementioned independence requirements, as well as their positions held in other companies, including unlisted ones, must be filed.

That said, the current ratio of independent to non-independent directors (five out of nine independent directors) was assessed as adequate and consistent with the provisions of the Articles of Association.

company or its subsidiaries, or its executive directors or top management; - with a party who, together with others through a shareholders' agreement, controls the company; or, if the parent company is a company or entity, with its executive directors or top management; **d)** if they receive, or have received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration additional to the fixed remuneration for the office and to that provided for participation in the committees recommended by the Code or provided for by the regulations in force; **e)** if they have been a director of the company for more than nine financial years, even if not consecutive, in the last twelve financial years; **f)** are an executive director in another company in which an executive director of the issuer is also a director; **g)** if they are a shareholder or director of a company or entity belonging to the group of the company that is appointed as auditor to the company; **h)** are closely related to a person in any of the situations described above.

*

The Board of Directors, in its meeting of 15 December 2020, in resolving to adopt the Corporate Governance Code, also quantified the '*significant business relationship*' and '*significant additional remuneration*' in the annual sum of **Euro 50,000.00** for assessing the independence requirements of directors and statutory auditors referred to in points c) and d) above.

iii. ADDITIONAL REQUIREMENTS

In order for the administrative body to function properly, it is also provided in the Rules that those who take on the position of member of the Board of Directors of Fiera Milano, in addition to having adequate professional requisites, must possess good knowledge and experience in at least two of the following areas of expertise:

- knowledge of the trade fair sector and techniques for managing risks connected to carrying out activities in it;
- business management and/or business organisation experience;
- ability to read and interpret financial statement data;
- expertise in corporate governance (audit, legal, corporate, etc.);
- international experience and knowledge of foreign markets;
- knowledge of remuneration packages;
- business risk management.

Overall, in relation to the number of directors, the Board of Directors currently in office is highly competent in each of the areas mentioned above, as shown in the following table:

	Conoscenza del settore fieristico	Gestione imprenditoriale e/o organizzazione aziendale	Capacità di lettura dei dati di bilancio	Competenze nella governance di impresa	Esperienza internazionale e conoscenza dei mercati esteri	Conoscenza dei pacchetti remunerativi	Gestione dei rischi di impresa
Elevata	4	7	7	6	3	4	5
Media	5	2	2	3	6	5	4
Basica							

That said, during the self-assessment process, in addition to those outlined above, the Board of Directors identified additional skills, experience and professionalism to be considered relevant in order to enable the proper management of Fiera Milano. In particular, it would be desirable for the newly appointed Board of Directors to also possess the following additional skills and experience:

- digital transformation;
- sustainability;
- vision and strategic management;
- international development;
- marketing;
- entrepreneurial experience.

It should also be noted that, given the importance that sustainability issues have taken on and will increasingly take on within the Fiera Milano Group, the outgoing Board of Directors suggests assessing the advisability of setting up a Sustainability Committee in the future, separate from the Control and Risk Committee, made up of members with strong skills in this area.

iv. SOFT SKILLS

Furthermore, it was highlighted that the possession of certain soft skills is also decisive for the better functioning of the administrative body. Among these, the following were identified as particularly relevant:

- listening and vision skills;
- decision-making and conflict management skills;
- critical thinking;
- leadership;
- team-working skills.

The importance of Fiera Milano as an engine for the development and promotion of the country's industrial system, as well as that of the Italian territory, Milan and the Region, is also emphasised and, therefore, it is hoped that the newly appointed directors will be strongly motivated to contribute to the Company's growth.

v. PROFILES OF PARTICULAR IMPORTANCE

As part of the self-assessment process, the outgoing Board of Directors also identified specific skills, experience and/or professionalism indicated as relevant for the performance of specific tasks within the Company's administrative body and board committees.

In particular, the requirements that are considered to be relevant for the Chairperson of the Board of Directors, the Chief Executive Officer, the Chairperson of the Audit, Risk and Sustainability Committee and the Chairperson of the Appointments and Remuneration Committee are detailed below.

✓ Chairperson of the Board of Directors

- leadership;
- ability to ensure the correct functioning of the Board of Directors;
- capacity for synthesis and vision;
- skills in corporate governance and organisation;
- ability to best represent the Company and manage institutional relations.

- ✓ Chief Executive Officer
 - leadership;
 - capacity for synthesis and vision;
 - interpersonal skills;
 - communication and motivational skills;
 - change management and innovation;
 - strategic approach and vision.

For both roles, the importance of knowledge of the national and international trade fair market is stressed.

- ✓ Chairperson of the Control, Risk and Sustainability Committee
 - leadership;
 - in-depth knowledge of governance and regulatory matters;
 - sustainability expertise;
 - risk identification, management and control
- ✓ Chairperson of the Appointments and Remuneration Committee
 - leadership;
 - in-depth knowledge of governance and regulatory matters;
 - in-depth knowledge of corporate organisation issues; remuneration packages and incentive methods expertise;
 - ability to identify strategic objectives.

4. Recommendations

Finally, in compliance with the provisions of the Corporate Governance Code, the outgoing Board of Directors recommends that shareholders who intend to submit a list containing a number of candidates exceeding half of the members to be elected:

- to provide adequate information, in the documentation submitted for the filing of the list, on the conformity of the list with the guidance expressed by the board of directors, also with reference to the diversity criteria provided for in Principle VII and Recommendation 8; and
- indicate their own candidate for the office of Chairperson.