



Report on Corporate
Governance and Ownership
Structure
2019 Financial Year

Approved by the Board of
Directors
on 10 April 2020

doValue

**Report on Corporate Governance and
Ownership Structure
of doValue S.p.A.
in accordance with Art. 123(2) of the
Consolidated Finance Law**

2019 Financial Year

Registered Office: Viale dell'Agricoltura, 7 - 37135 Verona

Fully paid-up share capital €41,280,000.00

Registration at the Companies Register, Chamber of Commerce Industry Crafts and Agriculture of Verona and Tax Code no. 00390840239

Economic & Administrative Index no.: VR/19260 - VAT no. 02659940239

www.doValue.it

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GLOSSARY

Altamira: Altamira Asset Management S.A., with registered office in calle José Echegaray, 6 Las Rozas de Madrid, Madrid, corporate share Eur 937,500, registered at the Companies Register of Madrid, book 31469, sheet 40, page M566434, fiscal code A86819596 and VAT code ESA86819596

Shareholders' Meeting: the shareholders' meeting of doValue

Avio: Avio S.à r.l., with registered office in Luxembourg, 26 Boulevard Royal, L-2449, tax code 97754310155 and VAT no. LU28038434, registered at the Companies Register of Luxembourg at no. B195157.

Corporate Governance Code: the Corporate Governance Code of listed companies approved in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria (available at the page <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>).

Civil Code: the Italian Civil Code.

Board of Auditors: the doValue Board of Auditors.

Board Committees: the Appointments Committee, the Remuneration Committee and the Risks and Transactions with Connected Persons Committee, viewed collectively.

Appointments Committee: the Committee internal to the Board of Directors, constituted in conformity with Articles 4 and 5 of the Corporate Governance Code.

Remuneration Committee: the Committee internal to the Board of Directors, constituted in conformity with Articles 4 and 6 of the Corporate Governance Code.

Risks and Transactions with Related Parties Committee: the Committee internal to the Board of Directors constituted in conformity with Articles 4 and 7 of the Corporate Governance Code.

Board of Directors: the doValue Board of Directors.

doData: doData S.r.l., with registered office in Rome, Via Mario Carucci 131, corporate share Eur 100,000, registered at the Companies Register of Rome, n. RM-1345543, fiscal code and VAT code 12034491006.

doSolutions: doSolutions S.p.A., with registered office in Roma, Via Mario Carucci 131, corporate share Eur 220,000, registered at the Companies Register of Roma, n. RM-1492832, fiscal code and VAT code 14054131009.

doValue Cyprus: doValue Cyprus Limited, with registered office in 20 Costi Palama Aspelia Court, 1096 Nicosia, Cyprus, registered at the Companies Register of Cyprus n. HE 403669, fiscal code and VAT code VAT code 10403669U.

doValue Hellas: doValue Hellas Credit and Loan Servicing S.A., with registered office in L. Kifissias 66, Maroussi, Attica, P.C. 15125, Grecia, corporate share Eur 1,125,330, fiscal code 800936246, VAT code n. EL800936246, Geniko Emboriko Mitroo-G.E.MH. n 145308001000.

Issuer / doValue / Company / / Parent Company: doValue S.p.A., with registered office Viale dell'Agricoltura, 7 - 37135 Verona, fully paid-up share capital of Euro 41,280,000.00, registered at the Companies Register of Verona, in the Economic & Administrative Index with no. VR/19260, tax code 00390840239 and VAT no. 02659940239

Financial Year: the company financial year to which this Report relates, commencing from 1 January to 31 December 2019.

Fortress: Fortress Investment Group LLC, based at Corporation Trust Center 1209, Orange Street, 19801, Wilmington, Delaware, DE, United States

Group / doValue Group: the doValue Group, at today's date consisting of doValue S.p.A, in the capacity of Parent Company, Italfondionario, doSolutions., doData, Altamira Asset Management, doValue Hellas Credit and Loan Servicing and doValue Cyprus.

Fortress Group: Fortress and any company or entity directly or indirectly controlled by it, or subject to common control of the same.

Italfondionario: Italfondionario S.p.A., with registered office in Rome, Via Mario Carucci 131, corporate share Eur 4,000,000, registered at the Companies Register of Rome, n. RM-30794, fiscal code 00399750587, VAT code 00880671003

MAR.: "Market Abuse Regulation" - Regulation EU no. 596/2014 on market abuse.

MTA: the Screen-Based Stock Exchange organised and run by Borsa Italiana on which the doValue shares are traded.

Listing: the listing of the Issuer's shares on the MTA, organised and managed by Borsa Italiana S.p.A, with start of trading on 14 July 2017.

Implementing Regulation: Regulation EU no. 347/2016 for the implementation of the MAR.

Consob Issuers' Regulation: the Regulation issued by Consob with resolution no. 11971 of 1999 (as amended) on issuers.

Related Parties Regulation: the Regulation issued by Consob with resolution no. 17221 of 12 March 2010 (as amended) on transactions with related parties.

Report: the report on corporate governance and ownership structure, which companies are required to prepare in accordance with Art. 123(2) of the Consolidated Finance Law.

Internal Controls System: the internal controls system adopted by the Group.

doValue Internet Website: the internet website of the Company available at the page www.doValue.it.

Independent Auditing Company: EY S.p.A. - Via Isonzo, 11 - 37126 Verona.

SoftBank: SoftBank Group Corporation based in 1-9-1 Higashi-Shinbashi, Minato-ku - Tokyo - Japan.

Articles of Association: the existing articles of association of doValue as published on the website of the company at the approval date of this document.

Consolidated Finance Law: Italian Legislative Decree no. 58 of 24 February 1998, (known as "Testo Unico della Finanza"), as updated from time to time.

INTRODUCTION

This Report is aimed at providing to the doValue shareholders and to the market an assessment and analysis tool in relation to the corporate governance system adopted by doValue - listed on the MTA from 14 July 2017 - and it has been prepared in consideration of the provisions contained:

- ✓ in the Consolidated Finance Law and in the respective implementing regulations adopted by Consob (being the regulatory corpus aimed at listed issuers);
- ✓ in the Corporate Governance Code.

In continuity with the Report produced last year by the Company, it is worth giving a brief representation of the current structure of the doValue Group, as resulting at the outcome of the reorganisation process occurring during the 2019 financial year, to best position the contents of the Report itself.

doValue reorganisation project

During 2019 doValue (formerly doBank) continued implementing the articulated reorganisation project already presented with the 2018-2020 Business Plan (Plan later updated during the year for the 2019-2022 period), aimed at redefining the Group's corporate structure, with a view to further strengthening its core business of management and recovery of non-performing loans and, by virtue thereof, strengthening its competitiveness compared to the other players in the relevant market¹.

In accordance with the aforementioned Business Plan, the Company began the cancellation process of the banking license ("debanking") aimed at removing the limits to the use of capital provided by the law and at optimising the financial structure to facilitate the further strengthening of the Servicing activity, and the consolidation of the position of the company and of the group on the market of reference.

In particular, the Extraordinary Shareholders' Meeting of the Company, on 5 March 2019, resolved on the amendments to the articles of association aimed at ending the banking activity; in this perspective, the corporate purpose was redefined in conformity with the core business (i.e. servicing activity), eliminating any reference to the notions of bank, banking group, exercise of banking activity and, more generally, the regulations applicable to banks and, finally, changing the company name from doBank to doValue.

Thereafter, on 16 May 2019, the Company presented to the European Central Bank and to the Bank of Italy, in terms of their respective remits, a framework application aimed (i) at the revocation of the banking licence in accordance with Art. 18 of the CRDIV, Articles 4, first paragraph, letter a) and 14 of Regulation 1024, Articles 80 et seq. of the ECB regulation and Art. 14 of the Consolidated Banking Law and (ii) the assessment of the amendments to the articles of association in accordance with

¹ It is noted that in 2018, as part of the reorganisation project, the Company, authorised by the Bank of Italy with note ref. no. 1261021/18 dated 30 October 2018, implemented the following operations: (i) the spin-off by way of transfer to doBank of the financial elements of the business compendium of Italfondario, referable to the special servicing activities concerning the entire portfolio of credits managed by the same (assets and liabilities reported in the equity situation at the date of 30.06.2018); with effect from 1 January 2019; (ii) the contribution, by way of transfer to Italfondario of the business branch of doBank which included, inter alia, the *master servicing* activities and the activities in support of the securitisation vehicles and, in particular, the activities of *cash management* and *corporate servicer*, as well as of all personnel dedicated to conducting the same, relevant to the branch in question (assets and liabilities reported in the equity situation at the date of 30.06.2018) with effect from 1 January 2019; (iii) the merger of doRealEstate into doBank, at the financial value at the date of 30.06.2018; with effect from 31 December 2018 and tax effect from 1 January 2018.

Articles 56 and 61(3) of the Consolidated Banking Law.

On 21 May 2019, the Bank of Italy issued the assessment measure of the amendments to the articles of association in accordance with Articles 56 and 61(3) of the Consolidated Banking Law².

On 21 June 2019, the European Central Bank approved the revocation decision of the banking licence of doBank in accordance with Art. 18 of Directive 2013/36/EU, Articles 4, first paragraph, letter a) and 14 of Regulation (EU) no. 1024/2013, Articles 80 et seq. of Regulation (ECB) no. 468/2014 and Art. 14 of Italian Legislative Decree 1 September 1993, no. 385³.

By virtue of the relinquishment of the banking licence (with consequent cancellation of the group from the register of banking groups) and the obtaining of the licence pursuant to Art. 115 of the T.U.L.P.S. which regulates the credit recovery sector, doValue acquired the status of listed servicing company. The transformation in question facilitated, on one side, the alignment of doValue to its European peers, and on the other, the removal of significant limits on the use of capital and the optimisation of the Group's financial structure, thus providing a further lever for growth and allowing for major cost efficiencies, also in terms of tax charges.

In compliance with the reorganisation project, in addition, in late June 2019 doValue finalised the acquisition of Altamira, a company incorporated under Spanish law, leader in Southern Europe in the market of credit and real estate asset management, with a presence in the Spanish, Portuguese and Cypriot markets.

Since November 2019 doValue has also held 96% of doValue Cyprus, a special purpose vehicle incorporated following the signature by doValue of the agreement with Alpha Bank for the exclusive management of a Cypriot portfolio of non-performing credits and real estate assets. The remaining share of the capital is held by the subsidiary Altamira .

Finally, on 19 December 2019 doValue signed in Greece with Eurobank Ergasias SA (“Eurobank”) an agreement for the acquisition of 80% of the capital of Eurobank FPS Loans and Credits Claim Management Company S.A. (“FPS”), subject to the clearance from the local antitrust authority and the authorization of the Bank of Greece, competent to supervise the debt collection sector in Greece. The remaining share of 20% of the capital of FPS will continue to be held by Eurobank.

The Operation also involves the exclusive management of future flows of early arrears and non performing exposure originating from Eurobank in Greece for a period of 10 years, thereby consolidating the role of doValue as a long-term strategic partner of a systemic bank.

The agreement was reached following a competitive process which involved some of the biggest players of the industry in Europe and is testimony to the track record of doValue and the long-term industrial approach to the management of *non performing exposure* and real estate.

FPS, originally an internal platform of Eurobank, since 2014 has developed and diversified within the broader Greek market of *non performing exposure* servicing, acquiring mandates from international investors and providing all activities of the value chain for every type of credit, with an asset-light model. As part of the agreement, the FPS portfolio is expected to increase progressively and significantly in 2020, reaching a total value of approximately €27 billion.

² The effectiveness of the Bank of Italy measure is subject to completing the withdrawal process and the issuance of the measure of revocation by the ECB.

³ The cited measure was registered at the Companies Register of Verona on 24 June 2019, and, consequently, the proposed amendments of the articles of association - already approved by the doBank extraordinary shareholders' meeting last 5 March 2019 - acquired full effectiveness (including the change of company purpose indicated in Article 4 of the Articles of Association) along with the change of company name to doValue S.p.A.

The closing of the operation is, subject to the satisfaction of the respective regulatory approvals in line with market practice. doValue has signed a shareholder agreement with Eurobank which envisages, inter alia, a reciprocal lock-up period of the duration of three years and a call option in favour of doValue exercisable from the fourth year after the closure of the operation.

In view of the foregoing, doValue holds 100% of the capital of the following companies belonging to the doValue Group:

- Italfondario, a company specialising in master servicing and cash management activities, also having as its purpose the activity of granting of loans in accordance with Art. 106 of the Consolidated Banking Law and authorized by the Bank of Italy on 29 October 2019 to the provision of payment services pursuant to art. 1, paragraph 2, lett. h.septies.1), n. 3 of Consolidated Banking Law, through the creation of a destined patrimony, in order to provide ancillary services to the management of UTP.
- doSolutions, as shared service centre and technological hub of the Group;
- doData with the mission of providing business information and specific data quality management services for *non performing loans*;
- doValue Hellas, a Greek company, operating with a licence of the Bank of Greece in the sector of credit management and recovery.

In addition, since the end of June 2019 doValue has held 85% of Altamira. (see below) and since November 2019 it has held 96% of doValue Cyprus (see below) both companies active in credit management and recovery activity.

Below is a brief summary of the main events that led to the acquisition of the foreign subsidiaries doValue Hellas, Altamira and doValue Cyprus..

doValue Hellas

doValue – which as early as in 2018, after obtaining the necessary authorisations, had started to operate in Greece in the sector of credit recovery management with its own branch known as “doBank Hellas”, located in Athens - on 20 March 2019 finalised the purchase of the totalitarian investment in the Greek company doValue Hellas. The business branch already operating in Greece, known as “doBank Hellas” was contributed, contextually to the debanking, to the aforementioned company, operating with a licence from the Bank of Greece in the sector of credit management and recovery.

Altamira

In compliance with the agreement signed in December 2018, from late June 2019, doValue finalised the acquisition of 85% of Altamira, originally held by Altamira Asset Management Holdings, S.I. The remaining share of 15% of the capital of Altamira is held by a Santander group company.

Altamira is a company incorporated under Spanish law, a leader in Southern Europe in the market of credit and asset management, with a presence on the Spanish, Cypriot, Portuguese and Greek markets. In coherence with doValue's business model, Altamira is an independent servicer, characterised by an asset light structure and a long-term partnership with major financial institutions and international investors, including Banco Santander, Sareb (company controlled by the Spanish Government and founded in 2012 to support the Spanish banking system through the transfer of assets from struggling banks), Bain Capital, Apollo, CPP Investment Board, PRA Group and Axactor. Since 2017, Altamira has also successfully developed an international presence in Portugal, with the assignment of the Oitante mandate in Cyprus, with the assignment of the asset management mandate originated by Cyprus Cooperative Bank in Greece, and with the incorporation of a local company.

Altamira's offer of services includes the servicing of NPL, the marketing, development and management of real estate assets, advisory services and portfolio management, characterising it as a one-stop-shop for its customers.

doValue Cyprus

On 1 November 2019 doValue Cyprus was incorporated, a company controlled for 96% by doValue and for the remaining 4% owned by Altamira.

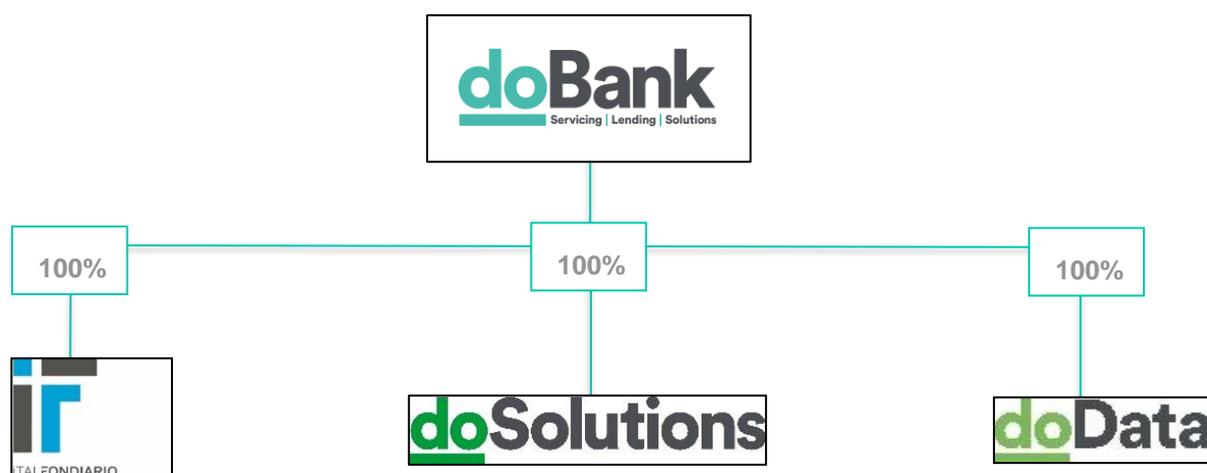
doValue Cyprus is the special purpose vehicle established following the signature by doValue of the agreement with Alpha Bank for the exclusive management of a Cypriot portfolio of non-performing loans and real estate assets.

1.0 ISSUER'S PROFILE

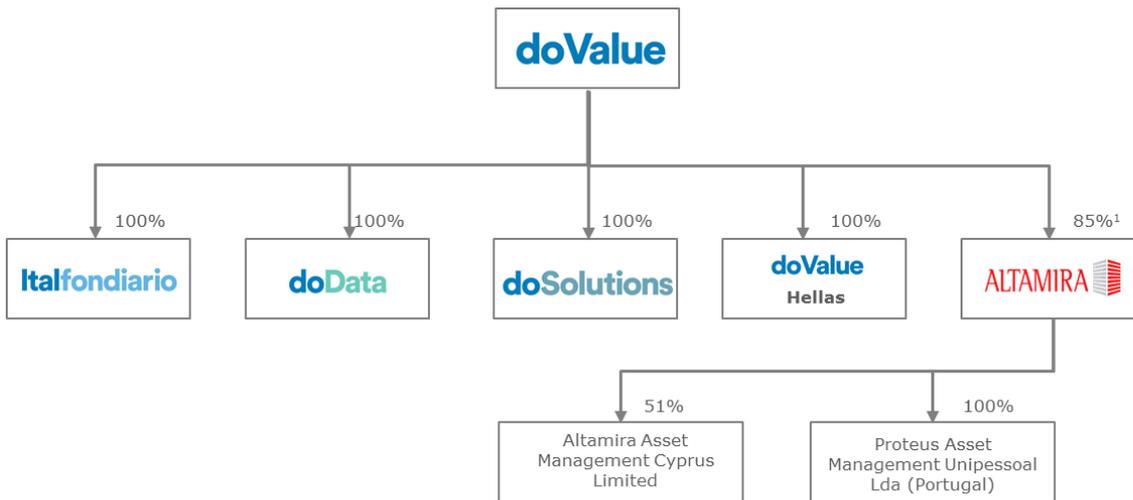
doValue has chosen to adopt a “traditional” management and control model, whose structure is focused on the presence of the Board of Directors and the Board of Auditors, in the capacity of body with control functions, both appointed by the Shareholders' Meeting. It is also envisaged for the Board of Directors to appoint a Managing Director.

doValue is the listed Parent Company, since 14 July 2017, of the doValue Group (formerly doBank Group). The Group is structured on the model of a federal and multifunctional group and the Parent Company ensures, even at consolidated level, efficient and precise management and control systems. The Group also aims to guarantee the implementation of significant synergies and its organisation involves a major integration between the subsidiaries and the Parent Company.

The doValue Group pre-debanking.



The doValue Group post-debanking and acquisition of Altamira (situation as of 31 December 2019)



1. Altamira detiene inoltre il 100% delle azioni di classe "B" di Altamira Asset Management Cyprus Limited e il 100% di Altamira Asset Management Hellas Single-Member Company

doValue, in addition, holds an investment of 96% in doValue Cyprus. The remaining 4% is held by Altamira.

The unitary governance of the Group is guaranteed by the role of guidance, governance and support played by the Parent Company as well as by the respect, by all companies that form part of it, of a set of common principles constituting the basis of the business operations.

In that context, for some entities, doValue has decided to centralise within it, in the capacity of Parent Company, the so-called corporate functions (human resources management; organisation and organisational development; occupational safety; general and logistical services; purchases; administration, finance and control, including: treasury, accounting, financial statements, reports, etc.; communication;), while the subsidiaries focus on their respective core businesses, without

prejudice to the responsibility of the respective company bodies for the governance and supervision of the outsourced activities.

doValue falls within the list of “SME” listed share issuers, as defined in accordance with Art. 1, paragraph 1, letter w-quater.1) of the Consolidated Finance Law and Art. 2(3) of the Consob Issuers’ Regulation: Consob, in implementation of resolution 20621 of 10 October 2018, has published on its website the list of “SME” listed share issuers, using the average capitalisation and turnover figures relating to the last available financial year at 30 September 2019; doValue S.p.A. was included in that list.

2.0 INFORMATION ON OWNERSHIP STRUCTURE (pursuant to Art. 123(2), paragraph 1 of the Consolidated Finance Law) at the date of 31 December 2019

a) Share Capital Structure (pursuant to Art. 123(2), paragraph 1, letter a) of the Consolidated Finance Law)

The doValue share capital – which is described in more detail and comprehensively in Table 1 at the foot of this Report - is made up entirely of ordinary shares, traded on the MTA.

The doValue share capital, at 31 December 2019, amounts to Euro 41,280,000.00, divided into no. 80,000,000 shares - indivisible and registered - without par value and it has not undergone changes at the date of this Report.

There are currently no employee shareholding schemes in doValue that exclude the direct exercise of the voting rights. In relation to treasury shares, see paragraph i) below of this section.

In January 2020 further communications were received from the Shareholders which modified the picture presented here (see paragraph no. 18).

b) Restrictions on securities transfer (pursuant to Art. 123(2), paragraph 1, letter b) of the Consolidated Finance Law)

There are no restrictions on the transfer of share securities, as the shares are transferrable in the legal methods.

c) Significant capital investments (pursuant to Art. 123(2), paragraph 1, letter c) of the Consolidated Finance Law)

As of December 31st, 2019 the following entities hold shares:

Entity holding indirect investment	Shareholders	Number of shares	Share held	Total no. shares	Total share held
Softbank Group Corp.	AVIO S.a.r.l. (*)	20,040,000.	25.05%	21,502,079.	26.88%
	Other investors attributable to Softbank Group Corp. (*)	1,462,079.	1.83%		
EJF Capital LLC	EJF Debt Opportunities GP, LLC (**)	6,700,942.	8.38%	7,541,587	9.43%
	EJF Debt Opportunities II GP, LLC (**)	840,645	1.05%		
Jupiter Asset Management Ltd	Nortrust Nominees Ltd (***)	4,108,697	5.14%	6,165,978	7.71%
	Other investors attributable to Jupiter Asset Management Ltd (***)	2,057,281	2.57%		
	doValue (treasury shares)	1,164,174	1.45%	1,164,174	1.45%
	Other Shareholders	43,626,182	54.53%	43,626,182	54.53%
	TOTAL	80,000,000	100.00%	80,000,000	100.00%

(*) Shareholders attributable to Softbank Group Corp., as recorded by communication Form 120A dated 27 December 2019

(**) Shareholders attributable to EJF Capital LLC, as recorded by communication Form 120A dated 27 December 2019

(***) Shareholders attributable to Jupiter Asset Management Ltd, as recorded by communication Form 120A dated 18 October 2017

In late December 2019, the Company received two communications in accordance with Art. 120 of the Consolidated Finance Law:

(a) one from SoftBank, which acknowledges the distribution of no. 15,040,000 doValue shares, representing approximately 18.8% of the respective share capital, in the context of and as a fee for the public exchange offer (“tender offer”), announced by Eurocastle Investment Limited on 18 November 2019, whose payment orders were sent on 18 December 2019 and whose settlement occurred on 20 December 2019, in accordance with which Eurocastle Investment Limited paid, to those accepting the offer, doValue shares;

(b) one from EJF CAPITAL LLC, new investor which purchased 9.43% of doValue shares through its subsidiaries EJF Debt Opportunities GP LLC (8.38% doValue shares) and EJF Debt Opportunities GP II LLC (1.05% doValue shares).

Based upon the communications received from doValue, **at 31 December 2019** there are three “Entities” that hold, even indirectly, a share of more than 5% of the share capital, more specifically these are:

- (i) SoftBank, which indirectly holds 26.9% of the doValue share capital;
- (ii) EJF CAPITAL LLC, which indirectly holds 9.43% of the doValue share capital.
- (iii) Jupiter Asset Management Limited, which indirectly holds 7.71% of the doValue share capital.

In January 2020, further communications were received from the Shareholders, who modified the framework above represented (see paragraph 18).

d) Securities granting special rights (pursuant to Art. 123(2), paragraph 1, letter d) of the Consolidated Finance Law)

There are no securities granting special rights of control over doValue.

e) Employee shareholding: mechanism of exercising the voting right (pursuant to Art. 123(2), paragraph 1, letter e) of the Consolidated Finance Law)

There are employee shareholding schemes in doValue. For an overview, see what is illustrated in point i) below.

f) Restrictions on voting right (pursuant to Art. 123(2), paragraph 1, letter f) of the Consolidated Finance Law)

There are no restrictions on the voting right with reference to the Issuer's shares, or mechanisms that may constitute potential restrictions.

g) Agreements between shareholders known to doValue in accordance with Art. 122 of the Consolidated Finance Law (pursuant to Art. 123(2), paragraph 1, letter g) of the Consolidated Finance Law)

doValue is aware of the termination of a shareholder agreement known as "*Second modification and re-affirmation of the shareholder agreement*", signed on 18 July 2017 between Siena Holdco S.à r.l., Verona Holdco S.à r.l. and Avio, and translated into Italian, being sworn on the same date, by the Notary Posadino of Milan.

The extract relating to the termination of the agreement is available on the doValue internet website, at the page <https://www.dovalue.it/it/governance>

At the date of this Report, no further agreements and/or establishment of associations or committees between Shareholders of the Company have been received or are even known to doValue.

h) Change of control clauses (pursuant to Art. 123(2), paragraph 1, letter h) of the Consolidated Finance Law) and statutory provisions on public takeover bids (pursuant to Article 104, paragraph 1-ter of the Consolidated Finance Law)

The original Servicing Contract between Intesa San Paolo ("ISP"), of which other banks of the Intesa Group were also part, and Italfondionario (doValue Group company, as stated above) contained a change of control clause. In particular, in that contract, "change of control" meant the situation where the Fortress Group does not maintain strategic involvement in the management of Italfondionario; that involvement would cease, inter alia, if the Fortress Group no longer held an investment of at least 51% of the share capital of Italfondionario or no longer had the right, directly or indirectly, to appoint the majority of members of the Board of Directors of Italfondionario. That contract was included among the financial elements of the business compendium of Italfondionario spun off, with the consent of Intesa, in favour of doValue, in the context of the reorganization carried out in the 2018.

The Servicing contract between UniCredit and doValue (MSA UniCredit) grants to the UniCredit Group companies participating in the contract the right to withdraw, in whole or in part, from the

Contract, without paying any penalty, upon the occurrence of some events (which therefore constitute just cause for revocation in accordance with Art. 1725 of the Civil Code) including the possibility that....*one of the top two or both of the top two main competitors of UniCredit operating in Italy and/or in Germany ("Main Competitors") come to hold, directly or indirectly, the absolute majority of the shares with voting right of the Servicer or the right to appoint the majority of the board directors.*

The servicing contracts signed between doValue and the securitisation companies Romeo SPV Srl and Mercuzio Securitization Srl (assignees of the portfolio previously held by doValue) include among the events which entitle the SPV to withdraw from the contract the case of Fortress Group ceases a) to hold, in aggregate form, an investment in the doValue share capital equal to at least 51%; or b) to have the right, directly or indirectly, to appoint the majority of members of doValue board of directors.

The servicing contract (Project Solar) signed between doValue Hellas and 4 systemic Greek banks envisages a condition of withdrawal, in favour of the latter, if Fortress ceases to hold (directly or indirectly) at least 10% per cent of the shares issued and outstanding of doValue. or if the majority of the directors of doValue ceases to be elected by Fortress or if, finally, doValue or "doValue Hellas" are reorganised by methods that configure one or both of the cases indicated above.

The loan agreement signed as part of the Flyer project aimed at the acquisition of Altamira includes a clause that entails the revocation / suspension of use with immediate payable of the amounts by the lenders in the event that:

- (a) Fortress ceases to hold (directly or indirectly) at least 20% of the shares with voting rights; or
- (b) Fortress ceases to hold (directly or indirectly) a number of shares with sufficient voting rights to appoint or remove the CEO and the majority of the members of the debtor's board of directors; or
- (c) third parties, even acting jointly, acquire (directly or indirectly) a share of the controlling share of doValue higher than that held by Fortress; or
- (d) third parties, also acting jointly:

- (i) obtain the control of doValue pursuant to article 2359, paragraph 1, numbers 1 and 2, of the civil code; or

- (ii) acquire (directly or indirectly) a number of shares higher than those held (directly or indirectly) by Fortress.

The Company's Articles of Association do not include derogations from the provisions on the *passivity rule* envisaged by Art. 104, paragraphs 1 and 1(2) of the Consolidated Finance Law and do not envisage the application of the neutralisation rules contemplated by Art. 104(2), paragraphs 2 and 3 of the Consolidated Finance Law.

i) Delegations to increase the share capital and authorisations to purchase treasury shares (pursuant to Art. 123(2), paragraph 1, letter m) of the Consolidated Finance Law)

At 31 December 2019, there were no delegations to issue convertible bonds or to increase the share capital (not even for the purpose of personnel incentive plans).

There are similarly no delegations or resolutions of the Shareholders' Meeting with regard to the purchase of treasury shares.

On the point, it is, however, worth noting that:

- a) on 21 June 2017 the Shareholders' Meeting resolved upon an incentive system linked to the Listing, known as “IPO Bonus 2017”, whose implementation involves the assignment of Company shares in favour of some resources identified within the perimeter of key personnel identified by the Company. In order to allow for the distribution of the 2017 IPO Bonus (and, at the same time, to implement the provisions of the contract regulating the remuneration of the Managing Director - for the part in shares for the entire duration of the mandate), the Shareholders' Meeting thus resolved, at the same meeting, on an overall plan (“Stock Granting Plan”), which involves the use of treasury shares held by the company in service of the implementation of the plan itself, such that the shares are assigned free of charge to the respective beneficiaries.
- b) On 19 April 2018 the Shareholders' Meeting resolved to adopt the 2018 Incentive Plan, which involves the assignment of an incentive in cash and/or in free ordinary shares of doValue, to be paid within the space of a multiyear period to some resources identified within the perimeter of key personnel identified by the Company and selected beneficiaries belonging to doValue Group Personnel within the terms and by the methods regulated in the plan, and which involves the implementation of the contractual provisions regulating the remuneration of the Managing Director in office.
- c) On 17 April 2019 the Shareholders' Meeting resolved to adopt the 2019 Incentive Plan, which involves the assignment of an incentive in cash and/or in free ordinary shares of doValue, to be paid within the space of a multiyear period to some resources identified within the perimeter of key personnel identified by the Company and selected beneficiaries belonging to doValue Group Personnel within the terms and by the methods regulated in the plan, and which involves the implementation of the contractual provisions regulating the remuneration of the Managing Director in office.

The plan indicated in points a) and b) has already produced effects during 2018 and 2019, while the plan indicated in point c) will produce its effects during the current year. The three plans, of course, will also produce their effects in future years. All through the assignment of ordinary shares of the Company, in accordance with Art. 2357(3) of the Civil Code and, to that end, the Company may use the treasury shares already held by the Company.

doValue, at the date of 31 December 2019, held no. 1,164,174 treasury shares, amounting to 1.45% of the share capital

Moreover, as part of the “*debanking*” cited in the “Introduction”, at the point “Reorganisation of the doValue Group”, it is noted that on 5 March 2019 the Extraordinary Shareholders' Meeting of doValue was held to resolve upon changes to its Articles of Association and, among these, to Article 4 which involves a substantial modification of the issuer's corporate purpose. No shareholder exercised the right of withdrawal, in accordance with Article 2437, paragraph 1, letter a) of the Civil

Code.

I) Management and coordination activity (pursuant to Art. 2497 et seq. of the Civil Code)

The Issuer is not subject to management and coordination activity in accordance with Art. 2497 et seq. of the Civil Code.

Therefore, the determination of the strategic and management guidelines of doValue and, more generally, the entire activity of the Company is the result of free self-determination of the corporate bodies.

As regards the additional:

- information required by Art. 123(2), paragraph 1, letter i) of the Consolidated Finance Law, regarding “agreements between the company and directors [...] which provide for indemnities in the event of resignation or dismissal without just cause or if their employment relationship ceases following a public purchase offer”, see the Section of this Report dedicated to the remuneration of Directors;
- information required by Art. 123(2), paragraph 1, letter l) of the Consolidated Finance Law, regarding “the rules applicable to the appointment and replacement of directors [...] as well as to the modification of the articles of association, if different from the laws and regulations applicable on a supplementary basis”, see the Section of this Report dedicated to the Board of Directors.

3.0 COMPLIANCE (PURSUANT TO ART. 123(2), PARAGRAPH 2, LETTER A) OF THE CONSOLIDATED FINANCE LAW)

doValue has adopted the traditional governance model which is not influenced by non-Italian provisions of law.

Following the Listing, doValue joined the Corporate Governance Code and consequently brought its *corporate governance* in line with the principles and criteria indicated therein, where applicable.

In this Report, doValue intends to illustrate in detail the methods by which the Corporate Governance Code has been applied by the Company, also highlighting the principles that have been accepted.

The corporate governance practices adopted by the Company are illustrated below in this Report and further information on doValue's corporate governance structure is available on the doValue Internet Website.

4.0 DOVALUE BOARD OF DIRECTORS

4.1 APPOINTMENT AND REPLACEMENT (PURSUANT TO ART. 123(2), PARAGRAPH 1, LETTER I) OF THE CONSOLIDATED FINANCE LAW)

In conformity with the legislative and regulatory provisions applicable to listed companies, Art. 13 of the Articles of Association establishes that the Board of Directors is appointed by the Shareholders' Meeting, based upon lists submitted by the shareholders or by the Board of Directors and in which the candidates, listed in a number no higher than 11, are combined with a sequential number.

In accordance with Art. 147(3), paragraph 1 of the Consolidated Finance Law and the Articles of Association, in addition to any list submitted by the Board of Directors, the entities legitimated to vote who, even together with others, hold overall a share of investment of at least 2.5%⁴ of the share capital having the right to vote in the ordinary Shareholders' Meeting may submit lists for the appointment of the Directors.

The ownership of the minimum share of investment for the submission of lists is determined with regard to shares that are registered in favour of the individual shareholder, or multiple shareholders jointly, on the day on which the lists are filed at the Company; the respective certification may even be produced after the filing, provided that this occurs within the period scheduled for publication of those lists by the Company.

Each entity legitimated to vote (as well as (i) the legitimated entities belonging to the same group, thereby meaning the controlling entity, even non-corporate, in accordance with Art. 2359 of the Civil Code and every company controlled by or under the common control of the same entity or (ii) the parties to the same shareholder agreement pursuant to Art. 122 of the Consolidated Finance Law, or (iii) legitimated entities that are otherwise connected to each other by of significant liaison relationships in accordance with applicable laws and/or regulations in force and applicable) may present or participate in the presentation of only one list, just as each candidate may appear on only one list, under penalty of ineligibility.

Each list that has a number of candidates equal to or greater than three must be made up of candidates belonging to both genders, so as to ensure respect of the gender balance at least to the minimum extent required by the legislation, including regulatory, in force at the time.

The list of the Board of Directors, where submitted, must be filed at the Company's registered office by the thirtieth day prior to the date of the Shareholders' Meeting and form the subject of the publicity formalities envisaged by existing regulations.

The lists submitted by the shareholders must, under penalty of forfeiture, be filed at the registered office, even by a means of distance communication and according to methods indicated in the notice of convocation that allow for the identification of the entities filing the same, by the twenty-fifth day preceding the date of the Shareholders' Meeting and they are made available to the public at the registered office, on the doValue Internet Website and by the other methods envisaged by existing regulations, at least twenty-one days before the date of the Shareholders' Meeting.

The lists submitted must also be accompanied, as well as by the other documentation required by existing regulations,

(a) by information relating to the identity of the shareholders that have submitted the lists, indicating the overall percentage of investment held, notwithstanding that the certification showing ownership of that investment may be produced within the timescales indicated above;

(b) by a declaration of the shareholders other than those that hold, even jointly, a controlling or relative majority investment, certifying the absence of relationships of connection, even indirect, in accordance with the legislation, including regulatory, in force at the time, with the latter;

⁴ It is noted that with Consob resolution no. 20273, dated 24 January 2018, the limit relating to the share of investment for the Shareholders' Meeting of 19 April 2018 was fixed at 1%.

(c) comprehensive information on the personal and professional backgrounds of the candidates and any indication of their suitability to qualify as Independent Directors under applicable law, and a statement by said candidates declaring that they meet the requirements set forth by the legislation, including regulations, in force at the time and by the Articles of Association, law and regulations and by the Articles of Association, including the requirements of integrity and, where applicable, independence, and their acceptance of the candidacy and of the role, if elected;

(d) by any other further or different declaration, information and/or document envisaged by the legislation, including regulatory, in force at the time.

The lists for which the requirements indicated above are not respected are considered not to have been submitted.

Each entity entitled to vote may vote upon a single list and the vote of each shareholder will concern the list and, consequently, all the candidates indicated on it, with no possibility of variations, additions or exclusions.

Based upon the provisions of the Articles of Association, the election of the Board of Directors occurs, at the end of the vote, in accordance with what is indicated below:

- (i) all directors to be elected, except one, are taken from the list that came first by number of votes, in the sequential order in which they are indicated on that list;
- (ii) the remaining director to be elected, in possession of the independence requirements, is taken from the list that came second by number of votes and who is not connected, in any way, even indirectly, in accordance with the legislation, including regulatory, in force at the time, with the entities legitimated to vote who submitted or voted on the list that came first; the first candidate in sequential order of the list in possession of the independence requirements is therefore elected;
- (iii) if the first two lists obtain the same number of votes validly cast in the Shareholders' Meeting, the list submitted by the Shareholders holding the biggest investment will prevail;
- (iv) if the number of candidates indicated in both the majority and minority lists submitted is less than the number of Directors to be appointed, the remaining Directors will be appointed by a resolution adopted by the Shareholders' Meeting by relative majority guaranteeing respect of the principles of independence and gender balance envisaged by the legislation, even regulatory, in force at the time. In the event of equal votes between two or more candidates, a ballot will be held between the same in the Shareholders' Meeting;
- (v) if only one list is submitted, the Shareholders' Meeting will vote on that list, and if that list obtains the relative majority of the votes cast in the Shareholders' Meeting, the candidates, listed in sequential order, will be appointed up to the number determined by the Shareholders' Meeting, guaranteeing respect of the requirements of independence and gender balance envisaged by the legislation, even regulatory, in force at the time;
- (vi) if no list is submitted, or only one list is submitted, and that list has not obtained the relative majority of the votes cast in the Shareholders' Meeting, the Shareholders' Meeting will resolve by the methods indicated in paragraph (iv) above;
- (vii) if the necessary minimum number of Independent Directors and/or Directors belonging to the least represented gender has not been elected, the Directors on the List which came first, marked

by the highest sequential number and not having the requirements in question, are replaced by the next candidates having the necessary requirement or requirements belonging to the same List;

- (viii) if, even applying the replacement criteria indicated in paragraph (vii) above, suitable replacements are not identified, the Shareholders' Meeting resolves by relative majority. In this case, the replacements will be made starting with the lists that progressively received the highest number of votes and with the candidates bearing the highest sequential number;
- (ix) the list voting procedure described in this paragraph applies only in the case of appointment of the entire Board of Directors. If the entire Board of Directors is not to be renewed or if, for any reason, it is not possible to appoint the Board of Directors by the methods indicated in this paragraph, the Shareholders' Meeting resolves according to the methods indicated in paragraph (iv) above.

In the event of termination from the role, for any reason, of one or more directors, they are replaced according to the following methods:

- (i) if the outgoing director is taken from a minority list, and provided that the majority of the directors is still made up of directors appointed by the Shareholders' Meeting, the Board of Directors will appoint the replacement by way of co-opting in accordance with Article 2386 of the Civil Code, by resolution approved by the Board of Auditors, from candidates belonging to the same list as the outgoing director, if they are in possession of the necessary requirements and willing to accept the role. If, for any reason, there are no names available and eligible or if the outgoing director is taken from the list that came first, the Board of Directors will appoint the replacement or replacements by co-opting in accordance with Article 2386 of the Civil Code without restrictions on the choice between the members of the lists submitted in turn.
- (ii) If the Shareholders' Meeting must proceed in accordance with the law to appoint the directors required to supplement the Board of Directors as a result of termination, the provisions of the Articles of Association will be followed, namely:
 - (a) if it necessary to replace one or more members of the Board of Directors taken from the list that came first, the replacement will occur by decision of the ordinary Shareholders' Meeting which resolves with the relative majority of votes represented therein, without restrictions on the choice between the members of the lists submitted in turn;
 - (b) if, on the other hand, it is necessary to replace the member of the Board of Directors taken from the list that came second, the Shareholders' Meeting proceeds, with the vote assumed by relative majority of the votes represented therein, to choose them, where possible, from the candidates indicated in the list of which the replaced director formed part, who have confirmed in writing, at least 10 (ten) days before that fixed for the Shareholders' Meeting, their candidacy, together with declarations on the absence of causes of ineligibility or forfeiture, as well as the existence of the requirements laid down by the legislation, including regulatory, in force at the time or by the Articles of Association for the assumption of the role. If that replacement procedure is not possible, the member of the Board of Directors will be replaced by a resolution to be passed by relative majority of the votes represented at the Shareholders' Meeting in respect, where possible, of the representation of minorities;

- (iii) The replacements indicated above must, in any case, be made in respect of the legislation, including regulatory, in force at the time on gender balance and the minimum number of Independent Directors.
- (iv) The Directors appointed by the Shareholders' Meeting in replacement of the outgoing members expire together with those in office at the time of their appointment.

Finally, each time, for any reason or cause, the majority of Directors appointed by the Shareholders' Meeting is no longer in place, the entire Board of Directors is understood to be forfeited and the Directors remaining in office must convene the Shareholders' Meeting to appoint the new Board of Directors by the procedure indicated above.

4.1.1 Succession plan in case of absence or impediment

The Succession Plan adopted by the Company, which meets the provisions identified by Application Criterion 5.C.2 of the Corporate Governance Code, envisages a specific procedure, to be applied in the case of impediment to exercise the powers and functions attributed to the Managing Director, structured as follows:

- 1) in the case of short-term temporary impediment, classifiable at 30 calendar days (due to sickness or accident or any cause that prevents normal working activity), the ordinary business and Group management is entrusted to the CFO. Upon the temporary removal of the impediment to the exercise of his powers by the Managing Director, the temporary powers assigned to the CFO cease, unless otherwise resolved by the Board of Directors;
- 2) in the case of full and permanent impediment of the Managing Director, the ordinary business and Group management is entrusted ad interim to the CFO for the time necessary for the Board of Directors, with the support of the Appointments Committee, to identify, select and enter into a contract with the new Managing Director.

When the Board of Directors appoints the new Managing Director, the delegations granted to the CFO will cease and, based upon the Articles of Association and the new delegations granted, the ordinary management will transfer to the full powers of the newly-appointed Managing Director. Moreover, following the Self-Assessment process of the Board of Directors (as highlighted in more detail in point 4.3.3 below, dedicated to that subject) the need emerged to make to the Succession Plan, with particular regard to the Key Resources, further updates and implementations which the Board, during approval of the Self-Assessment Report, has planned to make by the end of the 2020 financial year.

4.2 COMPOSITION (PURSUANT TO ART. 123(2), PARAGRAPH 2, LETTERS D) AND D(2) OF THE CONSOLIDATED FINANCE LAW)

In accordance with Art. 13 of the Articles of Association, the Company is managed by a Board of Directors consisting of a number of directors no less than 7 and no more than 11, elected by the Shareholders' Meeting which, prior to the election, determines its number within those limits. The Shareholders' Meeting itself determines its duration in office, notwithstanding that the latter may

not be less than one financial year or more than three financial years, with effect from acceptance of the role and expiry at the date of the Shareholders' Meeting convened to approve the financial statements relating to the final financial year of the role.

The members of the Board of Directors may be re-elected.

Based upon the legislation in force as well as the amendments to the Articles of Association introduced at Art. 13, paragraph 5, with effect from 25 June 2019 by virtue of the intervening relinquishment of the banking licence, the members of the Board of Directors must possess the requirements of integrity, as well as any other requirement envisaged by the rules of law and regulations in force at the time.

The Board of Directors assesses the existence of the requirements for its members after the appointment, reporting to the market the outcomes of that verification by way of a press release and, subsequently, on an annual basis for the necessary issues, providing the respective results within the Corporate Governance Report.

Again in conformity with the provisions dictated by Art. 13, paragraph 5 of the Articles of Association, a number of Directors no less than that provided by the legislation, including regulatory, in force at the time (currently at least one-third of the number of members and in any case no less than 2), must possess the independence requirements established by law and by the regulatory provisions (independence requirements envisaged by Art. 3 of the Corporate Governance Code).

The Board of Directors, consequently, assesses the existence of the independence requirement declared by the directors with regard to substance, rather than form, and that assessment is made after the appointment of a new Director who is classified as independent and on an annual basis, for all Directors.

To that end, the Board of Directors, based upon the declarations made by the director and the information gathered, examines any further available evidence, even possibly attributable to relationships held, even indirectly, by the director with the Group and their significance with the economic and financial situation of the interested party.

The Board of Auditors verifies the correct application of the criteria and procedures adopted by the Board of Directors, supported by the Appointments Committee, for the purposes of the aforementioned assessment, and both outcomes (Board assessments and Board of Auditors' verification) are communicated to the market.

The Board of Directors currently in office was appointed by the Shareholders' Meeting on 19 April 2018 which, as a priority, determined its number at 9 members, and fixed its expiry to the date of the Shareholders' Meeting convened to approve the financial statements of the 2020 Financial Year. During the 2019 financial year, the Board of Directors, following the resignation of the Director Paola Bruno, upon indication of the Appointments Committee and with favorable opinion of the Board of Statutory Auditors, co-opted, on 25 January, Ms Marella Idi Maria Villa, whose appointment was confirmed by the Shareholders' Meeting on 5 March 2019.

In conformity with the provisions of the Consolidated Finance Law, the appointments were made based upon the list vote mechanism, as regulated in the Articles of Association and described in Section 4.1 of this Report. The current composition of the Board of Directors guarantees the gender

balance, in respect of the applicable legislative and regulatory provisions (in accordance with Art. 147(3), paragraph 1(3) of the Consolidated Finance Law and in conformity with the provisions of Art 2 of Italian Law no. 120 dated 12 July 2011).

It is also noted that with a view to appointing new directors, the Board of Directors of doValue (at the time still doBank and, as such, subject to the provisions of banking supervision), with the support of the Appointments Committee (in adhesion to Application Criterion 5.C.1 of the Corporate Governance Code), had approved on 8 March 2018 the document entitled “*Orientation on the qualitative and quantitative composition of the Board of Directors deemed optimal*”, which identified the theoretical profile of the candidates to appointment, therein including the managerial, professional (in adhesion to Application Criterion 1.C.1, letter *h*)), integrity and independence characteristics. That document should therefore satisfy the need to provide orientations, suggestions and indications deemed useful, in order for the list of candidates, presented by the Shareholders for the appointment of the new management board, to be deemed adequate to the responsibilities that the respective members will assume.

Consequently, within the Board, there are different components of the necessary types of professionalism for adequate internal dialectics as well as an adequate number of independent members in accordance with the Corporate Governance Code (note that that point was further confirmed also following the appointment of the director Marella Idi Maria Villa).

At the meeting on 12 March 2019, the Board of Directors, as well as having ascertained for the Director Marella Idi Maria Villa her possession of the requirements of professionalism, integrity and independence envisaged by the regulations then applicable, the outcome of which was communicated to the market by disseminating a specific press release published on 12 March 2019, implemented the annual audit, on the directors, of the requirement of independence indicated in Principle 3.P.2 of the Corporate Governance Code.

In particular, the Board, following the preliminary activities and having obtained the unanimous opinion of the Remuneration Committee, ascertained the possession of the requirements by all directors and auditors.

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

In relation to the requirements of independence of the Directors, the preliminary investigation revealed:

- (i) the existence of the requirements of independence, in conformity with the provisions of the Consolidated Finance Law and, in particular, with the provisions laid down by the combined provision of Articles 147(3), paragraph 4 and 148 paragraph 3 of the Consolidated Finance Law and in accordance with the Corporate Governance Code, for the Directors Giovanni Battista Dagnino, Giovanni Lo Storto, Nunzio Guglielmino;
- (ii) (ii) the existence of the requirements of independence, exclusively in conformity with the provisions of the Consolidated Finance Law and, in particular, with the rules laid down by the combined provisions of Articles 147(3) paragraph 4 and 148 paragraph 3 of the Consolidated Finance Law, for the Chairman of the Board of Directors, Giovanni Castellaneta.

The doValue Board of Directors in office at the date of this report is made up of the following nine

members:

- | | |
|---------------------------------|----------------------------------|
| • Chairman | Giovanni Castellaneta |
| • Managing Director | Andrea Mangoni |
| • Non-executive Director | Emanuela Da Rin |
| • Independent Director | Giovanni Battista Dagnino |
| • Non-executive Director | Francesco Colasanti |
| • Independent Director | Nunzio Guglielmino |
| • Independent Director | Giovanni Lo Storto |
| • Non-executive Director | Giuseppe Ranieri |
| • Non-executive Director | Marella Idi Maria Villa |

For each Director, a brief *curriculum vitae* is given below, and, in Table 2 at the foot of this Report, further relevant information is provided.

Giovanni Castellaneta, born in Gravina in Puglia (BA) on 11/09/1942, graduated in Law from the La Sapienza University of Rome. He was Italian Ambassador in Australia (and in some Pacific Ocean States), in Iran, Government Representative in Albania and Italian Ambassador in the United States (2005-2009), at the Organization of American States (OSA) and the Bahamas. He was diplomatic counsellor of the President of the Council and his personal representative for the G7/G8 Summits from 2001 to 2005.

In addition, from 2002 to 2012 he covered the role of Board Director of Leonardo/Finmeccanica and Vice Chairman of the homonymous Group. From 2010 to 2016 he was Chairman of the Board of Directors of SACE, and from 2012 to 2017 he covered the role of Chairman of Italfondionario. He was Senior Advisor for Italy of Fortress Investment Group.

Commencing from 2013 and until 2018 he was Chairman of Torre SGR S.p.A., a role that he also covered at Milanosesto S.p.A. from March 2014 to July 2018.

As well as covering the role of Chairman of the Board of Directors of doValue S.p.A. he is also Member of the Appointments Committee and the Risks and Transactions with Related Parties Committee. He has been Chairman of Bizzi & Partners Development LLC, since March 2013, and Chairman of the Board of Directors of the Companies Castellaneta & Partners S.r.l. and Retelit Med S.r.l.; he was also appointed Secretary General of the Iniziativa Adriatico Ionica (IAI) in June 2017.

Andrea Mangoni has, since April 2016, been Managing Director of doValue. Born in Terni in 1963, he graduated in Economic Sciences and began his career working with the Inter-American Development Bank, dealing with restructuring projects in Brazil and Argentina.

In 1996 he covered in Acea the role of Head of Extraordinary Finance and coordinated the activities relating to the company's stock market listing, occurring in 1998. Thereafter, he became Head of Planning and from 2001 CFO. In 2003 he was appointed Managing Director.

In 2009 he joined Telecom Italia in the role of Group CFO and operational Chairman of Telecom Italia Sparkle, a company responsible for managing traffic and the international network.

In 2012 he was appointed International Operations General Manager of Telecom Italia and managed,

amongst other things, the crisis and re-launch of Tim Brasil, becoming its CEO.

From June 2013 to March 2015 he held the role of Chairman and CEO of Sorgenia (CIR Group), and managed the financial restructuring of the company.

In 2015 he held the role of General Manager of Fincantieri, which he left after a few months.

He is the Chairman of the Board of Directors of Italfondiaro and of Altamira Asset Management S.A., both companies of the doValue Group.

Francesco Colasanti, born in Frosinone on 29 December 1975, graduated in Economics from the LUISS Guido Carli University of Rome.

Since 2001 he has worked for the Fortress Investment Group where he currently covers the role of managing director

responsible in Europe for Private Equity funds. Within the Group he also covers the role of Chief Investment Officer of the Fortress Italian NPL Fund and Investment Manager of Eurocastle (listed company managed by Fortress - ECT.AS).

He has participated in the main investment processes of the Fortress Group in the NPL sector and in the real estate sector. From 2000 to 2001 he worked at PricewaterhouseCoopers in the Audit and Transaction Support team. Since 2005 he has contributed to the creation and growth, on behalf of the Fortress Group, of Torre SGR S.p.A., for which since 2009 he has covered the role of Director.

Since 2015 he has been a Board Director of doValue S.p.A., where he also covers the role of member of the Remuneration Committee.

Emanuela Da Rin, born in Rome in 1967, graduated in Law in 1989 from the “La Sapienza” University of Rome. She was authorised to practise as a lawyer in 1993 and has been registered at the Bar of Rome since 1993.

Until 2001 she worked at Studio Legale Chiomenti. Thereafter, she joined BonelliErede, where, from 2003, she was a partner in the Banking and Financial Department. At Studio BonelliErede she covered the role of Team Leader of the Banks Focus Team and Real Estate Focus Team. She deals with real estate finance and corporate finance operations. In recent years, she has provided continuous assistance in the sector of special/distressed credits, working both for credit institutions as part of restructuring and valorisation operations of non-performing loans, and for funds in the acquisition of credit portfolios.

From 2017 to 2019 she was Board Director of SITAF Società Italiana Traforo Autostradale del Frejus S.p.A. (company controlled by ANAS S.p.A.).

Since 2018 she has been the Board Director of doValue S.p.A.

Giovanni Battista Dagnino was born in Pully (Switzerland) on 25 April 1966. He graduated from Milan's Bocconi University and gained a Ph.D. in Business Administration. He is registered on the Register of Statutory Auditors of the Ministry of Economy and Finance. He is a Full Professor of Economics and Business Management at the University LUMSA, Palermo campus, where he teaches “Business Finance”, “Corporate Governance & Strategic Leadership” and “Digital Strategy”. In addition, he is a Faculty Member at the European Institute for Advanced Studies in Management of

Brussels, a Fellow of the Strategic Planning Society of London and Friend of the European Investment Bank Institute of Luxembourg and the Strategic Management Society of Chicago.

He previously covered the role of Full Professor at the University of Catania from 2006 to 2018, teaching from 2004 to 2018 “Financial and Insurance Business Management” and from 2008 to 2018 “Corporate Strategy” in the Master's Degree Courses in “Business Finance” and in “Business Management”; he has also covered visiting positions in authoritative international *business schools*. He is the author of over 150 publications distributed internationally and nationally on corporate governance, entrepreneurship and business strategy. He has developed operational experiences in enterprises active in the LPG-liquefied petroleum gas industries and in the real estate sector. He was formerly a member of the Young Entrepreneurs Group of Confindustria Palermo, at which he was Director/treasurer and member of the “Area Euro-Mediterranea” National Commission in Confindustria Roma.

Since 2018 he has been Independent Director of doValue S.p.A., where he covers the roles of Chairman of the Risks and Transactions with Related Parties Committee, and member of the Appointments Committee.

Nunzio Guglielmino, born in Rome on 14 January 1946, graduated in Law and Political Sciences from the University of Rome. From 1980 to 1984 he was an official at the Ministry of the Treasury and from 1984 to 1993 he covered the role of Councillor for Economic and Monetary Affairs at the Permanent Representation of Italy in Brussels, actively participating at meetings of the Council of Financial Ministers of the European Union (ECOFIN) and contributing to preparing the Maastricht Treaty. From 1993 to 1995 he worked at the Ministry of Economy and Finance and, in 1996, he was appointed General Manager at the Treasury Department of the Ministry of Economy and Finance. From 1993 to 2000 he was on the Board of Directors of the European Investment Bank and from 2000 to 2015 he was Deputy Governor of the Council of Europe Development Bank (CEB). He was Deputy Chairman of Poste Italiane and Board Director of Cassa Depositi e Prestiti and other companies, both public and private. From October 2016 to 30 June 2018 he held the position of expert advisor for the examination and in-depth analysis of EU law matters, at the Presidency of the Council of Ministers. He is an independent Board Director of doValue S.p.A., where he chairs the Remuneration Committee and is a member of the Risks and Transactions with Related Parties Committee.

Giovanni Lo Storto, born in Troia (FG) in 1970, graduated in Economics from the LUISS Guido Carli University of Rome, of which since 2013 he has been General Manager. From May 2018 he was Board Director of Pirelli e C. S.p.A., and member of the Control, Risks, Sustainability and Corporate Governance Committee and the Remuneration Committee. He was an Official of the Army Administration Corps and worked in Bartolini as Branch Operations Director, at the Italian Reinsurance Union, and at Swiss Re in the CEO's staff. From 1997 to 2005 he was a subject expert and subsequently contract professor of Economics and management of insurance companies at LUISS. He formed part of the Board of Directors of the Press Agency AskaneWS, of Fondazione Gerardo Capriglione and of Italiacamp. Currently, he is also executive Vice Chairman of LA4G S.r.l.,

Vice Chairman of Pola S.r.l., Chief Executive Officer of L.Lab Srl, Managing Director of L.Campus Srl, member of the Management Committee of Fondazione Italia Sociale and forms part of the Board of Directors of the magazine Internazionale, the magazine Formiche, the Fondazione Bruno Visentini and the Fondazione Mediterraneo. In 2010 he was given the honour of Knight of the Order of Merit of the Italian Republic and, in 2017 that of Official of the Order of Merit of the Italian Republic. He is also co-founder of the business accelerator LuissEnlabs. He edited the Italian edition of the book Jugaad Innovation in 2014 and in 2016 Frugal Innovation. In 2017 he published for Rubettino the book “EroStudente”. Since 2015 he has been a Board Director of doValue S.p.A., where he also covers the roles of Chairman of the Appointments Committee and Member of the Remuneration Committee.

Giuseppe Ranieri, born in Rome on 19 February 1974, graduated in Economics from the “La Sapienza” University of Rome and from 2013 covered the role of Director at the Fortress Investment Group. From 1998 to 1999 he worked as an analyst at Nusa SIM S.p.A. and later, from 2000 to 2005, as Manager at PricewaterhouseCoopers-Transaction Services. From 2005 to 2009 he worked at Morgan Stanley Real Estate Fund and Prelios S.p.A., and from 2009 to 2012 at First Atlantic Real Estate NPL S.p.A. (now Frontis S.p.A.). Since 2015 he has been a Board Director of doValue S.p.A..

Marella Idi Maria Villa, born in Milan on 23 October 1977, graduated in Law from the Catholic University of the Sacred Heart in Milan and was authorised to practise as a lawyer in 2006. She has been registered at the Bar of Milan since 2006.

From 2011 she worked with Grande Stevens Studio Legale Associato, where, from 2014, she was Salary Partner, providing assistance in areas related to Banking & Finance, Capital Markets and Mergers and Acquisitions, advising, in particular, listed companies with reference to the Consob regulations (Consolidated Finance Law and Issuers' Regulation), Bank of Italy rules and Borsa Italiana instructions.

She acquired experiences in debt restructuring of listed companies with banks and in their subsequent recapitalisation; performing consultancy activity in the sector of real estate investment funds and extraordinary corporate operations (acquisitions, mergers and sale of companies).

She dealt with the banking area of numerous corporate finance, acquisition and leveraged finance, real estate and project finance operations; as part of structured finance, she has assisted investors, arrangers, sellers and issuers during securitisation operations and transfers of credits and in issuances of listed bonds. In January 2019 she was co-opted onto the Board of Directors of doValue S.p.A., an appointment confirmed by the Shareholders' Meeting on 5 March 2019.

4.2.1. Diversity criteria and policies

doValue has regulated its diversity criteria and policies for the composition of the Board of Directors through the document “Policy on composition of the Corporate Bodies”, approved by the Board of Directors on 9 November 2017. The Policy in fact contains provisions on diversity policies in relation to the composition of the management and control boards, relating to gender and the training career

that the business representatives must possess, in coherence with existing regulatory provisions. In that regard, the Board of Directors has decided to favour the existence of those characteristics irrespective of the age of the individual.

As already highlighted in point 4 above, Composition of the Board of Directors, those policies, with particular reference to gender diversity, were applied for the first time upon the renewal of the roles last 19 April 2018, also in application of the provisions of Italian Law no. 120 dated 12 July 2011, which imposed the obligation of reserving a certain share of the members of the Board of Directors of listed companies to the least represented gender. Considering the provisions of Art. 2 of the law mentioned above, the new Board has reserved to the least represented gender at least one-fifth⁵ of the members (i.e. in this case, two members).

In addition, with specific reference to the diversity aspects indicated in art. 123-bis, paragraph 2, lett. d-bis) of the Consolidated Law on Finance and in the Corporate Governance Code, these were analyzed during the last self-assessment of the Board, as a result of which an overall positive opinion emerged.

4.2.2. Maximum accumulation of assignments held in other companies

Without prejudice to respecting the limits on the number of assignments that the members of the management body may hold in accordance with the legislation, including regulatory, the Board of Directors, on 9 November 2017, approved a policy in relation to the composition of the corporate bodies, by which it identified and defined, inter alia, the maximum number of roles, of management and control in other companies (as illustrated below), that can be considered compatible with the effective conduct of the role of doValue director, also taking account of the participation of the directors in the Board Committees. The Directors are therefore required to inform the Company of assignments assumed at other companies and entities.

Table 2, at the foot of this Report and cited in point 4.2 above, provides evidence, in conformity with the provisions of the Corporate Governance Code, of the number of assignments of management and control that the doValue directors in office have communicated that they cover in other companies listed on regulated markets, in financial, banking, insurance companies or those of significant dimensions.

The policy also cites the prohibition indicated in Article 36 of Italian Law no. 214 dated 22 December 2011 (known as “*Interlocking*” prohibition) and the related obligation of any directors who hold incompatible roles to communicate the exercised option, within the deadline of 90 days from appointment, notwithstanding that, once that period has elapsed with no communication being made, they forfeit both roles. To that end, the directors must certify annually that they do not cover roles in management, supervision and control bodies in competing enterprises or groups of enterprises to allow the Board to make its annual assessment. That verification was renewed by the Board of

⁵ It is noted that for the Board of Directors currently in office, this configures, in accordance with Art. 2 of Italian Law no. 120/2011, the first mandate post-listing and, consequently, the threshold of one-third envisaged by the rule is understood to be reduced to “at least one-fifth”

Directors also with reference to the 2019 Financial Year, upon the approval of the financial statements, due to the relationship between doValue and the subsidiary Italfondario: the legislation provides that the verification is carried out between the companies considered competitors as operating in the credit (banks), insurance (insurance and reinsurance companies), and financial markets (Sim, Sgr, Sicav, financial intermediaries pursuant to Title V of the TUB) and related parent companies.

* * * * *

Based upon the adopted policy:

- the executive directors of doValue - in addition to the role covered in doValue - may not cover the role of:
 - executive director in more than 2 other companies listed on the regulated markets, Italian or foreign, or in unlisted financial, banking or insurance companies or those of significant dimensions;
 - non-executive director or statutory member of the audit body in more than 4 other companies listed on regulated markets, Italian or foreign, or in unlisted financial, banking or insurance companies or those of significant dimensions;
- the independent directors - in addition to the role covered in doValue - may not cover the role of:
 - executive director or non-executive director or statutory member of the audit body in more than 10 other companies listed on the regulated markets, Italian or foreign, or in unlisted financial, banking or insurance companies or those of significant dimensions.
- the non-executive directors - in addition to the role covered in doValue - may not cover the role of:
 - executive director or non-executive director or statutory member of the audit body in more than 12 other companies listed on the regulated markets, Italian or foreign, or in unlisted financial, banking or insurance companies or those of significant dimensions;
 specifying that the scope of application of the limit to the accumulation of roles of administration, management and control covered by doValue Directors excludes companies:
 - controlling doValue, both directly and indirectly;
 - belonging to the doValue group, therein including companies directly or indirectly invested by doValue.

In coherence with Application Criterion 2.C.6 of the Corporate Governance Code, the doValue Managing Director has not assumed the role of Director of another issuer, not belonging to the group headed by doValue, and of which a doValue Director is Managing Director.

The current composition of the Board of Directors respects the above general criteria.

4.2.3. Induction and recurring training initiatives

The Chairman of the Board, in coherence with Application Criterion 2.C.2 of the Corporate Governance Code, has ensured that the directors, during the 2019 financial year, participated in

specific induction activities aimed at providing adequate knowledge of the business sectors in which the Group works, along with the business dynamics and their evolution, with specific analyses of projects and initiatives in progress; those sessions were also open to members of the Board of Auditors.

The induction initiatives concerned, in particular:

- an overview of the NPL market in Greece (June 2019), with a view to consolidating the activities of the Greek subsidiary;
- the illustration of the main characteristics and general principles of a credit securitisation operation in which doValue was asked to perform servicing activity and related services;
- the presentation of the draft Business Plan 2019 – 2022, dedicated to the analysis and investigation of the underlying objectives and underlying rationale, taking account of both the debanking intervention and the main characteristics of the relevant markets, also following the acquisition of the Altamira Group, gathering the observations and contributions of the participants.

In addition, the induction initiatives carried out during 2019, involved the managers of the Company (who, moreover, usually attend the meetings of the Board of Directors and the Committees), in order to provide to the Directors periodically adequate knowledge of the business sectors in which the Group works, as well as the business dynamics and their evolution, the performance of the markets and the relevant regulatory framework.

Moreover, as identified by the Board of Directors during the self-assessment, during 2020 targeted induction initiatives will be implemented, according to the requirements identified in that sense and as outlined in more detail in point 4.3.3 below dedicated to the Self-Assessment of the Board of Directors.

4.3 ROLE OF THE BOARD OF DIRECTORS (PURSUANT TO ART. 123(2), PARAGRAPH 2, LETTER D) OF THE CONSOLIDATED FINANCE LAW)

4.3.1 Duties

In conformity with existing regulations aimed at companies with shares listed on regulated markets and in compliance with the recommendations of the Corporate Governance Code, the Board of Directors covers a central role in the Company's governance model.

In that regard, Art. 17 of the Articles of Association envisages that the Board of Directors is vested with full powers for the ordinary and extraordinary management of the Company, except for those powers reserved to the Shareholders' Meeting by law and by the Articles of Association, and it has the right to complete all acts that it deems appropriate to perform the activities constituting the corporate purpose and instrumental to the same.

The following resolutions are under the exclusive remit of the Board of Directors:

- the appointment and revocation of the Managing Director as well as the Manager in Charge of preparing the corporate accounting documents;

- adjustments of the Articles of Association that become necessary to guarantee their conformity with the regulatory provisions applicable each time;
- the merger by incorporation of companies in the cases envisaged by Articles 2505 and 2505(2) of the Civil Code;
- the demerger in the cases envisaged by Art. 2506(3) of the Civil Code;
- the reduction of the capital in the case of shareholder withdrawal;
- the indication of which persons, in addition to those indicated in the articles of association, are entitled to represent the Company;
- the opening or closure - in Italy or abroad - of secondary headquarters with permanent representation;
- the transfer of the registered office within the national territory.

The Board of Directors, also by way of the Board Committees for the respective areas of activity, has, over time, assessed and overseen, insofar as it is responsible, the adequacy of the organisational, administrative and accounting structure, with particular reference to the internal control and risk management system; that activity is implemented by way of the competent company functions, which have duly reported in that regard to the Board of Directors.

In relation to the assessment of the adequacy of the organisational, administrative and accounting structure, with particular reference to the internal control and risk management system (Application Criterion 1.C.1., letter c), the initiative, although completed for national companies, will be completed during the year 2020, with reference to the new perimeter of the Group, including also the foreign controlled companies, after the conclusion of the Group reorganisation process.

In accordance with the Corporate Governance Code, coherently with the provisions at statutory level and in its Regulation, the Board of Directors, inter alia:

- a) defines the nature and risk level compatible with the strategic objectives of the Company, including in its assessments all risks that may become significant in the perspective of medium-long term sustainability of its activity;
- b) assesses the adequacy of the organisational, administrative and accounting structure of the Company and of the subsidiaries with strategic significance, with particular reference to the internal control and risk management system;
- c) resolves on the strategic guidelines of the Company and continuously verifies their implementation;
- d) verifies, inter alia, the coherence of the remuneration and incentive systems with the business objectives and values, in order to attract, retain and motivate people having the professional qualities required to manage the company itself successfully;
- e) appoints and revokes, having liaised with the Board of Auditors, the head of the Internal Audit function, the head of AML and the Manager in Charge;
- f) appoints and revokes the Head of the Internal Controls Department - along with the heads of structures reporting directly to the Managing Director -, the Data Protection Officer, as well

as the Supervisory Body in accordance with Italian Legislative Decree 231/01 and, for the latter, establishing its fee;

(g) in relation to ICT approves:

- (i) the development strategies of the information system and the relevant model for the system architecture;
- (ii) the IT security policy;
- (iii) the organisational and methodological framework of reference for the ICT risk analysis;
- (iv) the company documents provided by the regulations for the management and control of the information system; the Board of Directors is informed, at least on an annual basis, of the adequacy of the services provided and the support of those services to the evolution of business operations in relation to the costs incurred and, promptly, in the case of severe problems for the company activity deriving from incidents and malfunctioning of the information system;

(h) defines the criteria for identifying the most significant operations to be submitted for prior approval by the Risks and Transactions with Related Parties Committee, and resolves on transactions with related parties in accordance with the procedures adopted in that sense;

4.3.2 Meetings and functioning

During 2019, the Board of Directors held 17 meetings, each with average duration of about 2 hours. With reference to the percentage of attendance of each director, see Table 2, at the foot of this Report. For the 2020 financial year, 12 meetings are planned, 4 of which have already been held at the date of this Report.

The planning of the items on the agenda of the various meetings of the Board of Directors is the responsibility of the Chairman. The Chairman also ensures that, during the meetings, the Board of Directors dedicates the necessary time to the matters to be discussed and stimulates the directors to provide their precious contributions, functional to a constructive debate.

The Articles of Association state, at Art. 16, that the Board of Directors is convened, even by means of telecommunication, at the registered office of the Company or elsewhere, both in Italy and abroad, at intervals usually not exceeding three months and, in any case, every time the Chairman deems it necessary or a request is made by the Managing Director or by at least two directors.

The Board of Directors may also be convened at the initiative of the Board of Auditors.

Again in accordance with Art. 16, paragraph 4 of the Articles of Association, in the absence of convocation, the Board of Directors is validly constituted when the majority of the Directors and Auditors in office are in attendance, including in any case the director appointed from the minority list, and all those entitled have been informed in advance of the meeting.

The Articles of Association also allow for the attendees at the meeting of the Board of Directors to attend remotely, using telecommunication systems (including audio/video links), provided that each of the attendees can be identified by all the others and that each is able to intervene in real time in the discussion of the matters examined, as well as to receive, send and read documents.

In line with the provisions introduced by the Regulation of the Board of Directors – approved in the updated version on 18 December 2019 – the notice of convocation must be sent to all Directors and to the Statutory Auditors, at least 3 (three) days before the date fixed for the meeting. In case of urgency, the Board may be convened 24 (twenty-four) hours before the meeting.

In order to allow for an adequately informed and aware participation by all directors and thereby to allow the same to express their informed opinions on the matters being resolved, the Regulation of the Board of Directors requires the notice of convocation to contain the agenda of the items under discussion, and the appropriate supporting documentation and related necessary information to be made available to the Directors and Auditors at least 2 days before the board meeting, or in the case of an urgent convocation, at least the day before that meeting.

In that regard, it is specified that, as regards the Financial Year and in conformity with Application Criterion 1.C.5 of the Corporate Governance Code, the Chairman of the Board of Directors acts as the diligent party not only in ensuring that the documentation relating to the various items on the agenda of the various board meetings is available to all directors and auditors in respect of the timescales indicated above but that that documentation, on many occasions, is made available even further in advance.

The Chairman of the Board of Directors, in accordance with Art. 16 of the Articles of Association, may invite personnel of the Company and/or the Group, or third parties, to attend at meetings of the Board, if this may be of assistance in discussing the items on the agenda. In that regard, for the Financial Year, there was, at the invitation of the Managing Director or the Chairman, effective participation of managers of the Company at the meetings of the Board of Directors, on individual matters on the agenda (Application Criterion 1.C.6 of the Corporate Governance Code).

4.3.3 Self-assessment

From the findings of the previous Self-assessment of 2018, there were no open or pending corrective actions other than the definition of the Succession Plan of the Company with reference to the Key Resources, a matter that may be adequately dealt with during 2020, after the reorganisation post-integration of the Spanish company Altamira.

The self-assessment process for the year 2019 of the Board of Directors was conducted in conformity with the Application Criteria of the Corporate Governance Code, as well as in respect of the “Regulation of the Board of Directors’ self-assessment process” approved on 7 November 2018. The self-assessment process, conducted without using external consultants and with the support of the Appointments Committee, took as a reference the period of time between 25 January 2019 (date on which the co-opting of a director took place, subsequently confirmed in the role by the Shareholders’ Meeting of 5 March 2019) and on 18 November 2019 (completion date of the collection of questionnaires). The examined timeframe is significant as it gave the opportunity to examine the functioning of the Management Body in its current composition.

That process was conducted with the involvement and support of the Legal and Corporate Affairs Function, together with internal Personnel of the Company identified by the Chairman of the Board of Directors at the agreed proposal of the Appointments Committee.

More specifically, the self-assessment phase was split into: (i) an investigation phase, gathering information through the completion of questionnaires; (ii) a development and preparation phase of the outcomes of the assessment, identifying the strengths and weaknesses ascertained; (iii) a preparation phase of the summary document of the outcomes of the process, which ended with the collegial discussion of the same, during the board meeting on 18 December 2019.

The self-assessment process revealed that:

- The Board Directors guarantee constant personal commitment, in terms of time and physical presence, in the discussion of complex and demanding activities of the Company.
- The set of Directors contributes to making up a well-structured collegial body in terms of skills and technical expertise, suitable to guarantee the understanding, management and planning of the Company's activities as well as to oversee the main risks.
- The functioning of the Board of Directors, as well as the Board Committees, is, essentially, correct and effective, although there are some areas in which improvement interventions are desirable.
- The preparation of the minutes of the Board (as well as those of the Committees) deals with the foregoing and highlights promptly the decisions made by the Body as well as the periods of discussion and internal dialectics within the Board and the Board Committees.
- The Board and the Board Committees demonstrate as a whole substantial awareness of their duties, as a synthesis of the role responsibly covered by each Representative.

The process revealed some profiles which may be improved, subject to specific and targeted actions already decided by the Board itself and which will be implemented during the year 2020.

In particular, the Board:

- (i) planned to implement specific "*induction*" initiatives in favour of the Directors.
- (ii) planned to address by the end of 2020 the Succession Plan of the Company with reference to the "Key Resources".
- (iii) planned to improve the management of the timescale of board meetings, facilitating the optimisation of the debate and graduating the extension of the discussion based upon the significance of the items on the agenda; in this perspective, possible pre-board meetings will be incentivised, so as to complete an informal preliminary investigation of the main issues that will then be discussed during the board;
- (iv) in line with the provisions of the above point, planned to dedicate to the discussion on management of the business risks sufficient time to allow the Directors even other than the members of the Risks Committee to have a clear and comprehensive representation of the issue addressed.

In addition, for any consideration in relation to the optimal qualitative and quantitative composition of the Board of Directors and the Committees which is deemed useful for the future mandates, the Board, when approaching its expiry, may offer to the shareholders guidelines, suggestions and useful indications, so that the lists of candidates, submitted for the appointment of the company's new management body, are adequate to the responsibilities that the respective members will assume, even possibly within the Board Committees.

4.3.4 Competing activities

The Shareholders' Meeting has not authorised derogations from the prohibition on competition ratified by Art. 2390 of the Civil Code.

4.4 DELEGATED BODIES

Managing Director

In accordance with Art. 15 of the Articles of Association, the Board of Directors may appoint a Managing Director, determining his powers.

In that sense, the doValue Board of Directors - appointed on 19 April 2018 by the Shareholders' Meeting - confirmed, on the same date, Mr Andrea Mangoni as Managing Director of the Company and delegated to the same (in accordance with Art. 15 of the Articles of Association) the completion of a precise list of categories of acts of management, without thereby depriving itself of any of its prerogatives.

The categories of acts, whose completion was delegated to Mr Andrea Mangoni, (the list of which is recorded at the Companies Register of Verona, at which the respective resolution was filed and registered and to which express reference is made) are determined analytically and broken down with clarity and precision, also in the indication of the quantitative limits and limits on value and any methods of exercise; this also allows the Board of Directors to assess exactly and verify precisely the correct fulfilment as well as the possible exercise of its management powers and right of retention. The Managing Director's powers in any case exclude the operations reserved by law and/or by regulations to the remit of the Board of Directors.

The Managing Director is therefore directly responsible for managing the Company. In relation to him, as recorded by the due checks performed, the situation of *interlocking directorate* is not in place. The Managing Director is attributed management duties, namely the implementation of the guidelines resolved by the Board of Directors.

The Managing Director, in summary:

- ✓ supervises the company and Group management - in conformity with the general, planning and strategic guidelines determined by the competent corporate bodies - promoting the unitary nature of business management and the management and coordination activity of the Group;
- ✓ manages and coordinates the activity of the operating structures having strategic relevance and control functions, in respect of the resolutions of the Board of Directors;
- ✓ exercises every right attributed to him in respect of the law and the internal regulations in force each time as well as contracts with principals;
- ✓ assumes decisions and initiatives in respect of the annual budget of expenditure approved by the Company's Board of Directors and, in any case, in respect of the delegated powers;
- ✓ defines the operational and executive structure of the Company and ensures that the organisational, administrative, accounting aspects as well as the overall system of internal controls are adequate to the nature and dimensions of the Company itself;

- ✓ supervises the functionality of the internal control and risk management system, from the start of trading of the Company shares on the MTA.

This is without prejudice to the attribution to the Managing Director of the legal representation of the Company, in accordance with the Articles of Association.

The Managing Director also exercises every other power attributed to him by the Board of Directors. The Managing Director performs, on a quarterly basis - or more frequently, in the case of specific requirements - reporting activity, with aggregated data, to the Board of Directors, concerning the decisions and initiatives taken in relation to the powers granted by the Board of Directors itself. Specific reporting, on a quarterly basis, is made on any intergroup transactions or transactions with related parties resolved - as defined by the provisions in force each time - or atypical or unusual transactions with respect to normal business management.

Chairman of the Board of Directors

In accordance with Art. 14 of the Articles of Association, the Board of Directors elects from its members a Chairman, for three financial years, subject to the shorter duration established by the Shareholders' Meeting.

The Board of Directors, appointed on 19 April 2018 by the Shareholders' Meeting, confirmed by a decision on the same date the Ambassador Giovanni Castellaneta as Chairman of the Board of Directors of doValue.

Art. 10 of the Articles of Association establishes that it is the duty of the Chairman of the Board of Directors to chair the Shareholders' Meeting, as well as to regulate the Shareholders' Meeting works in conformity with the criteria and methods established by the regulations in force and by the Shareholders' Meeting regulation.

The Chairman of the Board of Directors has not received management delegations and, as a consequence, does not cover any executive role. Similarly, he does not cover a specific role in developing the business strategies.

The Chairman does not hold, neither directly nor indirectly, significant investments in the Company capital.

Board Reporting

Art. 15 of the Articles of Association requires the Managing Director to report to the Board of Directors and to the Board of Auditors, at least on a quarterly basis and by the methods established by the Board of Directors itself, on the conduct of his activity, in conformity with the rules of law.

It follows that the decisions made by the Managing Director must be brought to the attention of the Board according to the methods and frequency, at least quarterly, identified by the Board itself.

In particular, the Managing Director must report on the general management performance and on its outlook, as well as on the most significant economic, financial and capital operations implemented by the Company and by its subsidiaries to the Board of Directors and to the Board of Auditors at least every three months.

In addition, in conformity with the provisions outlined in the Group Governance model (i.e. Policy on Information Flows, Regulation of Internal Control System; etc...), the circulation of information

between the corporate bodies and within the same is an essential condition to achieve the objectives of efficient business management and effectiveness of the controls.

In that regard, the Managing Director reported to the Board of Directors and to the Board of Auditors on the activity performed in the exercise of the delegations granted to them, in respect of the deadlines indicated above.

4.5 OTHER EXECUTIVE DIRECTORS

In addition to the Managing Director, at the approval date of this Report, there are no other Directors equipped with management delegations directly granted by the Board of Directors.

There are no additional cases, in addition, of Directors to be considered executive in accordance with Application Criterion 2.C.1 of the Corporate Governance Code.

4.6 INDEPENDENT DIRECTORS

At the approval date of this Report, 3 independent directors form part of the Board of Directors, identified in accordance with Art. 3 of the Corporate Governance Code.

As represented in paragraph 4.2 above, during the meeting held on 12 March 2019, in conformity with Principle 3.P.2 of the Corporate Governance Code, the Board implemented the annual check of the requirement of independence for the directors, according to the application criteria envisaged by the Corporate Governance Code..

From the examination performed, the outcomes of the verification already performed by the Board on 10 May 2018 are confirmed, based upon which:

- the following Directors are independent - in accordance with both Art. 148 of the Consolidated Finance Law and Art. 3 of the Corporate Governance Code: Nunzio Guglielmino, Giovanni Lo Storto and Giovanni Battista Dagnino;
- the Chairman of the Board of Directors Giovanni Castellaneta is an independent Director in accordance with Art. 148 of the Consolidated Finance Law but not in accordance with Art. 3 of the Corporate Governance Code;
- the following are not independent Directors - neither in accordance with Art. 148 of the Consolidated Finance Law nor in accordance with Art. 3 of the Corporate Governance Code - the Managing Director Andrea Mangoni and the Directors Francesco Colasanti, Emanuela Da Rin, Marella Idi Maria Villa⁶ and Giuseppe Ranieri.

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

In that regard, the outcome of the checks performed was published in the annual report to the Shareholders' Meeting held on 17 April 2019, which was published together with the financial statements of the Financial Year, in respect of the legal methods and timescales.

In conformity with Application Criterion 3.C.6 of the Corporate Governance Code, the independent Directors met on several occasions, in different contexts from meetings of the Board Committees, in

autonomy, to assess serenely and objectively the contribution made by the same to the works of the Board.

4.7 LEAD INDEPENDENT DIRECTOR

As none of the presuppositions identified by the Corporate Governance Code (Application Criterion 2.C.4) are in place, the Board of Directors has not appointed any Independent Director as *lead independent director*.

5.0 TREATMENT OF CORPORATE INFORMATION

The existing regulatory system (Consolidated Finance Law; M.A.R. and Implementing Regulation; Consob Issuers' Regulation), and the recommendations of the Corporate Governance Code (criterion 1.C.1, letter j) impose upon the Directors and Auditors of listed companies a precise functional obligation to keep confidential the documents and information that the same may acquire in the conduct of the respective duties.

In conformity with those provisions, therefore, the Board of Directors – at the initiative and proposal of the Managing Director - has identified and defined the processes and procedures for internal management, as well as the related external communication, of information and documents concerning the Company, also with reference to inside information.

Management of Inside Information

doValue, on the occasion of filing the Listing application in 2017, adopted the internal policy for the management of inside information and established the Insider List in accordance with the MAR and the other relevant regulations applicable each time.

That policy was updated during 2019 to incorporate the Consob guidelines on “Management of Inside Information” no. 1 dated 13 October 2017 as well as the principles indicated in Italian Legislative Decree no. 107 dated 10.08.2018, which modified the Consolidated Finance Law in the part relating to public disclosure and to Consob as well as the sanction system.

The new “doValue Group Policy for the internal management and external communication of Inside Information and for the keeping of Lists” (the “Policy”) approved by the Board of Directors on 11 February 2019, was subsequently updated with the resolution of the Managing Director on 09.08.2019, and is available on the website of the Company in the Governance section.

The Policy illustrates in particular (i) the process of identification, management and processing of Relevant Information and Inside Information (as defined below) regarding the Company, and (ii) the procedures to be observed for the communication, both internally and externally to the company, of documents and information regarding doValue and its subsidiaries, considered as Inside Information; (iii) imparts, in accordance with Article 114, paragraph 2 of the Consolidated Finance Law, the necessary provisions so that the subsidiaries of doValue provide promptly all information necessary to fulfil the reporting obligations envisaged by law.

The correct dissemination of inside information thus protects the market and investors, guaranteeing

to the same adequate knowledge of the affairs concerning the issuer, on which to base their investment decisions.

The rationale of the obligation to disseminate inside information in conformity with pre-established methods is aimed at avoiding:

- abuse or attempted abuse of inside information;
- recommending or inducing others to abuse inside information; or
- communicating to others inside information outside the normal exercise of the job, profession, function or office, preventing other entities or categories of entities from using information not known by the public to complete speculative operations on the markets to the detriment of investors, who are unaware of that information.

The Insider List is kept by the Compliance & DPO OU within the Legal & Corporate Affairs Function, in electronic format in compliance with the models indicated in the Implementing Regulation in order to guarantee at any time:

- the confidentiality of the information contained therein, ensuring that the list may only be accessed by clearly identified persons;
- the accuracy of the information contained therein;
- access to and retrieval of previous versions of the List.

During 2018, following the issuance by Consob of the Guidelines on the Management of Inside Information, doValue also established the Register of Relevant Information (RRI) deeming it appropriate to track the individual pieces of information that, at a later stage, may potentially assume inside nature, also envisaging their monitoring. At the same time, the mapping was carried out of the Relevant Information or the list of Types of Relevant Information as part of which or in relation to which it can reasonably be expected that specific Relevant Information and/or Inside Information will arise.

Internal Dealing

In conformity with the applicable regulatory provisions on market abuse cited above (Consolidated Finance Law; M.A.R. and Implementation Regulation; Consob Issuers' Regulation), the Board of Directors adopted the "Internal Dealing" policy (hereafter, the "ID Policy"), aimed at regulating the implementation of reporting obligations and conduct towards the Company and the market, relating to transactions completed, even by way of interposing person, on the Company shares and in financial instruments, as well as connected financial instruments made by persons that perform administrative, control or management functions and/or relevant entities and/or by persons closely linked to them.

The ID Policy was updated following the debanking during 2019. The updated document, approved by the Board of Directors on 03/10/2019, is available on the Company website in the section "Governance".

The ID Policy regulations, with mandatory effectiveness, the reporting obligations and conduct towards the Company and the market, relating to Relevant Transactions (as defined below) carried out, even by interposing person, by the MAR Relevant Entities and/or by the IR Relevant Entities

and/or by Persons Closely Related to them, identified in absolute adherence to the provisions of the MAR Regulation and the Consob Issuers' Regulation.

The ID Policy also establishes that "Relevant Transactions" are all transactions concerning the Shares and/or derivative instruments and/or other financial instruments related to them, completed on their own behalf, even by interposing person, by the MAR Relevant Entities by Persons Closely Related to them (as provided by the regulations and incorporated in the Policy).

the Company, by way of the Manager in Charge, prepares a list of the MAR Relevant Entities, the IR Relevant Entities and the Persons Closely Related (the "Internal Dealing List"), checking on an annual basis the need to make modifications, rectifications and/or additions to that List.

The ID Policy also illustrates the sanctions and specifies that, in addition to the sanctions provided by the provisions of law and regulations in force on abuse of privileged information and internal dealing, in the event of a violation of the provisions of the Policy, doValue will, in relation to those responsible, adopt the measures provided by the applicable regulation. In addition, the ID Policy notes that the violation of the provisions contained therein may constitute serious damage, also in terms of image, with major consequences on the economic-financial level. The ID Policy also specifies that, if the violation is committed by an employee, this may constitute a disciplinary offence and, in the most serious cases, may give rise to dismissal.

6.0 COMMITTEES INTERNAL TO THE BOARD (pursuant to Art. 123(2), paragraph 2, letter d) of the Consolidated Finance Law)

Art. 21 of the Articles of Association attributes to the Board of Directors the right to establish committees within it, determining the number of their members.

In conformity with the provisions of the Corporate Governance Code, at the approval date of this Report, three Board Committees are established with proactive, advisory and coordination functions:

- ✓ the Appointments Committee;
- ✓ the Remuneration Committee;
- ✓ the Risks and Transactions with Related Parties Committee.

The Board of Directors, in establishing the three Board Committees, took account of its composition as well as the number and availability of the independent and non-executive Directors; it therefore opted for a composition of the Board Committees formed by members, mostly independent, from which the Chairman is chosen.

All Board Committees in office at the date of this Report are constituted by at least three non-executive directors, mostly independent; from the latter, the respective Chairmen were chosen. The members of the Board Committees are in possession of the expertise and experience required to manage the duties and roles attributed to those committees.

Each of the Board Committees has its own Regulation on functioning which includes, inter alia, provisions regulating mechanisms of coordination and mutual information between the various corporate bodies.

Minutes are duly taken of the meetings of all Board Committees and the respective Chairmen give information thereof at the next meeting of the Board of Directors, during which they illustrate the opinions expressed in support of the assessments of the Board itself (Application Criterion 4.C.1,

letter d) of the Corporate Governance Code). The members of the Board Committees are given the right to access all information that, in the opinion of their members, is deemed necessary for the conduct of their duties (Application Criterion 4.C.1, letter e) of the Corporate Governance Code). The Board Committees may make use of external consultants, whose cost is incurred by the Company, within the limits of the budget approved by the Board of Directors.

7.0 APPOINTMENTS COMMITTEE

In conformity with the Corporate Governance Code, during 2019 the composition of the Appointments Committee was the following:

- Giovanni Lo Storto – Chairman (Independent);
- Giovanni Battista Dagnino - Member (Independent);
- Giovanni Castellaneta - Member.

The Appointments Committee is regulated by a specific Regulation - updated following the approval of the Board of Directors at the proposal of the Committee itself on 7 November 2019 - as a result of the implementation of the *debanking* project finalised on 21 June 2019 - published on the doValue internet website, at the page <https://www.doValue.it/it/governance/comitati-endoconsiliari> - which determines its duties and regulates its functioning. The Appointments Committee has specific and adequate resources - quantified in the Financial Year at Euro 10,000.00 - for the conduct of its functions as well as being able to make use of external experts, involving, where necessary, the competent company functions.

The Appointments Committee, in the fulfilment of its functions as a proactive body:

- participates in defining, ex ante, the quali-quantitative composition of the Board of Directors considered optimal in relation to the governance objectives identified by the industry regulations. In that context, the Appointments Committee (a) formulates opinions to the Board of Directors in relation to the dimension and composition of the same; (b) expresses recommendations in relation to the professional figures whose presence within the Board of Directors is deemed appropriate by virtue of the characteristics of professionalism and any independence of each candidate; (c) expresses recommendations, in accordance with the Corporate Governance Code, in relation to the maximum number of assignments as director or auditor in other companies listed on regulated markets (even foreign), in financial, banking, insurance companies or those of significant dimensions that may be considered compatible with the effective conduct of the assignment as director of the Company, considering the participation of the directors on Board Committees. To that end, it identifies general criteria differentiated based upon the commitment connected to each role (of executive, non-executive or independent director), also in relation to the nature and dimensions of the companies in which the assignments are covered as well as any membership of the Company's group;
- supports the Board of Directors in assessing on the merits any problematic circumstances relating to the appointments of directors occurring by virtue of the authorisation - general and preventive - by the Shareholders' Meeting of the Company to derogate the competition prohibition provided by Article 2390 of the Italian Civil Code;
- proposes to the Board of Directors candidates to the role of director in the cases of co-opting, where necessary to replace independent directors;

- is asked to express its opinion on the suitability of candidates who, based upon the analysis carried out preventively, the Board of Directors has identified to cover the roles;
- supports the Board of Directors in the presentation of the list of candidates to be submitted to the Shareholders' Meeting if the Board decides to invoke the right envisaged by Art. 13 paragraph 6 of the Articles of Association;
- formulates opinions to the Board of Directors in relation to resolutions concerning any replacement of the members of the Board Committees that become necessary during the time in office of the Appointments Committee;
- with reference to the need to ensure an adequate level of diversification in the collective composition of the Board of Directors, fixes a target in terms of share of the least represented gender and prepares a plan to increase this share up to the fixed target;
- assists the Board of Directors in the annual self-assessment process of the corporate bodies;
- provides to the Board of Directors its support in the ex post assessment of the coherence between the effective composition and that defined ex ante as optimal as well as in verifying the existence of the regulatory and statutory requirements required for directors and auditors;
- supports the Board of Directors in defining succession plans in the senior positions of the executive as provided by Article 5.C.2 of the Corporate Governance Code.

In carrying out its tasks, the Committee takes account of the objective of ensuring that the decision-making processes of the Board of Directors are not dominated by a single entity or by groups of entities which might cause prejudice to the Company.

The Committee identifies the information flows which must be sent to it for the proper performance of its functions and may access relevant company information for the purposes of carrying out these functions. The Committee is also equipped with sufficient financial resources to guarantee its operational independence and can employ external experts.

As regards the internal control system, the Committee also collaborates with the Risk and Transactions with Related Parties Committee in order to identify the managers of the Internal Audit and Anti-Money Laundering functions who will be appointed by the Board of Directors, having consulted the Company's Board of Auditors. During the 2019 financial year, the Appointments Committee met 6 times; the average duration of the meetings, all duly recorded, was approximately one hour.

During 2019, the Appointments Committee performed the activity under its remit and collaborated with the Board of Directors; at the invitation of the Chairman, some managers of the Company participated at the meetings, in relation to the discussion of specific items on the agenda. All members of the Board of Auditors took part in the meetings and works of the Appointments Committee.

In particular, the Appointments Committee supported the Board of Directors in relation to the following main matters:

- motivated opinion issued on the occasion of the co-opting of a Director in order to re-constitute the Board in its optimal composition, as defined by the Shareholders' Meeting, and in respect of the criterion of diversity, also of gender, in the composition of the board of directors, aimed at guaranteeing adequate expertise and professionalism of its members, as indicated in point 2.P.4 of the Corporate Governance Code;
- legislative and regulatory checks on the Director appointed by the Shareholders' Meeting;

- update on any situations changing the Requirements of independence, integrity and accumulation of assignments of the Directors and Auditors in view of the approval of the 2018 Financial Statements;
- motivated opinion issued to the Board of Directors preparatory to the resolution of appointment of a member of the Risks and Transactions with Connected Persons Committee (now Risks and Transactions with Related Parties Committee);
- opinion issued for the appointment (i) of the Head of the Internal Controls Department of the Group, (ii) of the Head of Internal Audit of the Group and (iii) of the Head of Anti-Money Laundering, in relation to the new governance of the internal controls of the Group consequent to the revocation of the banking licence;
- verification of the text proposed for the update of the "Regulation of the Self-Assessment Process of the Board of Directors and the Board Committees" containing some proposals of modification and adaptation formulated in light of the articulated process of company transformation concluding with obtaining the revocation of the banking licence, and in coherence with the provisions of the Corporate Governance Code for listed Companies adopted by Borsa Italiana;
- assessment of the "Report relating to the outcome of the Self- Assessment of the Board of Directors of doValue S.p.A." carried out for the 2019 financial year. That Process had, as its main objective, the verification of the methods of functioning of the Management Body as a whole and the contribution that the individual Directors, together with the board committees, made to its works.

The Appointments Committee defined the schedule of its meetings for 2020 planning no. 12 meetings (one already held), planning to meet, in principle, even up to two days in advance of that fixed for the board meetings or on the same day, at an earlier time.

8.0 REMUNERATION COMMITTEE

In conformity with the provisions laid down by the Corporate Governance Code, during the whole of 2019 the composition of the Remuneration Committee was the following:

- Nunzio Guglielmino – Chairman (Independent);
- Giovanni Lo Storto - Member (Independent).
- Francesco Colasanti - Member.

The Committee is regulated by a specific Regulation - updated following the approval of the Board of Directors at the proposal of the Committee itself on 7 November 2019 - as a consequence of the implementation of the *debanking* project finalised on 21 June 2019 - published on the doValue internet website, at the page <https://www.doValue.it/it/governance/comitati-endoconsiliari> - which determines its duties and regulates its functioning. The Remuneration Committee has specific and adequate resources - quantified in the Financial Year at Euro 10,000.00 - for the conduct of its functions and it may make use of external experts and involve, if necessary, the competent company functions.

However, in adhesion to Application Criterion 6.C.6 of the Corporate Governance Code, Art. of the

cited Regulation provides that no member of the Remuneration Committee may participate at meetings regarding the determination of the proposal on the remuneration due to him by virtue of specific assignments. The Remuneration Committee, in fulfilling its functions as a proactive body:

- a) presents proposals or expresses opinions to the Board of Directors relating to the definition of the policy for the remuneration of the directors and Key Function Holders, therein including policies that include any remuneration plans based upon shares, with a view to defining a policy able to attract, retain and motivate persons having the professional qualities required to successfully manage the Company; it also monitors the decisions adopted in that regard by the Board of Directors;
- b) in relation to the remuneration of executive directors and other directors who cover particular roles, presents proposals or expresses opinions to the Board of Directors in relation to establishing the performance targets related to the variable component of that remuneration; it also monitors the decisions adopted in that regard by the Board of Directors;
- c) assesses periodically the adequacy, overall coherence and concrete application of the remuneration policy of the directors and Key Function Holders, also using information provided by the Managing Director of the Company; makes to the Board of Directors proposals in that regard;
- d) directly oversees the correct application of the rules relating to the remuneration of managers of the company functions with specific duties in relation to internal control and risk management, in close collaboration with the Company's Board of Auditors;
- e) deals with preparing the documentation to be submitted to the Board of Directors for the respective decisions (therein including the remuneration report in accordance with Article 123(3) of Italian Legislative Decree dated 24 February 1998, no. 58 (Consolidated Finance Law), in respect of the timescales envisaged for its presentation to the Company's Shareholders' Meeting);
- f) contributes, involving the competent company functions, to the definition of the remuneration and incentive policies of the Company and of its subsidiaries - and Associates, where applicable - and with their periodic assessment;
- g) expresses, also using information received from the competent Company Functions, an opinion on the achievement of the performance targets to which the incentive plans are linked and on the assessment of the other conditions imposed for the payment of remuneration;
- h) provides adequate feedback on the activity performed to the company bodies and to the Shareholders' Meeting.

During the 2019 financial year, the Remuneration Committee met 7 times; the average duration of the meetings, all duly recorded, was approximately 1 hour and 30 minutes.

During 2019 the Remuneration Committee carried out the activity under its remit and collaborated with the Board of Directors; the meetings are attended, with advisory function, by the chairman of the Board of Auditors or a statutory auditor appointed by it; in addition, at the invitation of the chairman of the Committee, the meeting may be attended, for advisory/informative purposes, by persons who are not

members of it, including other members of the Board of Directors or of the structure of the Company, with reference to individual items on the agenda. The Committee may also invite to the meetings, again with advisory/informative functions, even external persons, who are subject to the confidentiality obligations.

More specifically, the Remuneration Committee assessed and expressed an opinion, in support of the

Board of Directors, in relation to the following main issues:

- definition of the Perimeter of Key Personnel of the Group for 2019; process adopted and outlines of the analysis;
- definition of the operating procedure to identify the figures attributable to the classification of Key Function Holders (KFH);
- organisational modification of a first reporting structure following the voluntary resignation of a resource;
- 2019 Remuneration Policy (2019 Policy and 2018 implementation/review);
- 2019 Incentive Plan based upon financial instruments;
- Severance pay policy.
- revision of 2019 Remuneration Policy based upon stock instruments;
- 2019 Incentive System: assessment of proposal relating to the selection of further Resources to whom to attribute a variable component higher than 100%;
- opinion on flexibility to be introduced to the 2019 remuneration policy after the debanking process;
- opinion on the Regulation on remuneration based upon stock instruments intended for Key Function Holders and Additional Selected Resources (2019 Stock Based Incentive Plan).

The Remuneration Committee has defined the schedule of its meetings for the year 2020 planning no. 12 meetings, (4 of which already held), planning to meet, in principle, even up to two days in advance of that fixed for the board meetings or on the same day, at an earlier time than the board meeting.

9.0 REMUNERATION OF DIRECTORS (Directors' indemnity in the case of resignation, dismissal or termination of the relationship following a public takeover bid (pursuant to Art. 123(2), paragraph 1, letter i) of the Consolidated Finance Law)

Article 20 of the Articles of Association provides that the Directors are entitled, in addition to the reimbursement of expenses incurred for the exercise of their functions, to an annual fee, in a fixed and/or variable amount, which is resolved by the ordinary Shareholders' Meeting and which remains unchanged until a new resolution by the same; the Board itself establishes the method of dividing the fee between its members.

In addition, if the Shareholders' Meeting has not done so, the Board may establish, in accordance with Art. 2389 of the Civil Code, having heard from the Board of Auditors, the remuneration of the directors invested with particular roles and those who make up the Board Committees, in any case in respect of the remuneration and incentive policies determined by the Shareholders' Meeting.

In conformity with the indications contained in Art. 6 of the Corporate Governance Code, Art. 6 of the Articles of Association establishes that the ordinary Shareholders' Meeting determines the remuneration of the bodies elected by it.

As part of the approval of the remuneration policies, the Shareholders' Meeting is also granted, at the proposal of the Board of Directors and in any case in respect of the conditions and limits provided by the regulatory provisions in force, the power to raise the limit to the incidence of variable

remuneration on fixed remuneration up to a maximum of 2:1. That right was exercised by the Shareholders' Meeting at the meeting on 21 June 2017 and was confirmed by the Shareholders' Meeting at the meetings on 19 April 2018 and 17 April 2019.

As regards the further information to be provided in this Report, see the relevant parts of the Remuneration Report published in accordance with Art. 123(3) of the Consolidated Finance Law.

10.0 CONTROL AND RISKS COMMITTEE

In conformity with the provisions of the Corporate Governance Code, doValue has established a control and risks committee entitled Risks and Transactions with Related Parties Committee (formerly Risks and Transactions with Connected Persons Committee) made up of non-executive directors, mostly independent. The name of the Committee was changed as, following the debanking, the references to the previous bank supervisory regulations were no longer in place, such as circular 285 and Art. 136 of the Consolidated Banking Law, with the reference to existing Consob provisions, on the other hand, remaining in place (regulation no. 17221).

During 2019, the composition of the Risks and Transactions with Related Parties Committee was the following:

- Giovanni Battista Dagnino - Chairman (Independent);
- Nunzio Guglielmino - Member (Independent);
- Giovanni Castellaneta – Member (who, from 25 January 2019, replaced the director Paola Bruno who resigned from 17 October 2018).

In the cases envisaged by the Consob “Regulation on Transactions with Related Parties”, as well as by the specific Group Policy, the Committee met in the minimum composition of 3 members, all independent, with the participation of the Independent Director Giovanni Lo Storto. The Committee is regulated by a specific Regulation - updated following the approval of the Board of Directors at the proposal of the Committee itself on 7 November 2019, as a consequence of the implementation of the *debanking* project finalised on 21 June 2019 - published on the doValue Internet Website at the page <https://www.doValue.it/it/governance/comitati-endoconsiliari> - which determines its duties and regulates its functioning. The Risks and Transactions with Related Parties Committee has specified and adequate resources - quantified in the Financial Year at Euro 10,000.00 - for the conduct of its functions and it may use external experts, involving, where necessary, the competent company functions.

The Risks and Transactions with Related Parties Committee, in fulfilling its functions as a proactive body, supports the Board of Directors in relation to the risks and internal control system, remuneration and incentives, conflicts of interest and transactions with related parties. In particular:

A) *RISKS AND INTERNAL CONTROLS SYSTEM*

In relation to the risks and internal controls system in conformity with the provisions of the Corporate Governance Code, the Committee:

- a) issues its favourable opinion in relation to the proposals regarding the appointment, revocation and, coherently with the company policies, the definition of the structure of fixed and variable remuneration of the Head of Internal Audit, as well as the adequacy of the resources assigned to the latter for the performance of its responsibilities;

- b) examines in advance the programmes of activity (including the audit plan) and the annual reports prepared at consolidated level by the Company Functions with specific duties in relation to internal control and risk management and addressed to the Board of Directors;
- c) expresses opinions to the Board of Directors on specific aspects relating to identifying the main company risks;
- d) assesses the correct use of the accounting principles for preparing the consolidated financial statements and the financial statements of the Company and to that end liaises with the Manager in Charge of preparing the accounting documents and with the Board of Auditors of the Company (the “**Board of Auditors**”);
- e) expresses its opinion to the Board of Directors with regard:
- to the definition of the guidelines of the internal control and risk management system, so that the main risks relating to the Company and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored, and the determination of the level of compatibility of those risks with business management coherent with the strategic objectives identified;
 - to the assessment, at least on an annual basis, of the adequacy of the internal control and risk management system with respect to the characteristics of the business and the risk profile assumed, as well as its effectiveness;
 - to the approval, at least on an annual basis, of the work plan prepared by the head of the Internal Audit function, having heard from the Board of Auditors and the director in charge of the internal control and risk management system;
 - to the description, within the corporate governance report, of the main characteristics of the internal control and risk management system, expressing its assessment on the adequacy of the same;
 - to the assessment, having heard from the Board of Auditors, of the results illustrated by the independent auditor in any letter of suggestions and in the report on fundamental issues emerging during the statutory audit;
 - to the appointment and revocation of the head of the Internal Audit and the head of AML who will be appointed by the Board of Directors having heard from the board of auditors of the Company (the “**Board of Auditors**”);
 - to the fact that the head of the Internal Audit function has adequate resources for the conduct of his responsibilities;
- f) assesses, together with the Manager in Charge of preparing the corporate accounting documents and having heard from the independent auditor and the Board of Auditors, the homogeneity of the accounting standards used for the purposes of preparing the consolidated financial statements;
- g) expresses opinions on specific aspects relating to the identification of the main business risks, including in its assessments all risks that may become significant in the perspective of medium to long-term sustainability;
- h) examines the periodic reports, concerning the assessment of the internal control and risk

management system, and those of particular relevance prepared by the Internal Audit function

- i) monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Audit function;
- j) requests from the Internal Audit function, where the need or opportunity arises, the conduct of checks on specific operational areas, simultaneously notifying the chairman of the Board of Auditors;
- k) reports to the Board of Directors, at least half-yearly, on the occasion of the approval of the annual and half-yearly report, on the activity performed as well as on the adequacy of the internal control and risk management system;
- l) supports with adequate preliminary activity the assessments and decisions of the Board of Directors on managing risks deriving from prejudicial events of which the Board of Directors has become aware;
- m) examines and supervises the reporting of non-financial nature pursuant to Italian Legislative Decree 254/2016 (the “Non-Financial Declaration”) of the Group, including the analysis of materiality and the respective stakeholder engagement, assessing its completeness and reliability, based upon the requirements of Italian Legislative Decree 254/2016; supports the assessments and decisions of the Board of Directors relating to the approval of the reporting on risks, generated or incurred, related to socio-environmental issues deriving from the business activities, from its services or commercial relationships, including the supply chains and subcontracting, as required by Italian Legislative Decree 254/2016.

B) REMUNERATION AND INCENTIVES

In that area, the Risks and Transactions with Related Parties Committee assesses and expresses opinions to the Board of Directors on the remuneration and incentives of the head of the Internal Audit function with a view to complying with the company policies.

C) CONFLICTS OF INTEREST AND TRANSACTIONS WITH RELATED PARTIES

In relation to transactions with related parties indicated in the Consob Transactions with related Parties Regulation, within the limits of the role attributed to the same by the relevant regulatory provisions, the Risks and Related Parties Committee supports the Board of Directors and, if envisaged by the internal regulation, the subsidiaries, for the related decisions to be made. Following the debanking, during 2019 the internal policy on the management of transactions with related parties has been updated in order to remove from it the mandatory references of the banking regulations on transactions with connected persons. The current Policy, approved by the Board of Directors on 13 February 2020 (already updated in November 2019 2020) is published on the Company’s website in the “Governance” section. In particular, among the functions provided by the Related Parties' Regulation, the Committee:

- a) issues preventive and motivated, as well as binding, opinions, for the purpose of the Board of Directors’ resolution, on the overall suitability of the internal procedures that regulate the identification and management of transactions with related parties implemented by the Company, or the Subsidiaries, as well as the subsequent updates, to achieve the objectives established by the Related Parties Regulation;

- b) issues preventive and motivated opinions, in the cases expressly provided, on the interest in completing the transaction with related parties implemented by the Company, or by the Subsidiaries, as well as on the convenience and substantial correctness of the respective conditions;
- c) in the cases expressly provided of transactions with related parties implemented by the Company, or by the Subsidiaries, the Risks and Transactions with Related Parties Committee is involved as early as in the phase of negotiations and in the preliminary phase through the receipt of a complete and prompt information flow, with the right to request information and to make observations to the delegated bodies and to the entities instructed to conduct the negotiations or preliminary investigation;
- d) if necessary, it expresses opinions based upon the information made available by the competent structure of the Company, on significant issues regarding the single perimeter of the Group of related parties.

The Committee must be guaranteed the constant monitoring of the transactions envisaged by the procedures for identifying and managing transactions with related parties also in order to allow the same to propose any corrective interventions.

The Managing Director of the Company may submit to the Committee issues or matters for which the preliminary investigation is deemed useful for the subsequent approval/information to the Board of Directors.

The Committee identifies the information flows which must be addressed to it in relation to risks (subject, format, frequency, etc) and may access relevant company information for the purposes of carrying out these functions.

The Risks and Transactions with Related Parties Committee during 2019 met 11 times, and the average duration of the meetings, all duly recorded, was about 2 hours.

During 2019, the Committee performed the activity under its remit and collaborated with the Board of Directors; at the invitation of the Chairman, some Company managers attended at the meetings, in relation to specific items on the agenda. The Chairman of the Board of Auditors and, on some occasions, all members of the Board of Auditors, normally took part in the meetings and works of the Risks and Transactions with Related Parties Committee.

More specifically, the Committee assessed and expressed its opinion, each time in coherence with the gradual implementation of the debanking process, and supported the Board of Directors in relation to the following main matters:

- relevant policies: Data Governance – IT Security – Businesses Continuity Management – Management of Inside Information - Anti-corruption – ICT Service Level Management – Incident Management and Data Breach – Management of Transactions with Related Parties of the doValue Group and transactions in Conflict of Interest - Acceptance of Risks of the doValue Group – Regulation on the Internal Controls System of the Group - Mapping of main policies and Regulations subject to abrogation or revision following the debanking, insofar as the Internal Controls System is responsible;
- quarterly reports on the outcomes of the monitoring of the action plans;
- audit reports with negative assessments issued during 2019 by the Internal Audit Function;
- half-yearly reports of the Data Protection Officer;

- monitoring of actions plans relating to the implementation of the GDPR;
- revision of Risk Appetite Statement of the doBank Group;
- Tableau de Bord of 2019 quarterly risks;
- quarterly summary reports on KORI;
- Business Continuity activities performed during 2018;
- examination of the Individual and Consolidated Draft Financial Statements at 31 December 2018, together with the Manager in Charge, having heard from the independent auditing company and the Board of Auditors, also with the aim of ascertaining the correct use of the accounting standards;
- acknowledgement of the Corporate Governance Report relating to the 2018 financial year, envisaged by the Corporate Governance Code for listed companies;
- quarterly Compliance & AML Risk Reports on the outcomes of the action plan monitoring;
- outcomes of the compliance risk assessment activity in relation to the regulatory scope of banking transparency;
- Annual Report on remuneration and incentive policies: 2019 bonus pool;
- process of identification of Key Personnel of the Group for 2019;
- process of identification of Key Function Holders of the Group for 2019;
- examination of transactions with characteristics of significance and/or with related parties;
- information flows on transactions with related parties implemented by the company and by the subsidiaries;
- annual report of the Risks and Transactions with Related Parties Committee.
- 2018 Internal Audit Annual Report and 2019 Audit Plan;
- Annual report of the AML function on the 2018 activities and Self-assessment report of money laundering and terrorist financing risks;
- Annual report of the Compliance Function on the activities of 2018, Compliance Plan for 2019 and Complaints Report relating to 2018;
- 2018 annual report of *Risk Management* and 2019 planning;
- 2018 annual report on controls on the important outsourced operating functions;
- 2018 annual report of the Company Control Functions on the checks performed on subsidiaries of the Group;
- examination of the updates made to the Regulations of the *Internal Audit* Function, AML and Data Protection Officer (DPO) of the doValue Group;
- update of the Regulation of the Risks and Transactions with Related Parties Committee;
- appointments and revocations of the Heads of company control functions;
- Operational Continuity Plan of the doValue Group and update of the Disaster Recovery plan;
- half-yearly reporting at the closure of the requirements envisaged by Circ. no. 285 Bank of Italy. Report of the Compliance and Anti-money laundering function and Monitoring of Compliance & AML findings;
- organisational impacts on doValue company control functions at the outcome of the revocation of the banking licence and restructuring of the Internal Controls System;

- AML activity post-debanking;
- De-Banking - Review of Risk Management Processes;

The Risks and Transactions with Related Parties Committee has defined the schedule of its meetings for the year 2020, planning no. 12 meetings, (4 of which have already been held), planning to meet, in principle, even up to two days in advance of that fixed for the board meetings or on the same day, at an earlier time than the meeting of the Board of Directors.

11.0 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Group, in line with the relevant regulations and best practices, has established an Internal Controls System aimed at constantly overseeing the main risks connected to the Group's activities, so as to be able to guarantee sound and prudent business management, coherent with the set objectives. The Group's Internal Controls System is based upon control bodies and functions, information flows and methods of involvement between the entities involved and governance mechanisms of the Group. In particular, the Group has structured its organisation model of internal controls pursuing the need to guarantee integration and coordination between those involved in the Internal Controls System, in respect of principles of integration, proportionality and cost-effectiveness.

In the first half of 2019 the structure of the internal controls system, as outlined in the previous Corporate Governance Report, underwent review activity aimed at reflecting the impacts deriving from the reorganisation project of the doValue group and the altered regulatory context of reference which was acknowledged in the introduction to this Report.

The essential elements of that project having an impact on the controls system of the Group are represented by:

- transformation of the banking Parent Company doValue into a credit management company authorised in accordance with Art. 115 TULPS;
- dissolution of the pre-existing banking Group;
- continuation of the subsidiary Italfondario, financial intermediary registered on the Register 106 of the Consolidated Banking Law, as recipient of the Supervisory regulations pursuant to Circ. 288 dated 3 April 2015 of the Bank of Italy.

Those elements guided the review activity of the structure of the internal controls system which materialised in the following main changes:

- redefinition of the Group's management, coordination and control model and of the role covered in that model by the Parent Company, by removing the structure mainly based upon the requirements of the Supervisory provisions of the Bank of Italy and its expression in the terms envisaged by the Civil Code for economic groups;
- introduction into the internal controls system of the newly-constituted "Internal Controls Department" (to which the Internal Audit and Anti-Money Laundering Functions report) with the role of guaranteeing coordination at unitary level of governance of the risks and continuously guaranteeing a summary assessment of its adequacy;

- review of the mission of the Internal Audit Function of the doValue Group. While the centralisation within that Function of the internal audit activities across the whole perimeter of the Group was confirmed, starting from the completion of the debanking process and with exclusive reference to the Parent Company and to non-supervised subsidiaries, that duty is supplemented by the execution of campaigns of periodic controls of compliance in the regulatory areas relevant for those *legal entities*;
- albeit as part of a centralised governance model of the regulatory framework aimed at preventing the phenomenon of money laundering, in line with the dictate of the IV Community Directive in that regard, attribution of the perimeter of operations of the Anti-Money Laundering Function of doValue to the Parent Company and to the non-supervised Subsidiaries, and establishment as part of the organisational structures of the subsidiaries Italfondionario and doValue Hellas of autonomous Anti-Money Laundering Functions;
- review of the perimeter of the Company Control Functions following the removal of the obligations indicated in Circular no. 285/2013 of the Bank of Italy. Therefore, the Company Control Functions are currently constituted by: (a) the Internal Audit Functions, Anti-Money Laundering and the Manager in Charge positioned in the Parent Company; (b) the Risk Management, Compliance and AML Function positioned in Italfondionario (in compliance with the contents of Circular no. 288/2015 of the Bank of Italy); and (c) the Anti-Money Laundering Function of doValue Hellas;
- review of the definition and perimeter of the other Company Functions involved in managing the internal controls system, in monitoring specific regulatory/risk areas, with the attribution to that perimeter of the O.U. Operational Risk Management and Compliance & DPO of the Parent Company;
- review and update of the information flows relating to the internal controls system, in order to make the model coherent with the new organisational structure of the Parent Company, as well as those to the Supervisory Authority to reflect the effects of the debanking.

Aside from the aforementioned organisational changes, the Internal Controls System continues to be structured as follows:

- the primary responsibility for the completeness, adequacy, functionality and reliability is deferred to the governance bodies and, in particular, to the Board of Directors, which are responsible for duties of strategic planning, management, assessment and monitoring of the overall Internal Controls System. In that area, in particular, the Managing Director also covers the role of Director instructed to monitor the functions of the internal control and risk management system, in accordance with the Corporate Governance Code. It is the duty, on the other hand, of the Board of Auditors to oversee the completeness, adequacy and functionality of the Internal Controls System, ascertaining the adequacy of the company functions involved, the correct conduct of the duties and adequate coordination of the same, as well as promoting any corrective interventions;

- the third level controls, entrusted to the Internal Audit function, are aimed at assessing periodically the completeness, functionality, adequacy and reliability in terms of efficiency and effectiveness of the Internal Controls System in relation to the nature and intensity of the risks of company requirements, also identifying any violations of the organisational measures adopted by the Group;
- the second level controls (i.e. Compliance & DPO, Operational Risk Management) are aimed at ensuring the correct implementation of the risk management process, verifying respect of the limits assigned to the various operating functions, checking the coherence of the operations of the individual production areas with the assigned risk-return objectives as well as guaranteeing the conformity of the business operations with the rules, including those of self-regulation;
- the first level controls are aimed at ensuring the correct conduct of the operations and are the responsibility of the company functions in charge of the business/operational activities which are asked, as part of daily operations, to identify, measure, monitor and mitigate risks deriving from the ordinary company activity in conformity with the risk management process and the applicable internal procedures.

Board of Directors and Risks and Transactions with Connected Persons Committee

The guidelines of the internal controls and risk management system are defined by the Parent Company's Board of Directors in coherence with the strategic guidelines and the risk appetite established by the same. In that way, the Board, in line with Application Criterion 7.C.1. letter a) of the Corporate Governance Code, ensures that the main risks are correctly identified, measured and monitored adequately, taking account of their evolution and interaction.

In that context, during the examination of the 2019-2021 business plan of the doValue Group, approved on 7 November 2019, the Parent Company's Board of Directors assessed its sustainability in the medium to long-term also in terms of coherence of the assumptions at the basis of its preparation with the nature and levels of risk defined as compatible with the strategic objectives of the Group, in conformity with Application Criterion 1.C.1, letter b of the Corporate Governance Code.

The Board of Directors performs the assessments and assumes the decisions in relation to the internal controls and risk management system obtaining support from the Risks and Transactions with Connected Persons Committee. In implementation of that prerogative, the Board of Directors of doValue, based also on the favourable opinion issued by the Risks and Transactions with Related Parties Committee, approved on 22 March 2019 the overall restructuring of the Group's controls system described above and, thereafter, on 7 November 2019 the Regulation of the Internal Controls System of the doValue Group which consolidated all organisational changes related to that restructuring.

As part of its duties, the Board of Directors approves the establishment of the company control functions, the respective duties and responsibilities, the methods of coordination and collaboration, the information flows between the same and between the latter and the company bodies, appointing them and revoking their respective managers, having heard from the Board of Auditors, at the proposal of the Risks and Transactions with Connected Persons Committee, which, in turn, obtains

the opinion of the Appointments Committee. The Board has also instructed the Managing Director to implement the guidelines defined by the same through the design, management and monitoring of the Internal Controls and risk management system. In that perspective, the Board guarantees that the company control functions are independent and may have access to all activities of the Group and to any information relevant to the fulfilment of its duties.

The Board of Directors verifies periodically that the organisational structure and the resources of the company control functions are qualitatively and quantitatively adequate and coherent with the strategic guidelines of the Group and defines any organisational and personnel adjustments of the Internal Audit function.

In coherence with Application Criterion 7.C.1 letter b) of the Corporate Governance Code, in order to assess annually the adequacy, effectiveness and efficiency of the Internal Controls and Risk Management System, the Board of Directors, with the support of the Risks and Transactions with Related Parties Committee, examines the reports of the heads of the company control functions and the information of the Manager in Charge of preparing the corporate accounting documents, in conformity with the accounting standards and the requirements of homogeneity dictated by the preparation of the consolidated financial statements, as well as any further information useful for monitoring the company risks produced by the competent structures and/or by the company instructed to perform the accounts audit. At the outcome of that analysis, the Board expresses its assessment, promoting the prompt adoption of suitable corrective measures where significant aspects of criticality emerge.

In the same context, the Board of Directors approves the guidelines of the Internal Audit function, overseeing their implementation and it approves annually, in line with Application Criterion 7.C.1. letter c) of the Corporate Governance Code, the audit plan, having heard from the Board of Auditors and the director in charge of the internal control and risk management system. In implementation of that prerogative, on 2 August 2019 the doValue Board of Directors, based also on the favourable opinion issued by the Risks and Transactions with Related Parties Committee, approved the review of the Regulation of the Internal Audit Function which incorporated its new organisational positioning reporting to the Internal Controls Department and the extension of the *mission* as outlined in the restructuring project of the Group's internal controls system.

Finally, the Board of Directors promotes the dissemination of a business culture of internal controls that enhances the company control functions, so that all company personnel are aware of the role attributed to them. To that end, the Board of Directors has approved a Code of Ethics, attached to the Organisation and Management Model pursuant to Italian Legislative Decree 231/2001, which formalises the principles that the members of the company bodies and employees must respect in the performance of the attributed matters.

Board of Auditors

The Board of Auditors oversees the completeness, adequacy and functionality of the Internal Controls System as well as the risk management and control processes, ascertaining the adequacy of the company functions involved, the correct conduct of the duties and the adequate coordination of the same as well as promoting any corrective interventions of deficiencies and irregularities identified.

For the same purpose, the Board of Auditors, making use of the company control functions, carries out checks with a view to guaranteeing the regularity and legitimacy of management, participating, inter alia, in the works of the Board of Directors.

The Board of Auditors of the Parent Company acts in close relationship with the corresponding bodies of the companies controlled by it and also has the duty to inform the Supervisory Authorities without delay of all acts or circumstances of which it becomes aware in the exercise of its activities which may constitute an irregularity in management of the Group.

According to the governance model adopted by the Group, the Parent Company's Board of Auditors is also attributed the functions of supervisory body pursuant to Italian Legislative Decree 231/2001.

Company Control Functions

After the completion of the restructuring of the Group's internal controls system indicated at the start of this section, doValue's company control functions include the Internal Audit and Anti-Money Laundering functions reporting directly to the Internal Controls Department, and the Manager in Charge of preparing the accounting documents in accordance with Italian Law no. 262/05. Those functions are separate between them as well as hierarchically independent from the company functions that perform the activities subject to their controls.

Internal Controls Department

The Internal Controls Department guarantees coordination at unitary level of the governance of the risks - in coherence with the strategic development lines of the Parent Company - and continuously ensures a summary and at the same time prospective assessment of the adequacy of the controls implemented in the company processes and systems.

The Head of the Internal Controls Department is appointed by the Parent Company's Board of Directors, to which he reports both hierarchically and functionally in order to guarantee its full independence. Commencing from the date of establishment of that Department, occurring together with the approval by the Bank of Italy of the application to relinquish the banking licence, the role of Head has been covered by Mr Paolo Poncetta who previously held the role of Head of the Internal Audit Function.

In order to pursue the aim of integrating the Internal Controls System and guaranteeing its correct functioning, the Internal Controls Department applies a methodological approach able to express a summary assessment of the internal controls through the analysis of the risks inherent in the company activities and the corresponding organisational and control measures.

With a view to guaranteeing centralised control and coordination of the control activities as well as the planning and execution of audits, as well as to provide guidelines for the governance of risks, the Internal Audit Function and the Anti-Money Laundering function report directly to the Head of the Controls Department, with a view to controlling, respectively:

- the adequacy, functionality, reliability and conformity of the business and support processes and the adequacy of the organisational, administrative and accounting structure;

- the money laundering and terrorist financing risk.

The Head of the Internal Controls Department also performs the role of Secretary of the Coordination Committee of the Internal Controls System.

Internal Audit Function

In the context of the centralised organisation model adopted by the Group in relation to the internal controls system, the Internal Audit function established at the Parent Company fulfils the role of internal audit function on behalf of both the Parent Company and the companies controlled by it, and also ensures a constant, independent and objective assessment of the overall internal controls system, so that its respective purposes are guaranteed in the pursuit of improving the effectiveness and efficiency of the organisation.

In particular, the function is instructed to ensure, in the perspective of third level controls, also through verifications in situ, supervisory action over the due performance of the operations and the processes of the Parent Company and its subsidiaries with the aim of preventing or identifying the onset of anomalous and risky behaviours or situations. It also assesses the completeness, adequacy, functionality and reliability of the organisational structure and the other components of the internal controls system, the risk management process and the other company processes, bringing to the attention of the company bodies the results of the activity performed and the possible improvements, to the risk management process, to the measurement and control tools of the same and to the internal organisational measures in force.

As part of the reorganisation process of the internal controls system of doValue following the debanking process, the responsibilities of the Function have also been extended to the performance of compliance checks with the relevant external regulations applicable each time, of the company processes of legislative or regulatory derivation (e.g. *market abuse*, *privacy*, *usury*, *complaints*, *occupational health and safety*, etc.) relating to the different non-supervised Companies of the Group. The Function communicates directly to the relevant structures the results of the assessments and the evaluations carried out. The link between the same and the Managing Director of the Parent Company is in any case guaranteed through adequate information flows and the managerial coordination committee of the Internal Controls System which has the duty of addressing, in a coordinated and structured manner, the issues relating to the correct functioning of the Internal Controls System and the remedial plans related to it as well as those connected to the management and monitoring of risks. The Function also has direct access to the Board of Auditors and communicates with it without restrictions or intermediation.

In general, the function provides support to the senior bodies in promoting and disseminating an adequate and solid culture of controls within the Group.

From the organisational profile, the Internal Audit Function is permanent and independent and has the authority, resources and expertise required to perform the duties attributed to it.

The Internal Audit Function is in fact equipped with adequate personnel, by number and technical-professional skills, receiving continuous training programmes. In addition, it has economic resources that can be activated autonomously, including recourse to external consultancy.

The Internal Audit Function has free access to all activities - including those outsourced - to all

company premises of the Group, both at central offices and at peripheral structures, to internal rules and procedures, to IT systems, to management data and that of any other nature, as well as freedom to perform interviews with personnel, both of the Parent Company and of its subsidiaries, except as otherwise established by law.

In line with the provisions of its mission and without compromising its independence the Internal Audit Function participates, where requested, with consultancy role, in company working groups on planning issues (e.g. new products, channels, systems, processes, etc.), also for the purpose of contributing to the correct design of the controls system. Finally, it deals with the adoption of initiatives aimed at facilitating the coordination and interchange of information with other company control functions to guarantee a unitary and integrated vision of the internal controls system.

Anti-Money Laundering Function

Albeit as part of a centralised governance model of the regulatory framework aimed at preventing the phenomenon of money laundering, in line with the dictate of the IV Community Directive in that regard, at the outcome of the reorganisation following the debanking process, the organisation model that envisaged the centralisation at the Parent Company of the Anti-Money Laundering Function for all company recipients of that legislation is no longer in place. In that context, therefore, the perimeter of direct responsibility of the Anti-Money Laundering Function of doValue in managing the risk of money laundering and terrorist financing has been attributed only to the Parent Company and to the non-supervised Subsidiaries. However, autonomous Anti-Money Laundering Functions have been established within the organisational structures of the subsidiaries Italfondario and doValue Hellas. Strategic decisions at Group level on managing the money laundering and terrorist financing risk are made by the Company Bodies of the Parent Company. The company bodies of the other companies belonging to the Group are responsible, each for their own areas of expertise, for implementing within their own company the strategies and policies of managing the money laundering and terrorist financing risk defined by the Parent Company.

The Anti-Money Laundering Function of doValue establishes a common information base which allows all Group companies to assess clients homogeneously; it also identifies suitable organisational solutions to guarantee respect of the applicable provisions in the different areas of operations and it ensures that the management of risks takes account of all elements of assessment and measurement in possession of the individual Companies.

The Anti-Money Laundering Function of doValue also guarantees that the procedures at the branches and group companies based in third countries are aligned to the Group standards and allow for the sharing of information within it.

The Anti-Money Laundering Function of doValue, despite being positioned organisationally beneath the Internal Controls Department, reports functionally to the Managing Director of the Parent Company and has direct access to the Board of Directors and to the Board of Auditors. It therefore constitutes a permanent and independent structure that has the authorities, resources and competencies required to carry out its duties. The Head is appointed by the Board of Directors of the Parent Company, having liaised with the Board of Auditors, subject to verifying possession by the latter of the requirements envisaged by the regulations.

The Function continuously verifies that the company procedures are coherent with the aim of preventing and combating the violation of the anti-money laundering rules. To that end, the Function:

- identifies the applicable rules and assesses their impact on the processes and internal procedures;
- collaborates in identifying the internal controls system and procedures aimed at preventing and combating the money laundering and terrorist financing risks;
- continuously verifies the adequacy of the management process of money laundering risks and the suitability of the internal controls system and procedures and proposes organisational and procedural changes aimed at guaranteeing adequate control of the money laundering risks;
- implements second level controls and defines the appropriate corrective actions to be implemented to mitigate the risk of money laundering and terrorist financing;
- performs activity of consultancy, assistance and support to the operating structures;
- collaborates in defining the governance policies of the money laundering risk and the various phases involved in the management process of that risk;
- conducts, in conjunction with the other company functions involved, the annual self-assessment exercise of the money laundering risks to which the recipient is exposed;
- verifies the reliability of the information system for the fulfilment of the obligations of customer due diligence, data storage and reporting of suspicious transactions;
- deals with, in conjunction with the other company functions in charge of training, the preparation of an adequate training plan, aimed at providing a continuous update of personnel;
- promptly informs the company bodies of violations or significant deficiencies identified in the exercise of the respective duties as well as prepares periodic information flows sent to the company bodies and senior management;
- manages relationships with the FIU, the MEF and the Supervisory Authorities;

With reference to fulfilments in relation to customer due diligence, the Anti-Money Laundering Function performs the following activities:

- defines the requirements of support tools for due diligence and customer profiling processes;
- provides support in enhanced due diligence activities in relation to the opening of a new relationship, the execution of an occasional transaction or the maintenance of an existing relationship, based upon defined rules;
- verifies the enhanced due diligence process conducted by the line structures and respective outcomes.

With reference to fulfilments in relation to suspicious transaction reporting, the Anti-Money Laundering Function, also by way of the Delegate for the assessment and transmission of reports of Suspicious Transactions (“STR Delegate”), performs the following activities:

- provides consultancy to the operating structures as to fulfilments concerning the preparation of the suspicious transactions reports and any abstention from completing the transactions;
- assesses suspicious transaction reports and sends reports deemed to be well-founded to the FIU;
- communicates, via the defined organisational methods, the outcome of the assessment to the

manager of the branch that made the report;

- liaises with the FIU and manages any further information requests received from the competent Authorities, therein including the judicial authority.

The responsibility and duties of the Function are attributed to the Head of Anti-Money Laundering, a role covered in 2019 by Ms Elisa Francesconi who is in possession of the following requirements:

- she is positioned in an adequate hierarchical-functional position; in particular, she reports functionally to the Managing Director of the Parent Company;
- she is adequately independent, authoritative and professional;
- she does not have direct responsibility for operating areas subject to control and is not hierarchically subordinate to the heads of those areas;
- she reports directly to the Company Bodies; in particular the Head of the Anti-Money Laundering Function has direct access to the Board of Directors and to the Board of Auditors of doValue and communicates with them without restrictions or intermediation.

The Head of Anti-Money Laundering is also attributed the role of STR Delegate for doValue in accordance with Art. 36, paragraph 6 of Italian Legislative Decree 231/2007, by virtue of a specific delegation of the Board of Directors. The role and responsibilities of the STR Delegate have been adequately formalised and communicated to all structures involved.

Other Company Functions with duties of control

The perimeter of Company Functions of the Parent Company involved in the management of the internal controls system controlling specific regulatory/risk areas, and in this perspective represented below, includes the O.U. Operational Risk Management and Compliance & DPO of the Parent Company.

The organisational positioning and missions of those structures, classified until the first half of 2019 as Company Control Functions, were reviewed as part of the reorganisation process of the internal controls system following the debanking process. That review had as its primary objective to guarantee its greater focus on the main circumstances of risk relevant for the Parent Company in coherence with its strategic lines of development.

Compliance & DPO OU

As part of the new Internal Controls System outlined following the debanking, within the O.U. Compliance & DPO the following posts with duties of control are identified:

- **Data Protection Officer or DPO of the Parent Company;**
- **Anti-Corruption Manager.**

In particular, the head of the O.U. Compliance & DPO covers the role of Data Protection Officer for all Italian *legal entities* of the Group (Data Protection Officer or DPO of the Parent Company), coherently with the privacy organisation model adopted which envisages the possibility pursuant to Article 37, paragraph 2 of the GDPR to appoint a single DPO “*provided that he is easily accessible*”

from each establishment".

Consequently, each Italian *legal entity* (in the capacity of Controller) formalises the appointment of the DPO in the person of the Parent Company's DPO. The DPO is appointed by the Board of Directors (or by another equivalent management body) of each company.

On the other hand, the foreign Subsidiaries appoint an autonomous local DPO, so that he is easily accessible from the respective local offices (Local DPO).

The Parent Company's DPO provides consulting, training and information support and control on the application of the GDPR and national legislation on personal data processing, cooperates with the Authority and is the point of contact, also with respect to the data subjects, for any issues related to personal data processing⁷.

The main duties of the Parent Company's DPO are:

- to inform and provide advice to the Controller/Internal Processor as well as to employees who carry out processing regarding the obligations envisaged by the relevant legislation;
- to oversee compliance with the requirements of the European Regulation and other regulations on Personal Data Protection as well as this Policy and the internal rules on the personal data processing, including the attribution of responsibilities, awareness-raising and training of personnel who participate in the processing and related monitoring activities.
- to provide an opinion on the scope of the impact assessment on Personal Data protection (where applicable) and to monitor its performance.
- to cooperate and act as a contact for the supervisory authority for matters related to personal data processing;
- to act as a contact for data subjects in all matters concerning the processing of their personal data and the exercise of their rights.

The Data Protection Officer reports directly to the Controller represented by the Board of Directors (or by another equivalent management body) and to the Controller's Delegate, usually identified as the company's Managing Director. In addition, he represents the contact point for the Data Protection Authority to which his name is communicated in line with a specific online procedure.

The DPO is supported in the implementation of his duties at the Italian Subsidiaries of the Privacy Representatives designated in accordance with the Group's privacy organisation model.

With reference to the foreign subsidiaries, the Local DPO fulfils autonomously all obligations envisaged by the GDPR for the figure of the DPO; however, he performs his functions within the relevant local unit taking account of the guidelines and instructions provided by the Parent Company's DPO, guaranteeing at the same time updated information flows on the processing

⁷ As clarified by the "Guidelines on Data Protection Officers" in WP29 of 13 December 2016 (amended 5 April 2017), the DPO is not personally liable in the event of non-compliance with the GDPR. In fact, it is always the responsibility of the data controller or the data processor to guarantee and be able to demonstrate that the processing operations comply with the provisions of the regulation.

activities carried out locally.

To guarantee correct information flows between the local DPO and the Parent Company's DPO, the Local DPO is asked to:

- incorporate the Policy on personal data protection issued by the Parent Company;
- share the annual planning (and/or planning of another frequency) of the activities for the Local DPO;
- periodically update (at least half-yearly), the Parent Company's DPO on the exercise of his functions and the progress of the planned activities, as well as on the fulfilment by the relevant local unit of all obligations envisaged by the GDPR (e.g. record of processing, storage of personal data);
- contact the Parent Company's DPO by any means in case of emergency situations in relation to privacy (e.g. in case of a *data breach*).

The Head of the O.U. Compliance & DPO also covers the role of Anti-Corruption Manager, to whom the following responsibilities are attributed:

- to develop and continuously update the Group's Anti-Corruption System;
- in coordination with the relevant Corporate Bodies, to ensure the development and effective implementation of an Anti-Corruption Training Programme, as well as internal communication activities related to the fight against corruption;
- to provide - if necessary – guidelines and recommendations to the Anti-Corruption Officers identified in the Supervised Subsidiaries, for the proper performance of anti-corruption activities;
- to ensure the correct transmission of adequate information flows related to the management of the risk of corruption to the Company Bodies of the Group Companies. In particular, the Anti-Corruption Manager sends:
 - an annual report on the effectiveness, adequacy and state of implementation of the Anti-Corruption System;
 - the results of the verification activities carried out in order to monitor the correct application of the Group's Anti-Corruption System.
- to act as a point of reference for any issue related to the fight against corruption.

For the purposes of the correct fulfilment of the responsibilities attributed to him, the Anti-Corruption Manager:

- is supported by the Anti-Corruption Officers identified in the Subsidiary Companies, as well as by the OU Compliance & DPO;
- may request support, depending on the needs that may arise from time to time, from the Group's other Company Structures.

Since 1 October 2019 the role of DPO and Anti-Corruption Manager of the Parent Company has been covered by Ms Isabella Ferri in full conformity with the following requirements:

- she is positioned in an adequate hierarchical-functional position; in particular, the manager is positioned hierarchically under the employ of General Counsel reporting functionally to the Managing Director;
- she possesses adequate requirements of professionalism;
- she does not have direct responsibility for operating areas subject to control and is not hierarchically subordinate to the heads of those areas;
- she reports directly to the company bodies.

O.U. Operational Risk Management

The transition of the pre-existing Risk Management Function, established in conformity with the requirements of the supervisory regulations applicable to the Parent Company before the debanking process, to the current structure was inspired by the need to attribute to it a more operational role closer to the business processes in managing the main risks deriving from the Group's new scenario (e.g. operational, reputational risks).

In line with that positioning, the O.U. Operational Risk Management reports directly to the Operations Department with the aim of contributing to achieving the overall mission of that Department, represented by the governance of costs and the main processes that generate their different components, guaranteeing constant monitoring and proactive management of the risks attributable to the business and support processes and their possible impacts in terms of provisioning and operating losses.

The Function therefore has the duty of overseeing the management of significant risks to which the activities of the Parent Company are exposed, with particular reference to operating risks, by defining the respective guidelines as well as identifying and monitoring the aforementioned risks, using, to that end, methodological approaches, suitable procedures and tools and guaranteeing appropriate information to the Company Bodies.

In particular, the Function covers the following areas of responsibility:

- to identify, measure and monitor the main risks using methodological approaches, techniques, procedures and tools coherent with the level of complexity of the business operations;
- to contribute to fixing operating limits on the assumption of various types of significant risks, with particular reference to operational risks;
- to develop systems of measurement and control of the significant risks for management purposes as well as indicators able to highlight situations of anomaly and inefficiency (e.g. KORI indicators);

- to plan control interventions on risks to which the company is exposed and to guarantee the adequacy and effectiveness of the measures adopted to remedy the deficiencies ascertained in the risk management process;
- to guarantee, through the preparation of reports, statements and records, the necessary information on the outcomes of the risk monitoring activities to the competent company bodies (as well as to commercial counterparties of the company in the cases and with the methods envisaged by the contracts in force).

The role of Head of the O.U. was covered during 2019 by Mr Claudio Fanin who, in addition to what has already been illustrated in terms of organisational positioning of the Function, possesses adequate requirements of professionalism and, for the purposes of carrying out his functions, has direct access to the Company Bodies (i.e. Board of Directors, Managing Director and Board of Auditors).

11.1 DIRECTOR IN CHARGE OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Without prejudice to the responsibility of the Board of Directors in relation to the establishment of company control functions and to defining the respective roles and responsibilities, the Board of Directors of doValue, coherently with Principle 7.P.3. letter a) no. (i) of the Corporate Governance Code, has entrusted to the Managing Director, Mr Andrea Mangoni, the role of director in charge of supervising the functions of the internal control and risk management system, attributing to him the following main responsibilities:

- to deal with identifying the main business risks, taking account of the characteristics of the activities performed by the Issuer and its subsidiaries, and submit them periodically for examination by the Board of Directors;
- to implement the strategic guidelines and the risk governance policies defined by the Board of Directors, dealing with the planning, implementation and management of the Internal Control and Risk Management System and constantly verifying its adequacy and effectiveness;
- to adapt the Internal Controls System to the dynamics of the operating conditions and the legislative and regulatory panorama;
- to ask the Internal Audit Function to conduct checks on specific operating areas and on respect of the internal rules and procedures in the execution of business operations, giving simultaneous communication thereof to the Chairman of the Board of Directors, to the Chairman of the Risks and Transactions with Connected Persons Committee and to the Chairman of the Board of Auditors;
- to report promptly to the Board of Directors on issues and criticalities emerging in the conduct of his activities or of which he has in any case been informed, so that the Board of Directors can take the appropriate initiatives.

In the conduct of his role, the Managing Director is supported by the Managerial Coordination Committee of the Internal Controls System, of which he is the Chairman, and in which the head of the Internal Controls Department, the heads of the company control functions and the other company

functions with duties of control participate, as permanent members, and, in the capacity of invitees, the heads of the other business or support functions who are asked, each time, to discuss specific issues. Within that committee, issues are addressed, in a coordinated and structured manner, relating to the correct functioning of the Internal Controls System and to the remedial plans related thereto as well as those relating to risk management and monitoring.

Also through the participation in that committee and the analysis of the respective information flows, the Managing Director acquires the necessary information to:

- guarantee the alignment of the organisation and the Internal Controls System with the principles and requirements envisaged by existing regulations;
- verify continuously the effective management of the overall company risks and the adequacy, effectiveness and efficiency of the related controls;
- make proposals aimed at supplementing the annual plans of the company control functions, also through the request for verification activity on specific operating or risk areas, consistently with Application Criterion 7.C.4. letter d) of the Corporate Governance Code, as well as to supervise during the year their effective implementation.

In implementation of his mandate, in line with Application Criterion 7.C.4 letters a), b), c), and e) of the Corporate Governance Code, the Managing Director thus:

- ensures the effective management of risks in their various components, preparing adequate policies and procedures to be observed within the Company, ascertaining that in the case of violations, the necessary corrective actions are made and outlining information flows aimed at guaranteeing to the competent Company Bodies full awareness of the risk management methods;
- implements the necessary initiatives to guarantee continuously the completeness, adequacy, functionality and reliability of the internal controls system and informs the Board of Directors of the results of the checks made, preparing and implementing the necessary corrective or adjustment interventions in the case of deficiencies or anomalies as well as following changes to the legislative or regulatory context or the introduction of new relevant activities, services and processes;
- guarantees to the Board of Directors effective and constant dialectic discussion, also using the collaboration of the company structures reporting to the same as the head of the internal structure, to allow them to verify over time the choices and decisions assumed by them in relation to the internal control and risk management system.

During 2019, as part of the meetings of the Coordination Committee of the Internal Controls System, the following main issues were analysed and discussed, based upon information flows circulated by the participating structures in advance:

- main findings of the audit activities performed in 2018 and reported in the final annual reports of the company control functions
- risk assessments at the basis of the preparation of plans of audit activities of the Group's internal controls system for 2019;

- stage of progress of the auditing activities planned in 2019 and any modifications to be made to those plans, main criticalities emerging from those audits as well as from the quarterly monitoring activities of the action plans aimed at resolving the existing findings;
- assessment of the impacts of the different strategic initiatives of reorganisation of the Group on the perimeter of activities of the control functions both currently and prospectively as well as on the overall effectiveness of the internal controls system.

11.2 HEAD OF THE INTERNAL AUDIT FUNCTION

In coherence with Principle 7.P.3. letter b) of the Corporate Governance Code, the Board of Directors resolves with exclusive responsibility in relation to the appointment and revocation of the Head of the *Internal Audit* Function, at the proposal of the Risks and Transactions with Connected Persons Committee, which, in turn, obtains the opinion of the Appointments Committee, and having heard the opinion of the Board of Auditors.

Following the finalisation of the *debanking* process and the simultaneous establishment of the Internal Controls Department, the Head of the *Internal Audit*, whose role, with the same effectiveness, is covered by Ms Silvia de Grassi, reports to the Board of Directors by way of the Head of the Internal Controls Department. In coherence with the provision of application criterion 7.C.5. letter b) of the Corporate Governance Code, she is not responsible for any operational area and reports to the Board of Directors directly or by way of the Risks and Transactions with Connected Persons Committee, at least on an annual basis or at the next opportunity, in cases of particular significance, regarding the adequacy, effectiveness and effective functioning of the Internal Controls System.

In line with Application Criterion 7.C.1, second part of the Corporate Governance Code, the Board of Directors also resolves, subject to the favourable opinion of the Risks and Transactions with Connected Persons Committee and having heard from the Board of Auditors, in relation to the remuneration of the Head of the Internal Audit Function based upon criteria and parameters separate from the performance of the Company, coherently with the provisions of the company policies.

In order to fulfil her mandate to verify the operations and suitability of the Internal Control and Risk Management System, the Head of the Internal Audit Function performs the following activities:

- defines and implements an annual and long-term audit plan based upon a risk assessment methodology that considers the evolutionary aspects of the business and the related development strategies of the Group, the emerging risks and the significant changes in the organisational structures and processes, the restrictions deriving from regulatory and contractual rules, the requests of Management and the Company Bodies (Application Criterion 7.C.5. letter a) of the Corporate Governance Code. The long-term plan is also updated on an annual basis in order to reflect promptly any significant evolutions in the risk profile of the Company following modifications in the business, organisational or regulatory context. In order to guarantee that the plan is dynamic and to address, during the year, any unplanned intervention requests, the annual plan envisages the establishment of a suitable reserve of resources from those available. The audit plans are submitted for approval to the Board of Directors subject to the examination of the Risks and Transactions with Connected Persons Committee;

- issues, in line with Application Criterion 7.C.5. letters d) and f) of the Corporate Governance Code, periodic informative reports to the Board of Directors, subject to examination of the Risks and Transactions with Connected Persons Committee, to the director in charge of the internal control and risk management system and to the Board of Auditors which provide summary assessments on the suitability of the internal control and risk management system and an update on the stage of progress and the results of the planned (half-yearly and annual) audit activities as well as on the implementation of the action plans defined by management (quarterly);
- promptly informs the Board of Directors, the Risks and Transactions with Connected Persons Committee, the director in charge of the Internal Control and Risk Management System as well as the Board of Auditors, of the reports prepared at the outcome of the individual audit interventions that contain aspects of particular significance for the purposes of assessing the overall Internal Controls and Risk Management System (Application Criterion 7.C.5. letter e) and f) of the Corporate Governance Code;
- communicates appropriately and transparently with the supervisory authorities, with reference to the audit activities;
- maintains qualified resources within the Internal Audit Function equipped with expertise, knowledge, capacity and experience necessary for the full implementation of its mission;
- has direct and unlimited access to all information and documentation useful for the conduct of the individual assignments, in coherence with Application Criterion 7.C.5. letter c) of the Corporate Governance Code.

For the fulfilment of her duties, the Head of the Internal Audit Function has an adequate annual budget, subject to approval by the competent Company Bodies and able to cover, in particular, the main requirements linked to the use of technical consultancies on specific matters and the professional training requirements of the resources.

With reference to the audit activities on subsidiary companies centralised at the Parent Company and in particular for the supervised company Italfondinario, in line with what is regulated within the outsourcing contract prepared in conformity with the relevant regulations, the Board of Directors of the company has designated within it a Delegated Director, not having operational delegations, as a representative for the outsourced third level control activities. That Director has the duty of overseeing the activity of the Supplier's Internal Audit Function, the adequacy of the hedging of risks and the execution of the planned activities, in order to guarantee constant liaison and free access of the Head of the Internal Audit Function to the Board of Directors of the supervised company.

In relation to the other non-supervised subsidiary companies, there is no similar representative but the Head of the Internal Audit Function guarantees the necessary coverage of the main operating processes and the respective related risks through their inclusion within the Group audit plan. For those companies, the Group's Head of Internal Audit Function has the duty of informing the Company Bodies of the individual company controlled by the Parent Company of the results of the checks performed by virtue of exercising the management and coordination activities, by way of the overall reporting on the audit activities performed at Group level.

During 2019 the Internal Audit Function, under the supervision of its Manager and coherently with the planning approved by the Board of Directors, performed interventions involving both the Parent

Company and its subsidiary companies attributable to three main areas of intervention connoted by logics of priority and peculiar risk profiles:

- governance processes, relating to defining the business strategies, planning and management control, risk management and controls, management of the corporate bodies;
- business processes that include the “core” activities of the Company, with regard to both the management and recovery of portfolios granted on mandate and/or deriving from securitisation operations and to the services ancillary to them;
- support processes, aimed at the correct functioning of the company, through the management of projects, processes and procedures and the conduct of administrative and management activities of company, financial, human, technological, tangible and intangible resources.

This latter area includes verification activities aimed at assessing the reliability of the information systems (Application Criterion 7.C.5. letter g) of the Corporate Governance Code). In the execution of those activities, the Head of the *Internal Audit* function has used an internal specialist resource.

During 2019 the Internal Audit Function was directly involved, for the aspects under its remit, in the implementation of the different strategic and organisational evolution projects of the Group, therein including the debanking process, and the consequent restructuring of the internal controls system. This refers in particular to the update of the perimeter and the contents of the risk assessment in support of the preparation of the audit plan, the revision of the methodology applied for the purpose of including therein also the activities of the compliance check on the applicable regulatory areas and the related revision of the internal organisational structure of the Function aimed at distinguishing the process audit activities from those of compliance.

11.3 ORGANISATION MODEL pursuant to Italian Legislative Decree 231/2001

On 12 February 2018, the doValue Board of Directors approved the new Organisation and Management Model pursuant to Italian Legislative Decree 231/2001 of doValue (the “231 Model”), updated in order to guarantee the alignment to the changed corporate, operational and organisational structure of the Group, as well as the new perimeter of crimes in accordance with the Decree. In that perspective, the following were revised:

- the General Part, particularly in line with the provisions contained in the “Corporate Governance Project of the doValue Banking Group”, in the “Management and Coordination Group Regulation” as well as in the “Regulation on the Integrated Internal Controls System of the doValue Banking Group”;
- the Protocols that constitute the Special Part: a specific Protocol has also been introduced, as new, to control administrative crimes and offences of Abuse of inside information and Insider Dealing.
- the attached predicate Crimes of Italian Legislative Decree 231/2001, which constitutes an integral part of the Model, has been updated in line with the changes occurring in that regard during the planning period.

The Group Code of Ethics, also an integral part of the model, has remained unchanged compared to the version approved by the doValue Board of Directors on 15 July 2016.

The Board of Directors, in coherence with what was resolved in 2017 on the occasion of the previous

substantial revision of the 231 model, entrusted to the Board of Auditors the role of Supervisory Body, appointing the Chairman of the Board of Auditors, Ms Chiara Molon, as Chairman of the Supervisory Body, and members of the same the Statutory Auditors Mr Nicola Lorito and Mr Francesco Bonifacio, with duration of the assignment coinciding with that of the Board of Directors.

A project is currently in progress to update the 231 Model as a consequence of the changes that have taken place in the doValue Group in the recent period and more specifically:

- changes of the corporate, operational and organisational structure (e.g. de-banking of doValue and respective transformation into a servicing company pursuant to Art. 115 TULPS, merger by incorporation of doRealEstate into doValue, concentration at doValue of the Special Servicing services and at the Subsidiary Italfondario of the master Servicing services in accordance with Italian Law 130/1999, extension of the licence of Italfondario to “payment institution” in order to provide ancillary services to the management of UTP, widespread organisational changes);
- extension of the geographical perimeter of operations with particular reference to the foreign subsidiaries Altamira and doValue Hellas.

The aforementioned project, begun by the company in the month of December 2019, is therefore mainly aimed at:

- updating the 231 Model of the Company (and of the Italian subsidiaries Italfondario, doSolutions and doData) and reviewing the Group’s Code of Ethics;
- analysing any risk profiles upwards towards the Parent Company doValue of liability for crimes significant pursuant to Italian Legislative Decree 231/2001 that may be committed by the foreign *legal entities*, Altamira and doValue Hellas.

According to the hypothesised time development, the conclusion of the planning activities - also in consideration of the expansion of the crimes’ catalog - is envisaged indicatively in the month of June 2020.

Predicate crimes of Italian Legislative Decree 231/2001

The annex to the Model, entitled “Predicate crimes of Italian Legislative Decree 231/2001”, an integral part of the Model itself, provides a description of the crimes and administrative offences whose commission determines, upon the occurrence of the presuppositions envisaged by Italian Legislative Decree 231/2001, the onset of corporate liability in accordance with and for the effects of the cited regulation.

The Model, as well as the Code of Ethics, is consultable on the doValue Internet Website, at the page: <https://www.dovalue.it/it/governance/modello-ex-dlgs-23101>.

11.4 INDEPENDENT AUDITING COMPANY

The Shareholders' Meeting on 17 June 2016 granted to Ernst & Young S.p.A. the statutory auditing assignment of the financial statements and the consolidated financial statements of the Group as well

as the accounts audit limited to the consolidated half-yearly report for each of the nine financial years closing from 31 December 2016 to 31 December 2024.

Ernst & Young S.p.A. was also granted, by way of separate formalised agreements, the auditing activities of the financial statements of some of the doValue subsidiary companies.

In relation to the subsidiary Italfondiaro, with the approval of the 2018 Financial Statements BDO Italia S.p.A. was granted the assignment of statutory audit of the financial statements for each of the nine financial years closing from 31 December 2019 to 31 December 2027, with the previous statutory auditing assignment of Ernst & Young S.p.A. having ended.

11.5 MANAGER IN CHARGE OF PREPARING THE CORPORATE ACCOUNTING DOCUMENTS AND OTHER COMPANY ROLES AND FUNCTIONS

With Board resolution dated 12 March 2019 the assignment of Manager in Charge of preparing the accounting documents of the Company was renewed, in rotation with Mr. Mauro Goatin, appointed as Chief Operations Officer, with effect from 13 March 2019. With the favourable opinion of the Board of Auditors and the Risks Committee, the Board therefore appointed in that role Mrs Elena Gottardo.

The Manager in Charge is granted adequate powers and means to exercise the duties attributed by the regulation, while the Board of Directors is responsible for overseeing the fact that the Manager in Charge has those powers and means and that she respects the administrative and accounting procedures. The presence of an adequate structure reporting directly to the Manager in Charge is the principal element that characterises the availability of adequate means and powers provided by the regulation. To that end, the doValue Group has arranged for the Manager in Charge to be supported by a team of resources dedicated to carrying out the activity, in order to cover all entities of the group.

The working Team is made up as follows:

- Manager of Activities at the Subsidiary for the Manager in Charge (MASMC), where appointed, usually identified, if present, as the Chief Financial Officer (CFO) of the represented entity, who carries out at local level, for the represented entity and any additional specifically selected direct and indirect subsidiary companies, the activities of coordination and certification envisaged for the Manager in Charge;
- Management 262 (Italy), which will perform the controls envisaged for the 262 activities in Italy and for the consolidation;
- Management 262 (Territorial), where appointed, which will perform the controls envisaged for the 262 activities, based upon its relevant perimeter.

The Manager in Charge is responsible for certifying:

- the adequacy and effective application of the administrative and accounting procedures during the financial year to which the documents refer;

- the conformity of the documentation prepared with the applicable international accounting standards recognised in the European Community in accordance with regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of 19 July 2002;
- the correspondence of the documents with the results of the accounting books and records;
- the suitability of the documents to provide a true and correct representation of the capital, economic and financial situation of the issuer and the set of Companies included in the consolidation;
- for the financial statements and consolidated financial statements, that the management report includes a reliable analysis of the management performance and result, as well as the situation of the issuer and the consolidated companies, together with a description of the main risks and uncertainties to which they are exposed;
- for the abbreviated half-yearly financial statements, that the interim management report contains references to the important events of the first six months of the financial year and their incidence, together with a description of the main risks and uncertainties for the rest of the financial year.

The Manager in Charge participates at meetings of the Board of Directors of the Group Companies and/or of the Board of Auditors, where the agenda concerns matters under her remit.

The information flows between the Manager in Charge and the other company control functions are regulated in the “Regulation on the Internal Controls System of the doValue Banking Group”. In addition, the Manager in Charge holds meetings and information exchanges with the Independent Auditing Company regarding the respective activities, with particular reference to any points of attention on internal controls.

The Heads of the other company functions, having specific duties in relation to internal control and risk management, in conformity with Principle 7.P.3, letter C of the Corporate Governance Code, were indicated in the above paragraphs of this Report, within the specific sections dedicated to the individual functions.

11.6 COORDINATION BETWEEN ENTITIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In coherence with Principle 7.P.3 of the Corporate Governance Code, the duties and responsibilities of the various control bodies and functions along with the information flows between the different functions/bodies and between these and the company bodies are defined in detail within the Regulation on the Internal Controls System of the doValue Banking Group approved by the doValue Board of Directors on 7 November 2019.

In order to guarantee a unitary and integrated vision of the Internal Controls System and to guarantee correct interaction and integration between the company control functions, a series of coordination and collaboration mechanisms are also defined, in coherence with Application Criterion 7.C.1, letter d), aimed at maximising the synergies and avoiding any potential area of overlapping or deficiency of control.

In particular, productive interaction between the company control functions is guaranteed through the pursuit of the following objectives:

- sharing of methodologies and metrics with which the different functions perform their assessments;
- improvement of communication between the company control functions and the company bodies;
- sharing of information and assessments made.

Those objectives are achieved through the following interaction mechanisms which are positioned within the more general framework of active and constant collaboration between the company control functions:

- participation in the process of definition/update of the internal regulations on risks and controls;
- exchange of information flows, documentary and of data, such as on the planning of control activities and the outcome of the same;
- participation in Board Committees (Risks and Transactions with Connected Persons Committee) and Managerial Committees (Internal Controls System Coordination Committee);

The improvement of the interaction between control functions and the constant update to the company bodies by the same, in relation to the activities performed, are aimed at contributing over time to company governance that guarantees sound and prudent management also through a more effective safeguarding of risk at all company levels.

12.0 INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

The Board of Directors, with a decision taken on 13 February 2019 (already updated in November 2019), approved the new version of the “Group Policy for Managing Transactions with Related Parties of doValue S.p.A. and Transactions in Conflict of Interest” (hereafter: the “TRP Policy”), that replaces the previous policy of 17 October 2018.

That update takes account of the debanking and the consequent organisational changes in the group during 2019 and guarantees the application of the principles contained in them for all subsidiaries, even foreign.

The TRP Policy was submitted in advance for the opinion of the Risks and Related Parties Committee, which expressed a favourable opinion to the approval.

The purpose of the TRP Policy is to define, as part of the operations of the Parent Company and of the Subsidiaries, the principles and rules to be observed to ensure transparency and substantial and procedural correctness of Related Party transactions, carried out directly by the Parent Company or by means of its Subsidiaries.

In this regard, it establishes for the entire Group, among other things:

- the criteria for identifying Related Parties;
- the cases of total or partial exemption from the application of the rules of preliminary investigation, resolution and disclosure to the Corporate Bodies and from the rules of market disclosure;
- the preliminary investigation, proposal and resolution procedures with Related Party transactions;
- the subsequent disclosure obligations to the Corporate Bodies of the Parent Company concerning Related Party transactions

• the controls required to ensure the disclosure on Related Party transactions to the market. Therefore, the TRP Policy aims to implement the above regulations by introducing, for the entire Group, rules on the methods of preliminary investigation, decision-making, reporting and information powers. Therefore, the indications contained in the TRP Policy are valid for the entire structure of the Parent Company and the Subsidiaries. All Subsidiaries are required to implement the TRP Policy, which is adopted by the Parent Company as a Group regulation upon resolution of their respective competent bodies, without prejudice to the application, at the time of implementation, of local and/or sector regulations applicable from time to time, in line with the principles established by the TRP Policy. The full text of the TRP Policy, to which reference is made for any further detail, is available on the doValue internet website, in the Governance section.

Finally, it is noted that the following principles are also regulated in the TRP Policy, as established by Art. 2391 of the Civil Code (in relation to Directors' interests).

To that end, the Company's Directors and Auditors have communicated, and periodically update, the list of entities - natural or legal persons - in relation to which the finalisation of any relationships may constitute conflicts of interests.

13.0 APPOINTMENT OF AUDITORS

Art. 23 of the Articles of Association establishes that the appointment of the Board of Auditors occurs by the Shareholders' Meeting based upon lists submitted by the legitimated parties, in which the candidates are listed in sequential order.

The lists are to split into two sections, indicating, respectively, up to 3 (three) candidates for the office of Statutory Auditor and up to 2 (two) candidates for the office of Alternate Auditor. If a list presents candidates to the role of Statutory Auditor and Alternate Auditor, at least the first candidate to the role of Statutory Auditor and at least the first candidate to the role of Alternate Auditor indicated in the respective sections must have been registered for at least three years in the register of statutory auditors and must have exercised the activity of statutory accounts auditing for a period of no less than 3 years. If a list presents a number of candidates equal to or greater than 3, each section for the appointment to Statutory Auditor and to Alternate Auditor must present a number of candidates belonging to the least represented gender that ensures, within that section, respect of the gender balance at least to the minimum extent required by the legislation, even regulatory, in force.

No candidate shall be included in more than one list, under penalty of disqualification from his/her candidacy.

Each entity legitimated to vote (as well as (i) the legitimated entities belonging to the same group, thereby meaning, the controlling entity, even non-corporate, in accordance with Art.2359 of the Italian Civil Code and every company controlled by or under the common control of the same entity or (ii) parties to the same shareholders' agreement pursuant to Article 122 of the Consolidated Finance Law, or (iii) legitimated entities that are otherwise connected between them by virtue of significant relationships of connection in accordance with the legislation and/or regulations in force and applicable) may present or contribute to presenting only one list, just as each candidate may appear in only one list under penalty of ineligibility.

In accordance with the Articles of Association, Shareholders that, at the time of submitting the list,

are holders, alone or together with other submitting Shareholders, of shares with voting right representing at least 2.5%⁸ of the share capital having the right to vote in the ordinary Shareholders' Meeting, or in the lower amount established by mandatory legal or regulatory provisions, may subject a list for the appointment of the Auditors.

Ownership of the minimum number of shares required to submit the lists shall be determined by taking into account the shares registered in each shareholder's name, or in the name of several Shareholders jointly, at the time the lists are filed at the Company's registered office. Certification of the minimum share of investment may be produced even after the deposit provided that this is done by the deadline laid down for the publication of those lists by the Company.

The lists must, under penalty of forfeiture, be filed at the company's registered office, even by way of a distance communication technique and according to methods made known within the notice of convocation that allow for the identification of entities filing the list, by the twenty-fifth day before the date of the Shareholders' Meeting (or by the different deadline laid down from time to time by the applicable regulations) and they are made available to the public at the registered office, on the doValue Internet Website and by the other methods envisaged by the regulations in force, at least twenty-one days before the date of the Shareholders' Meeting (or by the different deadline laid down from time to time by the applicable regulations).

Together with the lists, and again by the deadline indicated above, the legitimated entities that have submitted them must also file the additional documentation and declaration required by the legislation, even regulatory, in force each time. Lists that do not comply with the requirements outlined above shall be deemed not to have been submitted.

Each person with voting rights may vote for one list only.

The election of the members of the Board of Auditors occurs as follows:

- (i) 2 (two) Statutory Auditors and 1 (one) Alternate Auditor are taken from the list that obtained the highest number of valid votes, in the sequential order in which they are listed on that list;
- (ii) the remaining Statutory Auditor and the remaining Alternate Auditor are taken from the list that obtained the highest number of votes after that identified in point (i) above, which is not connected in any way, even indirectly, with the persons legitimated to vote who submitted the list indicated in point (i) above; the first candidates of the respective sections will be elected, respectively, Statutory Auditor and Alternate Auditor.

The Statutory Auditor taken from the list that obtained the highest number of votes after than indicated in point (i) above is assigned the Chairmanship of the Board.

If, in the terms and methods indicated above, only one list is submitted, or if no list is submitted, or even if a number of candidates equal to that to be elected is not present in the lists, the Shareholders' Meeting resolves for the appointment or supplementation by relative majority. In the event of a tied vote among several candidates, a ballot shall be held between such candidates, by means of another vote at the Shareholders' Meeting. In any event, the Shareholders' Meeting is required to ensure the gender balance as envisaged by the legal and regulatory provisions in force.

⁸ It is noted that with Consob resolution no. 20273, dated 24 January 2018, the limit relating to the share of investment for the Shareholders' Meeting of 19 April 2018 was fixed at 1%.

In the case of death, resignation or forfeiture or absence for any other reason of a Statutory Auditor, s/he is replaced by the Alternate Auditor belonging to the same list on which the outgoing Auditor was listed according to the sequential listing order, in respect of the minimum number of members registered in the register of statutory auditors who have exercised statutory accounts auditing activity and the principle of gender balance. If this is not possible, the outgoing Auditor is replaced by the Alternate Auditor who has the characteristics indicated and drawn progressively from the minority lists which received the highest number of votes, according to the sequential order of the list. If the Auditors were not appointed in accordance with the list voting system, the Alternate Auditor envisaged by the provisions of law takes over. The replacing Alternate Auditor also assumes the role of Chairman in any circumstance that envisages replacing the Chairman of the Board of Auditors. The Shareholders' Meeting envisaged under Article 2401, paragraph 1 of the Civil Code appoints or replaces the Auditors, in accordance with the principle of the necessary representation of minorities and gender balance. If the Alternate Auditor who replaces the Statutory Auditor is not confirmed in office by that Shareholders' Meeting, the Alternate Auditor will return to his/her role as Alternate Auditor.

14.0 COMPOSITION AND FUNCTIONING OF THE BOARD OF AUDITORS (pursuant to Art. 123(2), paragraph 2, letters d) and d(2) of the Consolidated Finance Law)

The already cited Art. 23 of the Articles of Association states that if a list presents candidates for the office of Statutory Auditor and of Alternate Auditor, at least the first candidate for the office of Statutory Auditor and at least the first candidate for the office of Alternate Auditor indicated in the respective lists must have been registered for at least three years in the register of statutory auditors, and have performed the statutory auditing activity for a period of not less than three years.

All Auditors must be in possession of the requirements of eligibility, integrity and professionalism envisaged by law and by other applicable provisions and, for the purposes of Art. 1, paragraph 2, letters b) and c) of the Decree of the Ministry of Justice 30 March 2000, no. 162, which establishes the requirements of professionalism and integrity.

The Auditors may hold administration and control positions in other companies within the limits established by the provisions, also regulatory, in force.

In addition, in conformity with the recommendations indicated in Application Criterion 8.C.1 of the Corporate Governance Code, the doValue Auditors must be in possession of the requirements of independence envisaged by Art. 3 of that code as well as the requirements indicated in Art. 148, paragraph 3 of the Consolidated Finance Law.

With reference to Application Criterion 8.C.5 of the Corporate Governance Code, it is noted that, the "Policy for Managing Transactions with Related Parties of the doValue S.p.A. Group and Transactions in Conflict of Interests" provides, in addition to the management of any transactions for the company representatives, that, where the members of the Board of Auditors have an interest in the transaction, on their own behalf or that of third parties, they inform the other Auditors, specifying the nature, terms, origin and scope of the interest.

In addition, in the conduct of its duties and activity, the Board of Auditors constantly liaises - through periodic and reciprocal involvements as well as prompt information exchanges - with both the Risks and Transactions with Connected Persons Committee, with the Internal Audit Function and with the Internal Controls Department. That activity was completed through the constant participation of the Chairman of the Board of Auditors, or another Auditor instructed for this purpose, at meetings of the cited committee (as, moreover, already highlighted in Section 10 above) and the head of the Internal Audit Function and/or the Head of the Internal Controls Department at periodic meetings of the Board of Auditors (Application Criterion 8.C.7 of the Corporate Governance Code).

The doValue Auditors currently in office were appointed by the Shareholders' Meeting on 19 April 2018 and the composition of the Board is the following.

- **Chiara Molon** - *Chairman*
- **Francesco Mariano Bonifacio** - *Statutory Auditor*
- **Nicola Lorito** - *Statutory Auditor*
- **Sonia Peron** - *Alternate Auditor*
- **Roberta Senni** - *Alternate Auditor*

In that regard, it is emphasised that that renewal was the first, after the admission of the Company's shares to the MTA, and that, for the first time, the appointment was made based upon the list vote mechanism, as regulated by the Articles of Association and described in point 13.0 of this Report. The Company therefore complied for the first time with the provisions on gender balance in the composition of the audit body (in accordance with Art. 148 of the Consolidated Finance Law and in conformity with the provisions of Italian Law no. 120 dated 12 July 2011).

As a consequence, for the Auditors in office, the mandate will expire at the date of the Shareholders' Meeting convened to approve the financial statements of the 2020 Financial Year. All Auditors have declared to possess the requirements of independence required by the existing rules. In relation to the requirements of independence of the members of the Board of Auditors, the preliminary investigation implemented by the Board of Directors in the meeting on 12 March 2019 identified the existence of the requirements of independence, in conformity with the provisions of the Consolidated Finance Law and, in particular, with the provisions laid down by the combined rules of Articles 147(3) paragraph 4 and 148 paragraph 3 of the Consolidated Finance Law and in accordance with the Corporate Governance Code, for all members of the Board of Auditors.

During 2019, the Board of Auditors held no. 24 meetings, with average duration of approximately 3 hours each. With reference to the percentage of attendance of each Auditor at the meetings, see Table 3 at the foot of this Report.

Table 3 also indicates the relevant information in relation to each member of the Board of Auditors in office, at the approval date of this Report.

For the 2020 financial year, 20 meetings are planned, 4 of which have already been held at the date of this Report.

14.1 Diversity criteria and policies

doValue has regulated diversity criteria and policies for the composition of the Company Bodies and the Board of Directors, in the report prepared in accordance with Art. 125(3) of the Consolidated Finance Law, for the renewal of the control body on the occasion of the Shareholders' Meeting of last 19 April 2018, also took account of the policies on diversity, envisaged in the "*Policy on the composition of the Company Bodies*", approved on 9 November 2017, as well as the applicable rules in that regard and, in particular, those relating to gender and the training path. In that regard, it is noted that the Board of Directors has favoured the existence of those characteristics, irrespective of the age of the individuals. The policies on gender diversity, as indicated above, were applied for the first time with the renewal of the roles by the Shareholders' Meeting on 19 April 2018 and, in that sense, the Board of Auditors sees the presence of 2 members of the least represented gender, one in the role of Chairman of the Board of Auditors, and one as Alternate Auditor (both an expression, in addition, of the list submitted by the minority Shareholders).

14.2 Self-Assessment

Even the Board of Auditors of the Issuer has conducted the self-assessment process for the 2019 financial year, based upon the "Self-Assessment Programme" approved on 7 November 2019.

At the end of the process, the "Report on the outcome of the Self-Assessment of doValue S.p.A." was produced, which revealed the following:

- a) The functioning of the control body is, essentially, correct and effective; its composition, in qualitative terms, is adequate to the role that that Body is asked to play; the Auditors, despite having additional professional duties to those resulting from the assignment covered at doValue, guarantee their constant availability, in terms of both time and physical presence, to cover the demanding activities of the Company and the Group.
- b) The Board, in demonstration of the full awareness of the role covered and the connected responsibilities, is strongly engaged in performing the activities and functions deferred to it, also through the active participation of the individual Members, strengthening at the same time the relationships of trust and collaboration between the individual Members and, more generally, the interaction with the management bodies.

In relation to the profiles susceptible to improvement, the Board has aimed at strengthening the technical means available, as well as achieving greater homogeneity in the promptness and completeness of information flows originating from the different company structures and functions.

15.0 RELATIONSHIPS WITH SHAREHOLDERS

The establishment and maintenance of a constant and productive dialogue with the shareholders, institutional investors and other specific stakeholders is considered by doValue to be a duty towards the market.

That dialogue, according to the rules and procedures that regulate the disclosure of inside information, is aimed at adopting the best applicable professional practices and is based upon principles of transparency, promptness and completeness of information.

Also with the aim of ensuring broad and simple dissemination of the same among the public, doValue publishes relevant information of strategic, financial and corporate governance nature, price sensitive press releases, the main metrics on the performance of the shares on the Stock Exchange, and the appointments scheduled by the Company's financial calendar in the "Investor Relations" section of the doValue Internet Website; that information also facilitates the participation of the shareholders in the shareholders' meeting, simplifying the exercise of their rights.

The Company, in conformity with Application Criterion 9.C.1 of the Corporate Governance Code, has chosen to establish a business structure dedicated to managing relationships with shareholders, positioned within the Administration, Finance & Control function entrusted to the Chief Financial Officer, Ms Manuela Franchi. The structure can be reached through the following channels:

e-mail: investorrelations@dovalue.it

telephone: +39 06 47979154

16.0 SHAREHOLDERS' MEETINGS (pursuant to Art. 123(2), paragraph 2, letter c) of the Consolidated Finance Law)

In accordance with the law, the Shareholders' Meeting is ordinary and extraordinary and meets, usually, in the town in which the Company is based, unless otherwise decided by the Board of Directors, provided that it is in Italy or in another country in which the Company performs its activity (also by way of its subsidiaries).

In conformity with existing provisions of law and regulations, the Articles of Association of the Company provide that the ordinary Shareholders' Meeting is convened at least once a year, within 120 days from year-end, to resolve upon the matters attributed by law and by the Articles of Association to its remit. If the legal conditions are in place, that term may be extended to 180 days.

The Shareholders' Meeting, both ordinary and extraordinary, is convened within the terms of law and regulations by way of notice published on the Company's internet website at the page <https://www.dovalue.it/it/governance/assemblea-azionisti-new>, as well as by the other methods provided by the legislation in force, including regulatory.

The Shareholders' Meeting is held at single convocation. The Board of Directors may decide that the Shareholders' Meeting may be held on multiple convocations. The majorities required by law shall apply.

In order for the constitution of the Shareholders' Meeting, both ordinary and extraordinary, and its respective resolutions to be valid, the provisions of law and the articles of association are observed; the majorities provided by existing regulations are applied.

In accordance with the Articles of Association, the ordinary Shareholders' Meeting establishes the remuneration due to the bodies elected by it.

The agenda is established by those exercising the power of convocation in the terms of law and the Articles of Association. If the Meeting is convened at the request of the shareholders, its agenda will be set by taking into account the indications contained in the convocation request.

The right to add to the agenda may be exercised, in conformity with existing regulatory provisions,

by as many shareholders as, even jointly, represent at least 2.5% of the share capital: in that case, they also prepare a report that sets out the motivation of the resolution proposals on new matters that they propose be discussed. The Shareholders may also submit further resolution proposals on matters already on the agenda, indicating the respective motivations.

By the deadline for publishing the notice of convocation, or in the different term provided by law, the Board of Directors guarantees the provision to the public of a report on each item on the agenda.

16.1 Legitimacy, attendance and voting methods

In accordance with the Articles of Association and in respect of existing regulations, the holders of shares having voting right may attend at the Shareholders' Meeting, provided that their legitimacy is certified according to the methods and terms provided by the legislation, including regulatory, in force at the time.

The legitimacy to attend at the Shareholders' Meeting and to exercise the right to vote is certified by a communication to the Company, made by the intermediary in favour of the entity holding the right to vote, based upon the respective evidence at the end of the accounting day of the seventh open trading day prior to the date fixed for the Shareholders' Meeting at first convocation.

Art. 9 of the Articles of Association reserves to the Chairman of the Shareholders' Meeting the right to ascertain, in general, the legitimacy to attend at the Shareholders' Meeting, as well as to resolve any disputes.

The Articles of Association do not provide the right for the Shareholders to attend at the Shareholders' Meeting by means of telecommunication, or to exercise the voting right electronically.

The Articles of Association also provide that the Shareholder holding the right to attend at the Shareholders' Meeting may be represented by written proxy by another person, even a non-shareholder, provided that this is in respect of the provisions of law. The voting delegation may also be granted by electronic document signed digitally in accordance with the provisions of existing regulations and notified to the Company by specific e-mail address by the methods indicated in the notice of convocation, or by other methods chosen from those provided by the legislation, including regulatory, in force and indicated in the notice of convocation.

In the year 2019, the Shareholders' Meeting met on 5 March and on 17 April and, with reference to Application Criterion 9.C.2 of the Corporate Governance Code, it is noted that the Directors broadly participated at those meetings. On those occasions, the Board of Directors was able to report on the activity performed and planned and took steps to provide to the Shareholders adequate information on the necessary elements so that they could assume, in full awareness, their decisions.

16.2 Conduct of Shareholders' Meeting works

By resolution made on 10 April 2017, the Shareholders' Meeting of doValue approved its Regulation, whose update will be submitted for approval of the Shareholders' Meeting at next convocation. The respective document is available to the shareholders and the public indistinctly on the doValue, in the

section *Governance*, as well as, for those who are legitimated to attend and exercise the voting right, at the registered office of the Company and in the locations in which the Shareholders' meetings are held each time.

Art. 16 of the Shareholders' Meeting Regulation grants to those entitled to participate based upon the law and the Articles of Association (the "Legitimate Attendees" being shareholders or their delegates, Directors, Auditors or the meeting Secretary) the right to attend at the Shareholders' Meeting and to take the floor on each of the items up for discussion.

Those intending to exercise the right to take the floor must make a request to the Chairman (by show of hand or by submitting a written request, if ordered in that sense by the Chairman) not before the item on the agenda to which the intervention request refers has been read aloud and in any case before the discussion on the item has been declared closed.

Art. 10 of the Articles of Association also provides that the Chairman is assisted by a Secretary, appointed by majority among the attendees. As well as in the cases provided by law, when the Chairman deems it opportune, a notary may be asked to act as Secretary, appointed by the Chairman himself.

16.3 Significant changes in the capitalisation and in the composition of the ownership structure

The doValue share capital has not undergone changes in the Financial Year and, at the date of 31 December 2019, amounts to Euro 41,280,000.00 split into no. 80,000,000 shares - indivisible and registered - not having par value.

The capitalisation of the Company is affected by fluctuations of the market values and, considering the value of the Company shares in the 2019 Financial Year, the dynamics indicated below can be identified:

DATE	SHARE VALUE	CAPITALISATION
Opening value 1 January 2019	€9.245	€739,600,000.00
Closing value 31 December 2019	€12.30	€984,000,000.00

For the purposes of a more complete analysis of the performance of the doValue stock, we note the payment of a dividend of €0.460 per share, following the shareholders' meeting resolution dated 17 April 2019.

In relation to the composition of the ownership structure, the significant changes compared to the end of the 2018 financial year are illustrated. At the date of approval of this report, Softbank holds shares amounting to 26.9% of the doValue share capital, an amount reduced compared to the 50.1% of late 2018. From the various shareholders, Jupiter Asset Management Limited holds shares amounting to 7.7% of the doValue share capital.

At the approval date of this Report, no amendments to the Articles of Association were proposed to the Shareholders' Meeting in relation to the percentages established for exercising the shares and the prerogatives implemented to protect the minorities.

17.0 ADDITIONAL CORPORATE GOVERNANCE PRACTICES (pursuant to Art. 123(2), paragraph 2, letter a) of the Consolidated Finance Law)

Reporting systems of illegitimate behaviours (whistleblowing)

Following the 11th update of Circular 285/2013 of the Bank of Italy which defined specific requirements in relation to "Reporting of illegitimate behaviours (Whistleblowing)", with the aim of introducing, within banks, fully-fledged internal systems dedicated to gathering reports by personnel, of actions and circumstances that may constitute a breach of the rules regulating banking activity, doValue implemented a system dedicated to gathering reports from personnel, of actions and circumstances that may constitute a breach of the rules regulating banking activity.

Following the debanking, the Company began a project aimed at updating the Company's whistleblowing system in order to guarantee respect of the main applicable regulations and in particular Italian Law 30 November 2017, no. 179 laying down "Provisions for the protection of whistleblowers of crimes or irregularities of which they have become aware as part of a public or private employment relationship.

Non-financial declaration

doValue, in the capacity of Issuer falling among the Entities of public interest, presented during the financial year its consolidated declaration in relation to non-financial information, in conformity with the provisions dictated in that regard by Italian Legislative Decree 254/2016 and in concomitance with the reporting obligations linked to the Financial Statements at 31 December 2019.

On 20 March 2020 the doValue BoD approved the Non-financial Consolidated Declaration in accordance with Italian Legislative Decree 254/2016 at 31 December 2019.

18.0 CHANGES SINCE RELEVANT YEAR-END

On 15 January 2020 the Company received a new Form 120A produced by EJV Capital LLC, with which it communicated the purchase of additional doValue shares and the increase of the respective investment to 10.74%. On 9 April 2020 the Company received a further Form 120A produced by EJV Capital LLC, with which it communicated the sell of doValue shares and the decrease of the respective investment to approximately 1.91%

Below is the resulting situation.

Entity holding indirect investment	Shareholders at 15-01-2020	No. Shares	Share held	Total no. shares	Total share held
Softbank Group Corp.	Avio S.à r.l. (*)	20,040,000.	25.05%	21,502,079.	26.88%
	Other investors attributable to Softbank Group Corp. (*)	1,462,079.	1.83%		

Entity holding indirect investment	Shareholders at 15-01-2020	No. Shares	Share held	Total no. shares	Total share held
Jupiter Asset Management Ltd	Nortrust Nominees Ltd (**)	4,108,697	5.14%	6,165,978	7.71%
	Other investors attributable to Jupiter Asset Management Ltd (**)	2,057,281	2.57%		
	doValue (treasury shares)	1,164,174	1.45%	1,164,174	1.45%
	Other Shareholders	51,167,769	63.96%	51,167,769	63.96%
TOTAL		80,000,000	100.00%	80,000,000	100.00%

(*) Shareholders attributable to Softbank Group Corp., as recorded by communication Form 120A dated 27 December 2019

(**) Shareholders attributable to Jupiter Asset Management Ltd, as recorded by communication Form 120A dated 18 October 2017

During the board meeting on 13 February 2020, it was ascertained that for the 2019 financial year doValue exceeded the levels of turnover required to fall within the category of SME; given that the capitalisation levels have already previously been exceeded, the three-year observation period now opens; therefore, if, for three consecutive years, both of the aforementioned parameters are exceeded, the Company would lose the classification of SME.

19.0 CONSIDERATIONS ON THE LETTER DATED 19 DECEMBER 2019 OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

During the board meeting on 31 January 2019, the Chairman of the Board of Directors of doValue delivered and illustrated to the Directors, also in the capacity of members of the Board Committees, as well as to the Board of Auditors, the letter dated 19 December 2019 (which refers to the so-called Report), sent by the Chairman of the Corporate Governance Committee (“Committee”) to the Chairmen of the Boards of Directors of all Italian listed companies.

The Report of the Committee provides an overview on the application of the main recommendations of the Code, identifying a good level of application of the same, despite recognising that there are still some areas of improvement, particularly as regards the quality of the information provided by the issuers in relation to the respective deviation.

In light of the findings of the 2019 Report, the Committee has identified this year four main areas on which to solicit an improvement of the governance practices of the issuers - addressed not only to the management body but also, insofar as it is responsible, to the audit body - and made a recommendation for each of the same:

1. **Sustainability:** *The Committee invites the boards of directors to integrate the sustainability of the business activity into the definition of the strategies and remuneration policy, also based*

upon an analysis of significance of factors that may affect the generation of value in the long-term.

2. **Quality of reporting to the board of directors:** *The Committee recommends that the companies ensure, also in any regulation of the board works, an adequate management of information flows to the board of directors, guaranteeing that the confidentiality requirements are protected without compromising the completeness, usability and promptness of the reporting.*
3. **Independence:** *The Committee invites the management bodies to apply with greater rigour the criteria of independence defined by the Code and the control bodies to oversee the correct application of those criteria. The Committee, as well as reiterating the exceptional nature and necessary individual motivation - linked, therefore, to the concrete case of the individual director – of the derogation from any criterion of independence recommended by the Code, invites the issuers to pay greater attention to the assessment of the significance of the relationships being assessed. To that end, the Committee invites the management bodies to define ex ante the quantitative and/or qualitative criteria to be used to assess the significance of the relationships being examined. Those criteria should concern the overall position, not limited to the merely economic benefit, of the director whose independence is being assessed, and be adequately and transparently communicated to the market in the corporate governance report.*
4. **Remuneration of non-executive directors and members of the control body:** *Also in light of the comparative analysis, the Committee recommends to the management bodies - and to the respective committees responsible for remuneration - to check that the amount of remuneration granted to the non-executive directors and to the members of the control body is adequate to the expertise, professionalism and commitment required by their role. Valid assistance may derive, to that end, from a reference to the remuneration practices widespread in the relevant sectors and for companies of similar dimensions, possibly also considering comparable foreign experiences.*

The Board of Directors, at the cited meeting on 31 January 2020, therefore assessed the recommendations received from the Committee with respect to the Governance model adopted and deemed that doValue is substantially already compliant with the recommendations received.

In particular, with reference to the first recommendation relating to sustainability, the Board of Directors - when examining the 2019-2021 business plan of the doValue Group, approved on 7 November 2019 - assessed its sustainability in the medium to long-term also in terms of coherence of the assumptions at the basis of its preparation with the nature and levels of risk defined as compatible with the strategic objectives of the Group, in conformity with Application Criterion 1.C.1, letter b of the Corporate Governance Code.

In addition, the issue of sustainability is subject to examination by the internal structures of the Company in charge of preparing the Non-Financial Consolidated Declaration of the doValue Group for the 2019 financial year envisaged by Italian Legislative Decree 254/2016, which assesses all risks

that may become significant in terms of medium to long-term sustainability.

With regard to the second recommendation concerning the quality of reporting to the board of directors, the Board of Directors has assessed that the management of information flows to the board of directors is adequate and suitable to guarantee to the Directors that they are sufficiently informed on the items on the agenda. In particular, the existing regulation of the Board of Directors identifies clearly the prior notice period with which the documentation must be made available to the directors before the meetings (i.e. two days before), a deadline that, also during 2019, was respected. That consideration, in addition, also emerged in the recent Self-assessment process of the Board.

As regards the third recommendation relating to the independence of the Directors, the Board of Directors identified the inexistence of risk situations, given the in-depth assessment that the management body performs even annually on the approval of the financial statements.

Finally, as regards the fourth recommendation relating to the remuneration of the non-executive directors and members of the control body, the Board of Directors, having performed analyses and investigations, has identified that the amount of remuneration paid by the Company to the non-executive directors and to the members of the control body is adequate to the expertise, professionalism and commitment required by their role.

Notably, as envisaged by the fourth recommendation, the remuneration practices widespread in the relevant sectors and for companies of similar dimensions have been assessed and it has emerged that both the remuneration paid to the non-executive directors and to the members of the audit body is in line with that of the market.

TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE

doValue S.p.A. - Structure of Share Capital				
	No. Shares	% of S.C.	Listed/Not Listed	Rights and obligations
Ordinary Shares	80,000,000	100	100	
Multiple voting shares	//	//	//	//
Shares with limited voting right	//	//	//	//
Shares without voting right	//	//	//	//
Other	//	//	//	//
doValue S.p.A. - Capital				
	No. Shares	% of S.C.		
Outstanding Shares	78,835,826	98.55		
Treasury Shares	1,164,174	1.45		
doValue S.p.A. - Other Financial Instruments				
	Listed	No. outstanding instruments	Category of shares in service of conversion	No. shares in service of conversion
Convertible bonds	//	//	//	//
Warrants	//	//	//	//
doValue S.p.A. - Significant Investments in Share Capital				
Affiant	Direct Shareholder	% Share of Ordinary Capital		% Share of Voting Capital

SoftBank Group Corporation	Avio S.à r.l. - Luxembourg	25.05	25.42
	Other investors attributable to Softbank Group Corp.	1.83	1.86
EJF Capital LLC	EJF Debt Opportunities GP, LLC	8.38	8.50
	EJF Debt Opportunities II GP, LLC	1.05	1.06
Jupiter Asset Management Limited - London - England	Nortrust Nominees Ltd	5.14	5.21
	Other investors attributable to Jupiter Asset Management Ltd	2.57	2.61
	Others	54.53	55.33
	doValue Treasury Shares	1.45	--

TABLE 2: STRUCTURE OF BOARD OF DIRECTORS AND COMMITTEES

Board of Directors													Control and Risks Committee		Remun. Committee		Appointments Committee		Any Executive Committee	
Role	Members	Year of birth	First appointment date *	In office from	In office until	List **	Exec	Non-exec	Indep. Code	Indep CFL	No. other assignments ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman	Giovanni Castellaneta	1942	30/10/2015	19/04/2018	Approval of the Financial Statements at 31/12/2020	M	NO	YES	NO	YES	0	17/17	9/10	M	----	----	6/6	M	----	----
Managing Director ♦	Andrea Mangoni	1963	02/03/2016	19/04/2018	Approval of the Financial Statements at 31/12/2020	M	YES	NO	NO	NO	1	17/17	----	----	----	----	----	----	----	----
Director	Emanuela Da Rin	1967	19/04/2018	19/04/2018	Approval of the Financial Statements at 31/12/2020	M	NO	YES	NO	NO	0	17/17	----	----	----	----	----	----	----	----
Director	Giovanni Battista Dagnino	1966	19/04/2018	19/04/2018	Approval of the Financial Statements at 31/12/2020	m	NO	YES	YES	YES	0	16/17	11/11	C	----	----	5/6	M	----	----
Director	Francesco Colasanti	1975	30/10/2015	19/04/2018	Approval of the Financial Statements at 31/12/2020	M	NO	YES	NO	NO	1	13/17	----	----	6/7	M	----	----	----	----
Director	Nunzio Guglielmino	1946	30/10/2015	19/04/2018	Approval of the Financial Statements at 31/12/2020	M	NO	YES	YES	YES	0	14/17	11/11	M	7/7	C	----	----	----	----
Director	Giovanni Lo Storto	1970	30/10/2015	19/04/2018	Approval of the Financial Statements at 31/12/2020	M	NO	YES	YES	YES	1	16/17	----	----	7/7	M	6/6	C	----	----
Director	Giuseppe Ranieri	1974	15/07/2016	19/04/2018	Approval of the Financial Statements at 31/12/2020	M	NO	YES	NO	NO	0	15/17	----	----	----	----	----	----	----	----
Director	Marella Idi Maria Villa	1977	25/01/2019	25/01/2019	Approval of the Financial Statements at 31/12/2020	M	NO	YES	NO	NO	0	15/15	----	----	----	----	----	----	----	----
-----DIRECTORS CEASING OFFICE DURING RELEVANT FINANCIAL YEAR-----																				
----	----	----	----	----	----															

No. Board of Directors' meetings held during relevant year: 17	Risks and Transactions with Related Parties Com.11	Remuneration Committee: 7	Appointments Committee: 6	Executive Committee: N/A
The quorum required for the submission of lists by the minorities for the election of one or more members (pursuant to Art. 147(3) of the Consolidated Finance Law) amounts to 1% (Consob resolution no. 20273 of 24 January 2018)				

NOTES

The symbols indicated below must be inserted in the column "Role":

- This symbol indicates the director in charge of the internal control and risk management system.
- ◊ This symbol indicates the main person responsible for managing the issuer (Managing Director or CEO).
- This symbol indicates the Lead Independent Director (LID).

* First appointment date of each director means the date on which the director was appointed for the first time (absolutely) in the Issuer's BoD.

** This column indicates the list from which each director was taken ("M": majority list - expression of the Shareholder Avio S. à r.l.; "m": minority list - expression of a group of minority Shareholders; "BoD": list submitted by the BoD).

*** This column indicates the number of assignments as director or auditor covered by the interested party in other companies listed on regulated markets, even foreign, in financial, banking or insurance companies or those of significant dimensions. The assignments are indicated in full below.

(*). This column indicates the attendance of the directors at meetings respectively of the BoD and the committees (indicate the number of meetings s/he attended compared to the total number of meetings s/he could have attended; e.g. 6/8, 8/8, etc.).

(**). This column indicates the qualification of the director within the Committee: "C": chairman; "M": member.

TABLE 3: STRUCTURE OF THE BOARD OF AUDITORS

Board of Auditors									
Role	Members	Year of birth	First appointment date *	In office from	In office until	List **	Indep. Code	Attendance at Board meetings ***	No. other assignments ****
Chairman	CHIARA MOLON	1983	19/04/2018	19/04/2018	Approval of the Financial Statements at 31/12/2020	m	YES	24/24	14
Statutory Auditor	FRANCESCO MARIANO BONIFACIO	1954	30/10/2015	19/04/2018	Approval of the Financial Statements at 31/12/2020	M	YES	23/24	27
Statutory Auditor	NICOLA LORITO	1961	30/10/2015	19/04/2018	Approval of the Financial Statements at 31/12/2020	M	YES	24/24	16
Alternate auditor	SONIA PERON	1970	19/04/2018	19/04/2018	Approval of the Financial Statements at 31/12/2020	m	YES	//	4
Alternate auditor	ROBERTA SENNI	1982	19/04/2018	19/04/2018	Approval of the Financial Statements at 31/12/2020	M	YES	//	7
-----AUDITORS CEASING OFFICE DURING RELEVANT FINANCIAL YEAR-----									
Number of meetings held during relevant financial year: 24/24									
The quorum required for the submission of lists by the minorities for the election of one or more members (pursuant to Art. 148- Consolidated Finance Law) amounts to 1% (Consob resolution no. 20273 of 24 January 2018)									

NOTES

* Date of first appointment of each auditor means the date on which the auditor was appointed for the first time (absolutely) in the issuer's board of auditors.

** This column indicates the list from which each auditor was taken ("M": majority list - expression of the Shareholder Avio S. à r.l.; "m": minority list - expression of a group of minority Shareholders).

*** This column indicates the attendance of the auditors at meetings of the board of auditors (indicate the number of meetings he/she attended compared to the overall number of meetings he/she could have attended; e.g. 6/8, 8/8, etc.).

****This column indicates the number of assignments as director or auditor covered by the relevant person in accordance with Art. 148-bis of the Consolidated Finance Law and the respective implementing provisions contained in the Consob Issuers' Regulation. The full list of assignments is published by Consob on its internet website in accordance with Art. 144-quinquiesdecies of the Consob Issuers' Regulation.

Role	Name	Assignments Covered
Chairman	Chiara Molon	<p>Chairman of the Board of Auditors doValue S.p.A., Koinos Coop. Informatica Organizzazione Servizi dei Dottori Commercialisti S.C. a r.l.;</p> <p>Statutory Auditor Capital for Progress Single Investment S.p.A.; Leftloft S.p.A.; Officine E. Biglia & C. S.p.A.; TBS IT Telematic & Biomedical Services S.r.l.; VENICE LNG S.p.A.</p> <p>Sole Auditor S.OF.I.B. S.r.l.</p> <p>Sole Director HT Consulting S.r.l. a socio unico</p> <p>Alternate Auditor Tamoil Italia S.p.A.; Tamoil Raffinazione S.p.A.; Continentale Italiana S.p.A.; I.M.A. Industria Macchine Automatiche S.p.A. - IMA S.p.A. ; Servizi Logistici S.r.l.; MELT 1 S.r.l..</p>
Statutory Auditor	Francesco Mariano Bonifacio	<p>Chairman of the Board of Auditors Italfondiaro S.p.A.; Autostrade TECH S.p.A.; Larimart S.p.A.; Telepass S.p.A.; Telepass Pay S.p.A.; Tmall RE S.r.l.; Torre SGR S.p.A.; Pavimental S.p.A.; Resloc IT S.r.l.; Goldbet S.p.A..</p> <p>Statutory Auditor doValue S.p.A.; Bologna & Fiera Parking S.p.A.; doSolutions S.p.A.; Bulgari Hotels and Resorts Milano S.r.l.; Bulgari Italia S.p.A.; Cellnex Italia S.r.l.; Galata S.p.A.; Tower CO S.p.A.; Consorzio Leonardo Technical Training.</p> <p>Director AFS Accounting & financial Services S.r.l. in short A.F.S. Srl.</p> <p>Member of Supervisory Committee Banca di Credito Coop. di Velletri in liquidazione</p> <p>Alternate Auditor Azzurra Aeroporti S.p.A.; ESSEDIESSE Società di servizi S.p.A.; Giove Clear S.r.l.; Opera SGR S.p.A.; Terminale GNL Adriatico S.r.l.; Bulgari Gioielli S.p.A.; Bulgari S.p.A.</p>
Statutory Auditor	Nicola Lorito	<p>Chairman of the Board of Auditors doSolutions S.p.A.; ACEA Engineering Laboratories Research Innovation S.p.A.; ENPAM Real Estate S.r.l. a socio unico.</p> <p>Statutory Auditor doValue S.p.A.; Italfondiaro S.p.A.; Banor Soc. Intermediazione Mobiliare S.p.A.; Torre SGR S.p.A.; Protos S.p.A.; TMALL RE S.r.l.; Sarnese Vesuviano S.r.l.</p> <p>Sole Auditor BRE/Alliance Hospitality Italy S.r.l. in liquidazione,</p>

		<p>Member of Supervisory Committee Banca di Credito Coop. di Velletri in liquidazione</p> <p>Liquidator Sienergia S.p.A. in Liquidazione; Luigi Maria Monti Mater Olbia S.r.l. in liquidazione</p> <p>Alternate Auditor Costruzione Riordino Esercizio Acquedotti - C.R.E.A. S.p.A. in liquidazione; BBVA Finanzia S.p.A. in liquidazione; RESLOC IT S.r.l.</p>
Alternate auditor	Sonia Peron	<p>Chairman of the Board of Auditors SOGEFI S.p.A.</p> <p>Statutory Auditor Mazars Italia S.p.A.</p> <p>Independent Auditor G.A.A.T Service S.r.l.</p> <p>Alternate Auditor doValue S.p.A.; ISAGRO S.p.A.</p>
Alternate auditor	Roberta Senni	<p>Statutory Auditor LKTS S.p.A. in liquidazione; C-Zone S.p.A. in liquidazione; Ktesios Holding S.p.A. in liquidazione; CQS Holding S.r.l. in liquidazione</p> <p>Alternate Auditor doValue S.p.A.; doSolutions S.p.A.; Italfondario S.p.A.; Interpump Group S.p.A.,</p>



doValue